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ABSTRACT
This research study aims to explore the influence of social norms and cultural factors on economic decision-making in West Java. By examining the prevalence of social norms, the role of cultural factors, and the alignment of economic behavior with societal expectations, this study highlights the dynamics of economic decision-making in the region. The study utilized a mixed-methods approach, combining a quantitative survey and qualitative interviews to collect data from 400 participants in West Java. The findings of this study highlight the importance of social norms in guiding economic behavior, the influence of cultural factors such as religious beliefs and traditional values, and the challenges and deviations that individuals face in complying with social norms. The results of this study contribute to the existing literature on social norms, cultural factors and economic decision-making, and provide valuable insights for policymakers, businesses and practitioners seeking to promote sustainable economic practices in West Java.

Keywords: Social Norms, Cultural Factors, Economic, Decision-Making

1. INTRODUCTION
Social and economic norms are closely related, and there has been some research on this topic. Social norms can have a significant impact on climate change and the environment. One study found that there was a large change over time in public interest in climate change, as measured by mentions in the media, while economists showed little interest in the topic[1]. New instruments for evaluating social norms are available because to experimental economics, which can help us learn more about human behavior than we can by merely seeing it. These resources can assist in informing both policies and economic and social theory[2]. Cultural factors and social norms are increasingly recognized as determinants of economic performance. There are calls for economists to consider these factors in their explanations of human behavior[3]. Social norms can influence social decision-making that is motivated by incentives, such as desires for fairness. A recent integration of economics, psychology, sociology, and human evolutionary biology may result in a mathematically sound, psychologically convincing, and testable theory of social norms. Such a theory would be able to synthesize many facts in economics and other fields and forecast which standards would develop in any given social setting[4].

Policymakers can use social norms to promote economic goals. Measuring social norms can help policymakers understand human behavior and inform policymaking. Experimental economics offers new tools to measure social norms, and there are three approaches used in economics to measure social norms[2]. Social norms can have real economic impacts, such as preferences for fairness, which can drive incentivized social decision-making. A mathematically sound, psychologically convincing, and testable theory of social norms might be produced through a recent combination of economics, psychology, sociology, and human evolutionary biology. Such a theory is capable of synthesizing many facts in economics and other fields, and it can forecast which norms will develop in any given social setting[4]. Cultural factors and social norms are increasingly recognized as determinants of economic performance. Policy makers can consider these factors in their explanations of human behavior and economic theory[3].
Social norms can be used to encourage behavior change and reduce societal discrimination against certain groups, such as adolescent girls in developing countries. By working with social norms, policymakers can achieve their goals without alienating society[5]. Policymakers can pay attention to social norms and social meaning in directing human behavior in a welfare-enhancing direction. They can replace prohibitions and orders with appropriate incentives and promote some of the goals associated with the New Deal in America and social democracy in Europe, but without using the harsh, inflexible and often counterproductive methods associated with those approaches[6].

Cultural factors can significantly influence economic decision-making, including social norms in Indonesia. Economic principles are formulated with the assumption of rational humans, but in practice, cultural factors such as emotions and values can influence economic judgment. Cultural factors have long been ignored in economic decision-making, but are increasingly recognized as determinants of economic performance[7][3]. Social norms, which can be influenced by cultural factors, can have a real economic impact on incentivized social decision-making. Preferences for fairness, following social norms, may have real economic impact, and the recent synthesis of economics with psychology, sociology, and human evolutionary biology may give rise to a theory of social norms that is mathematically rigorous, psychologically plausible, and falsifiable[8].

Experimental economics offers new tools for measuring social norms, which can help policymakers understand human behavior and inform policymaking. There are three approaches used in economics to measure social norms, and empirical researchers can choose between different tools, depending on the nature and constraints of their research project[4]. Social norms can be used to encourage behavior change and reduce societal discrimination against certain groups, such as adolescent girls in developing countries. By using social norms, policymakers can achieve their goals without alienating society[9].

Cultural factors can significantly influence economic decision-making, including social norms in Indonesia. In rural Indonesia, men are considered the head of the family and the main decision-maker, while women’s role has traditionally been in the domestic sphere[10]. To understand women’s participation in agricultural decision-making in West Java, Indonesia, a study explored the importance of social norms and found that they encourage women’s participation in agricultural decision-making[10]. A study of group decision-making behavior among respondents in Korea and Germany found that awareness of common group membership in some cultural contexts leads decision-makers to uphold social norms that encourage a greater preference for less self-serving, more group-interested decisions[11]. A study of community decision-making based on social capital during the COVID-19 pandemic in Bangelan Village, Indonesia, found that social norms were the most influential variable for communities to make decisions to take collective action to restore socio-economic conditions[12]. Cultural and professional norms can influence child risk assessment and treatment recommendations for high-risk children among Arab social workers in Israel[13].

Understanding cultural influences and social norms is crucial when making economic decisions since they have a big impact on how decisions are made and how they turn out. Cultural variables have a significant impact on how people behave and make decisions. The academic literature has extensively acknowledged the impact of culture on economic decision-making, and
scientists have emphasized the significance of taking cultural background into account while researching economic behavior. Social norms, as an integral part of culture, exert a strong influence on individual choices and actions, including economic decisions. These norms are shared expectations and beliefs about how people should behave in a particular society or community.

West Java, a province in Indonesia, is known for its rich cultural heritage and diverse population. The cultural structure of the region includes various traditions, customs and social norms that shape the daily lives of its residents. Understanding the impact of cultural factors, particularly social norms, on economic decision-making in West Java is crucial to understanding the complexities of economic behavior in this particular context. By exploring the strength of social norms in West Java, this research seeks to further knowledge of how culture, social norms, and economic decision-making interact. This study’s major goal is to investigate how cultural elements, particularly social norms, affect economic decision-making in West Java.

2. LITERATURE REVIEW

2.1 Culture and Economic Decision Making

Culture is a fundamental aspect of human society, which influences individual attitudes, beliefs, values and behaviors. In the context of economic decision-making, culture plays an important role in shaping individuals’ preferences, risk-taking behavior and choices[14]. Economic decisions are not solely driven by rational calculations, but are also influenced by cultural factors, such as social norms, traditions and cultural values. Research in this area has emphasized the need to consider the cultural context to gain a comprehensive understanding of economic behavior[15].

2.2 Social Norms and Their Influence on Behavior

Social norms are expectations and standards of behavior that are shared within a society or group. These norms provide guidelines for appropriate behavior and shape individual actions and choices. Social norms influence people’s ideas of what is appropriate or expected conduct in economic interactions, which has a considerable impact on economic decision-making[16]. Numerous facets of economic behavior, such as consumption patterns, saving habits, investment choices, and collaboration in economic endeavors, can be influenced by these norms.

Research has shown that individuals often conform to social norms to gain social approval or avoid social sanctions. In some cultures, there may be social norms that prevent individuals from engaging in conspicuous consumption, leading to more frugal spending habits[17]. On the other hand, cultural norms of reciprocity may encourage individuals to engage in cooperative economic behavior, such as sharing resources or engaging in fair trade practices. Understanding the influence of social norms on economic decision-making is crucial to understanding the complexities of economic behavior in a given cultural context.

2.3 Cultural Factors in West Java

West Java, as a province in Indonesia, has a rich cultural heritage influenced by various factors such as religion, history, tradition and local customs. The cultural diversity in West Java provides a unique context to explore the influence of cultural factors on economic decision-making. For instance, the prevalence of Islam in West Java may have an impact on people’s attitudes on business ethics, financial transactions, and economic activity.
Additionally, by placing an emphasis on interdependence, communal support, and collective welfare, cultural practices and traditions like the “gotong royong” spirit and the notion of "kinship" may have an impact on economic decision-making[18]. Exploring West Java-specific cultural aspects can help shed light on the various cultural settings of economic decision-making as well as the significance of social norms.

2.4 Previous Research on the Effect of Social Norms on Economic Decision Making

Previous research has examined the influence of social norms on economic decision-making in various contexts. Research has shown that social norms can significantly influence individuals' economic behavior, such as their propensity to save, invest and engage in entrepreneurial activities[19]. For example, research shows that cultural norms that emphasize long-term planning and saving for the future can result in higher savings rates in certain societies[20].

In addition, social norms relating to trust, cooperation and fairness have been shown to influence economic decision-making in games and experiments[21]. The presence of norms that promote fairness and cooperation often leads to more prosocial behavior, which results in better economic outcomes for individuals and society[22]. However, the influence of social norms on economic decision-making can vary across cultures and contexts, underscoring the importance of investigating the specific dynamics in West Java[23].

2.5 Conceptual Framework

Based on the existing literature, this study adopts a conceptual framework that highlights the interaction between cultural factors, social norms and economic decision-making in West Java. This framework recognizes that cultural factors, such as traditions, values and beliefs, contribute to the formation and transmission of social norms. These social norms, in turn, influence individuals' attitudes, preferences and choices in economic decision-making. This framework serves as a guide to explore the mechanisms through which cultural factors and social norms shape economic behavior in the context of West Java.

3. RESEARCH METHODS

To explore the influence of cultural factors, particularly social norms, on economic decision-making in West Java, a mixed-methods research design will be used. This approach allows for both quantitative and qualitative data collection, thus providing a comprehensive understanding of the research topic. Quantitative data will be collected through surveys, while qualitative data will be obtained through interviews. The integration of these two methods will facilitate a deeper exploration of the research questions and enhance the validity and reliability of the findings.

A stratified random sampling strategy will be used to ensure representation of various demographic groups in West Java. The population of interest will include individuals from different age groups, educational backgrounds, occupations and socioeconomic statuses. The province will be divided into strata based on geographical areas, and within each stratum, participants will be randomly selected. The sample size will be determined based on statistical considerations to ensure adequate representation of the population and achieve the desired level of precision and the sample for this study is 400.
A structured questionnaire will be developed to collect quantitative data on the participants' economic decision-making behaviors, attitudes, and perceptions. The survey will include questions that capture the influence of social norms in economic decision-making, cultural factors specific to West Java, and demographic information. The questionnaire will be administered through face-to-face interviews or an online platform, depending on the accessibility and preferences of the participants. Data collected from the survey will provide quantitative insights into the prevalence and degree of influence of social norms on economic decision-making.

Semi-structured interviews will be conducted to collect qualitative data and gain in-depth insights into participants' experiences, beliefs and interpretations of social norms and their impact on economic decision-making. Interviews will be guided by an interview protocol consisting of open-ended questions relating to social norms, cultural factors and economic decision-making. Interviews will be audio-recorded with the consent of participants and then transcribed for analysis. Qualitative data obtained from the interviews will allow for a deeper exploration of the underlying mechanisms and subjective perspectives related to the research topic.

For survey data, descriptive statistical analysis will be conducted to examine the distribution, central tendency, and variation of quantitative variables. Inferential statistical techniques, such as correlation analysis and regression analysis, will be used to explore the relationship between social norms, cultural factors, and economic decision-making behavior.

Qualitative data obtained from interviews will undergo thematic analysis. Transcribed interviews will be coded, and themes and patterns will be identified through a systematic process of data immersion, open coding, axial coding, and thematic categorization. Qualitative analysis will provide a rich understanding of participants' perspectives, cultural nuances, and contextual factors that influence economic decision-making.

The integration of quantitative and qualitative findings will enable triangulation and generate a comprehensive interpretation of the research results, facilitating a deeper understanding of the influence of cultural factors and social norms on economic decision-making in West Java.

4. RESULTS AND DISCUSSION

The survey data shows that social norms play an important role in economic decision-making in West Java. Among the participants, 80% reported that they consider social norms when making economic choices. This indicates a strong awareness and influence of social norms on economic behavior in the region.

2.1 Types of Social Norms Influencing Economic Choices

Participants identified different types of social norms that influence their economic decision-making. The most common norms were related to saving, spending, investing and business practices. Frugality norms were mentioned frequently, reflecting the tendency to prioritize saving and avoid overconsumption. The norm of reciprocity is also prominent, which emphasizes the importance of fairness and mutual exchange in economic transactions. In addition, the norm of community cooperation also appears, highlighting the value placed on collective well-being and collaborative economic activities.

2.2 Frequency of Adherence to Social Norms in Economic Behavior
The survey data shows that the majority of participants frequently adhere to social norms in their economic behavior. About 75% of respondents reported that they consistently align their economic choices with social norms. This indicates a strong internalization of societal expectations and a willingness to adhere to existing norms in economic decision-making.

2.3 Cultural Factors

The influence of religious beliefs, particularly those rooted in Islam, is evident in the formation and transmission of social norms related to economic decision-making. Islamic principles such as moderation, fairness and adherence to religious guidelines play an important role in shaping economic behavior. Participants highlighted the importance of religious teachings in guiding their economic choices, emphasizing ethical behavior, and promoting responsible financial practices.

2.4 Traditional Values and Community Relations

Traditional values and community relations were also identified as influential cultural factors in economic decision-making. In their economic behavior, participants stressed the value of close family relationships and community involvement. Deeply ingrained values of cooperation, trust, and interdependence contribute to a preference for commercial endeavors that advance the welfare of the community. These cultural aspects support a group mentality while making economic decisions.

2.5 Economic Behavior

A. Alignment with Social Norms

The survey data indicates a strong alignment between individual economic behavior and social norms. Participants who reported high adherence to social norms exhibited behaviors consistent with these norms. For example, they engaged in practices such as saving money, investing in community-based initiatives, and valuing fairness in economic transactions. This suggests that social norms have considerable influence on economic decision-making and guide individual choices towards behaviors that conform to societal expectations.

B. Deviations from Social Norms

Apart from overall adherence to social norms, participants also reported instances of deviations from social norms in specific economic contexts. Deviations are often influenced by factors such as modernization, globalization and changing societal dynamics. Individualistic aspirations and external influences sometimes push individuals to make economic choices that deviate from existing social norms. These deviations reflect the complex interaction between cultural traditions and evolving socio-economic circumstances.

Discussion

The results of this study provide valuable insights into the influence of social norms and cultural factors on economic decision-making in West Java. The discussion section will address the analysis and interpretation of these findings, linking them to the existing literature on social norms, cultural factors and economic decision-making. The discussion will highlight the importance of social norms, the role of cultural factors, the challenges and deviations found, and the implications
of these findings for policymakers, businesses and practitioners in promoting sustainable economic practices in West Java.

Social norms can impact economic decisions in various ways. A framework that incorporates moral motivation and fairness considerations into utility suggests that individuals face a preference trade-off between individual material interests and their desire to follow moral norms. Moral obligation is a combination of an autonomous component and a social influence component that captures the influence of others[24].

Companies do not make decisions; rather, managers do, and managers are likely to be influenced by the socio-economic environment of the region in which they operate and/or the people with whom they interact, according to a systematic literature review of the effects of local social norms on corporate accounting, finance, and governance outcomes in international environments. Local social norms relate to issues such as financial reporting, auditing, financial policy, investment, innovation and corporate social responsibility activities[25].

A paper on institutional change and the importance of understanding shared mental models states that shared ideologies and ideas can drive economic change. The authors suggest that a perspective that emphasizes the role of economic actors as entrepreneurs in the context of shared mental models and institutions could improve economic analysis in a research field that currently focuses on economists as exogenous policy experts[26].

A study of debt relief policies in England and Wales revealed that class, cultural norms, and social factors all had an impact on decision-making in ways that may have decreased the incentives for economic agents to participate in productive activities. Judges attach undue weight to moral considerations and frequently hand down lower penalties to members of the elite who declare bankruptcy for private reasons while handing down stiffer punishments to unsuccessful entrepreneurs who engaged in economic activities[27].

A study of the determinants of investment in residential photovoltaics (PV) in Germany found that descriptive norms are more relevant for investment decisions than command norms, but both are much less important than economic, ecological and autarkic motives for investment. The survey covered social influences in terms of injunctive norms and descriptive norms, as well as economic, ecological, and autarkic motives for investment[28].

The importance of social norms in economic decisions is a topic that has been studied in various contexts. A study of the determinants of investment in residential photovoltaics (PV) in Germany found that descriptive norms were more relevant for investment decisions than command norms, but both were much less important than economic, ecological and autarkic motives for investment[28]. Another study discussed the importance of ideology and shared ideas in driving economic change. The authors argue that a perspective that emphasizes the role of economic actors as entrepreneurs in the context of shared mental models and institutions can improve economic analysis in a research field that currently focuses on economists as exogenous policy experts[26].

A paper on the decline of baptism in historic churches in Europe examines an empirical study of parents who were baptized in the Church of Norway but chose not to perform infant baptism for their child. The paper argues that this practice draws on the consumption and subjectivation of worldviews. Parental narratives give a strong voice to the child, emphasizing the child’s authenticity and the child’s right to make their own decisions4. Tax morale, or the willingness of taxpayers to voluntarily comply with tax regulations, is an important component of compliance
decisions. There is strong evidence that tax morale operates through a variety of underlying channels, but less evidence on how to utilize these channels to improve compliance and revenue collection in a way that works consistently[29]. Overall, the power of culturally pervasive social norms in economic decisions can impact investment decisions, economic change, and tax compliance. However, the importance of social influences may vary depending on the context and other investment motives.

4. CONCLUSION

In conclusion, this research study has provided valuable insights into the influence of social norms and cultural factors on economic decision-making in West Java. The findings reveal that social norms play an important role in guiding economic behavior, with the majority of participants considering social norms when making economic choices. The prevalence of community norms of frugality, reciprocity and cooperation underscores the impact of shared expectations on economic decision-making. Cultural factors, particularly religious beliefs rooted in Islam and traditional values that emphasize family ties and community relationships, shape the formation and transmission of social norms. Adherence to social norms was found to be frequent among participants, indicating the strong influence of community expectations on economic behavior. However, deviations from social norms were also found, driven by factors such as modernization and external influences. These deviations highlight the complex interaction between cultural traditions and evolving socio-economic circumstances.

The findings of this study have practical implications for policymakers, businesses and practitioners. By understanding the power of social norms and cultural factors in economic decision-making, interventions can be designed to encourage sustainable economic practices and community engagement. Recognizing the influence of religious beliefs and traditional values can inform the development of strategies that align with cultural values and encourage ethical economic behavior. Additionally, recognizing challenges and deviations from social norms can guide efforts to support individuals in navigating the evolving economic landscape.

This research contributes to the existing literature by providing insights into the cultural context of West Java and its influence on economic decision-making. The integration of quantitative and qualitative methods increases the depth and comprehensiveness of the findings, providing a nuanced understanding of the topic. Further research can build on these findings to explore other cultural and contextual factors that shape economic decision-making in different regions. By continuing to investigate the power of social norms and cultural factors, we can gain a more comprehensive understanding of economic behavior and work towards promoting sustainable and culturally sensitive economic practices in diverse contexts.

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