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Social norms in the process of incurring and repaying financial liabilities among Poles with various indebtedness experiences

Abstract*: Semi-structured individual in-depth interviews were conducted to explore and compare which social norms with regard to the debt-incurring process are important to Poles with various experiences of indebtedness. Thematic analysis within a constructionist framework identified the social norms important in the borrowing process for Poles and revealed, as expected, a number of differences between people with various indebtedness experiences. Model borrowers have a significantly different approach to debt than unreliable debtors and non-borrowers. Model borrowers seem to be oblivious to the negative sides of loans as well as indicate fewer reasons for justifying not repaying obligations than others. For unreliable debtors, loans are a quick way to solve financial problems. They borrow money out of necessity rather than to finance any larger, long-term investments and have their own private rules for borrowing. Non-borrowers, although aware of borrowers' higher standard of living, emphasize that debt is associated with permanent stress and psychological burden. Model borrowers, unlike the others, declare that in their immediate vicinity are only those who use and pay their loans in a timely manner.*

Keywords*: social norms, credit use; debt, financial liabilities, social perception*

Introduction

Factors of indebtedness

Various factors associated with indebtedness have been identified (Webley & Nyhus, 2001; Livingstone & Lunt, 1991; 1992). These include economic factors such as low income (Lea, Webley, & Levine, 1993; Lea, Webley, & Walker, 1995), part-time jobs (Lown & Rowe, 2002), credit availability or lack of sanctions for unreliable debtors, and institutional and legal factors such as the availability of credit. Demographic variables such as young age, single parenthood (Webley & Nyhus, 2001); belonging to a minority (Sullivan & Fisher, 1988); lower levels of education (Groenland & Nyhus, 1994); or being separated or divorced (Canner, Luckett, Cook, & Middleton, 1991) are also relevant. Although these factors predict debt quite well, psychological variables such as self-control, low conscientiousness or attitudes towards debt also impinge on our ability to predict indebtedness (Kamleitner & Kirchler, 2007). Situational factors such as random negative or positive events also affect opportunities for doing business. It has also been proved that social pressure, 'inherited' indebtedness and social comparison, as well as parents' use of and views on credit (Tokanuga, 1993) are relevant but, surprisingly, the influence of social norms on the propensity for incurring and repaying liabilities has not yet been examined. Pioneering research by Gathergood (2012) indicates the significantly lower psychological costs of incurring debts by individuals living in high bankruptcy regions, which suggests that the available social norms may be important not only in the context of the psychological costs of incurring debts, but also in the sheer propensity to incur and repay financial liabilities. Perhaps the rapidly growing number of insolvencies in Poland, especially in certain regions like Upper Silesia (Królak, 2016), can be explained by referring to the spread of knowledge in society that more and more people in the immediate vicinity are bankrupt or do not repay their liabilities on time. Information about the increasing prevalence of bankruptcies can stimulate a social norm which encourages others to similar behavior. Furthermore, the most important motives for contracting credit facilities are said to be

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social factors such as ostentation and generosity (Keynes, 1936/1997). That is why we decided to explore what descriptive and injunctive norms are important to Poles with regard to the debt-incurring process, especially as data-based papers concerning meanings behind, and costs of, debts in Poland are scarce.

Social norms

Social norms determine what behaviors are suitable, typical and normal in a given society (Myers & Smith, 2012) or what is commonly approved, so they encompass both orders and prohibitions (Wojciszke, 2003). Descriptive norms refer to what is usually done, while injunctive norms delineate the behaviors approved within a given society (Cialdini, Kallgren, & Reno, 1991). Social norms suggesting opposite behaviors may operate in parallel within a society. Which norm regulates the actions of an individual in a given situation depends on the one which is activated (Cialdini, Kallgren, & Reno, 1991). Whether the norm is activated or not depends mainly on its availability, which means that it is recognized and remembered. Availability itself doesn't guarantee that the individual will act accordingly. The strength of the impact of social norms on behavior depends on a variety of factors, including dispositional or temporary focus on normative considerations (Rutkowski, Gruder, & Romer, 1983), various penalty-and-reward mechanisms (Berg, Dickhaut, & McCabe, 1995; Fehr & Fischbacher, 2004a), adequacy (matching content to a particular situation), the need for social approval, the internalization and the level of significance of a particular social norm of importance for both individuals and their community.

Activated social norms may influence different behaviors of people, including helping and cooperation (Schwartz, 1977; Zaleśkiewicz & Hełka, 2007; Fehr & Fischbacher, 2004b), preventing HIV infection (Fisher, Misovich, & Fisher, 1992) or pro-environmental behaviors (Goldstein, Cialdini, & Griskevicius, 2008). It was also shown that social norms affect various economic behaviors (Elster, 1989; Fehr & Fischbacher, 2004ab) including economic behaviors measured by means of computer games (Hełka, 2010). However, the relationship between social norms and the propensity to incur and repay financial liabilities has not been examined so far.

Considering previous research which proved that activation of social norms influences economic behaviors (Elster, 1989; Fehr & Fischbacherab, 2004; Hełka, 2010), we wanted to see the nature of respondents' perceptions and understanding of social norms concerning incurring and repaying financial liabilities. The interviews were carried out to explore and describe similarities and differences between people with various experiences in incurring and repaying financial liabilities; their perception and interpretation of the advantages and disadvantages of borrowing and the reasons for it.

We were eager to explore whether people with various experiences of debt construct their financial reality in the same or different way, share the same or different social norms concerning the debt-incurring process. We were also open for any unexpected narratives and interpretations that might have appeared in the interviews.

Method

We decided to conduct individual in-depth interviews (IDI) which would allow us not only to define a list of above-mentioned norms but also to determine the connotations of words such as credit and debt in Polish society which has not so far been thoroughly researched. In order to answer research questions, we conducted 24 semi-structured in-depth interviews (IDI) with 14 women and 10 men (aged 20 to 73, mean age = 39,500, σ = 15,940). Both members of Research Center for Economic Behaviors and cooperating students recruited respondents from different regions of Poland with varied carriers, education and experiences of incurring and repaying financial liabilities.

Our respondents were categorized according to their answers as (see: Table 1): non-borrowers – who have never taken out a loan; model borrowers – who repay in a timely

Table 1. Study participants' characteristics

No.	Sex	Age	Experience in incurring and repaying financial liabilities
1	Female	21	model borrower
2	Female	27	model borrower
3	Female	32	model borrower
4	Female	43	model borrower
5	Female	52	model borrower
6	Male	20	model borrower
7	Male	48	model borrower
8	Male	49	model borrower
9	Female	21	non-borrower
10	Female	21	non-borrower
11	Female	22	non-borrower
12	Female	45	non-borrower
13	Female	73	non-borrower
14	Male	27	non-borrower
15	Male	41	non-borrower
16	Male	63	non-borrower
17	Male	70	non-borrower
18	Female	24	unreliable debtor
19	Female	45	unreliable debtor
20	Female	48	unreliable debtor
21	Female	56	unreliable debtor
22	Male	27	unreliable debtor
23	Male	35	unreliable debtor
24	Male	38	unreliable debtor

manner; and unreliable debtors – who have trouble repaying their liabilities. There were several questions asked: 1. Have you ever taken a loan or a credit (also from friends and/or family? 2. Have you ever been late in repaying any of your financial liabilities (loan, credit, fixed or subscription fees). Those who answered "no" to both questions were classified as "non-borrowers". Those who answered "yes" to first and "no" to the second one were classified as model borrowers. Answers "yes" to both questions placed respondents in "unreliable debtors" category. These three groups did not differ significantly in age ($F(2, 24) = .291$, $p = .75$, see Table 2) or gender ($\chi^2(2, 24) = .09$, $p = .956$). Thanks to follow up questions we knew that all "unreliable debtors" had or have had problems with repaying on time for longer periods of time with multiple liabilities.

Table 2. Descriptive statistics of age depending of the experience in incurring and repaying financial liabilities

Experience in incurring and repaying financial liabilities	Mean	SD	N
model borrowers	36.500	13.060	8
non-borrowers	42.555	21.507	9
unreliable debtors	39.000	11.489	7
Total	39.500	15.940	24

The structure of the interviews was designed to find out what social norms exist and which are acknowledged by Polish respondents. We designed a common interview guide, having first obtained qualitative judgements and recommendations from a competent group of experts, and then used ratings for particular questions. We also discussed the interview guide with our Ethics Committee. Each interview consisted of three parts (see Appendix 1). In the initial part, respondents were familiarized with the definition of social norms (what is typical, and what is socially acceptable). Then they specified which social norms concerning incurring and repaying financial liabilities exist in Polish society, and whether these norms are universal or apply only in certain groups. Further, the respondents said which social norms they themselves are guided by in terms of incurring and repaying financial liabilities. The study ended with questions about demographic data and previous experience of borrowing and repayment of financial obligations of the respondent. To understand their thought processes, we asked participants to explain their reasoning and followed up on any interesting issues.

Researchers contacted participants and invited them to take part in individual interviews, which were conducted at respondents' or researchers' houses. Prior to each semi-structured interview, which lasted for 30–60 minutes, each participant was informed about the purpose and principles of the study, and how recordings and transcripts would be stored and shared. Respondents were then asked to give their conscious consent for voluntary participation in the anonymous research. The interviews took place between December 2015 and March 2016, and each one was recorded, and transcribed after the session. Data was analyzed in Nvivo10, using the techniques of the thematic analysis procedure (Braun & Clarke, 2006) within a constructionist framework (Burr, 2003). We employed coding (creating qualitative codes and categories), memo writing (writing down ideas about relationships between codes and other theoretical concepts that came to mind during the coding), and memo sorting. First, we performed open coding – breaking down the data into meaning units – by naming words, lines, and segments of data. Two main themes appeared: norms relating to financial liabilities and reasons and justifications for not repaying on time. Then we focused on how those core concepts were interlinked and how they differed in previously distinguished groups of respondents

Results

The following section presents these norms as well as reasons and justifications of the deviations from repaying financial liabilities referred to by our respondents, along with potential differences among those with varying experiences in incurring and repaying financial liabilities. We also explore associations with credit and debt.

Social norms related to incurring and repaying financial liabilities

According to about half of the respondents – including the majority of unreliable debtors, some model borrowers and only one non-borrower – credit is a standard, common phenomenon in Polish society.

> *I believe that taking loans is a social norm;, it is very common, it is a cool thing to do which, if done sensibly, can make life easier, more enjoyable and give so much joy.*[1] (Unreliable debtor, woman, age 45)

Almost all respondents agreed that borrowing money for large purchases such as a car, a house, or household appliances is a general norm. It should be noted, however, that people who never took out loans indicated that they didn't apply this norm to themselves.

> *Someone who tries to expand their family, household or even can go somewhere further in a journey, or to have a better car (...) takes the challenge and gets these loans.* (Unreliable debtor, woman, age 45)

According to another norm, mentioned by non-borrowers and model borrowers – but not by unreliable debtors – a loan should be taken out only if they had a very specific plan both for using the money and how to pay off the debt.

> (...) *If you take out a loan, you think that you mustn't not to waste that kind of money – make good use of it, as it is not your money… If it is not your money, you must treat it differently,*

[1] English translation reflect the original language used by respondents.

and be careful how you spend it. This is because usually you should have a plan before you take the loan, and pay great attention to the expense. (Non-borrower, woman, age 21)

My first loan that I ever had, it was (...) We sat down with my wife and we calculated on a piece of paper how we would use it for new windows in the house. Because there was no way we could save money for this, therefore we had to take out a loan and it was done with full awareness. (Model borrower, man, age 49)

Non-borrowers and unreliable debtors – but not model borrowers – claimed that other people take loans to finance large projects, investments that are not within the ability of the average citizen.

There are also people – I mean those groups of borrowers with huge investments and large loans, they are entrepreneurs, they are businessmen, they are rich people, for whom I think is credit is easy. (Unreliable debtor, woman, age 48)

About half of the unreliable debtors considered it perfectly normal to solve financial problems quickly by taking out a loan. However, no respondent from any other group mentioned this issue.

It is such a nice form for faster solution to various problems. (Unreliable debtor, woman, age 45)

All respondents agreed with the norm that to pay financial liabilities on time is a high priority. However, it should be noted that unreliable debtors very rarely mentioned this as a norm that guided them in their own lives.

As if I could see it for myself and my closest family or friends, it seems to me that, yes, it is definitely a priority matter and punctuality is important, right. And so the loan is installment fixed for the certain time, if it is the bill for the phone or TV or for whatever it rather seems to me that these are equally important fees. (Model borrower, woman, age 21)

Most respondents acknowledged that people should not live beyond their means with regard to loans and other financial liabilities and expenses, and one-third of them lived by this norm, which was mentioned by all model borrowers and unreliable debtors but rarely by non-borrowers. Model borrowers recognized and lived by this norm, while unreliable debtors mentioned the norm only as a standard followed by others but not by themselves.

I think the norm is to … be sensible, and not to borrow more than we can pay off. (Model borrower, woman, age 52)

Another injunctive norm holds that we should not avoid, but rather solve, the problem of debts. This norm informs mostly unreliable debtors, rarely model borrowers, but never non-borrowers.

If there are any problems with repayments, in bringing them up to date, they should be solved in an active way and not be avoided. (Unreliable debtor, woman, age 48)

Moreover, one unreliable debtor said that we should not borrow money from anyone who is in need himself:

If I knew someone in my family who would lend me money if I asked, but I knew it would be difficult for them, because they needed it for something else and would have to change their plans to lend it to me, then I would try to avoid borrowing money from them. (Unreliable debtor, man, age 38)

Reasons and justifications of the deviations from repaying financial liabilities

This section addresses the reasons and justifications presented by respondents for deviations from the timely repayment of financial liabilities. The most frequent category among this key theme was ‘the consequences of not paying’ which was mentioned by the majority of unreliable debtors and non-borrowers but by only one model borrower. The respondents believed that deviations from repayment obligations depend on the consequences of not paying and the amount of overdue liabilities – for example, that a small debt may not be paid off.

My school is such an additional element in my life that I care about very much but, at a time when my life is actually falling apart, school fees are the first things that I don't pay, although I know that I will be asked for the money. I know I have to pay, but if I'm a month late with the repayment, it won't be too bad, so I sometimes don't pay on time. (Unreliable debtor, woman, age 24)

I start from the highest repayment. (Model borrower, woman, age 43)

One-third of respondents, which included only two model borrowers, thought that deviations from repayment obligations could be explained by various weaknesses of the borrower. Unreliable debtors indicated carelessness, lack of reflection, and a gambling habit or other addictions. It is worth noting that, again, model borrowers presented a different approach – they indicated fewer excuses for non-payment than others and spoke instead about the helplessness of life of unreliable debtors.

But there are also people who are extremely irresponsible, who take these things lightly, and unknowingly fall into huge debts. (Unreliable debtor, woman, age 45)

(…) *I am irresponsible, and can't see that, if I borrow without repaying, then the interest will consume me.* (Unreliable debtor, man, age 38)

(…) *here you cannot ignore people who eg. Are gamblers so who are simply addicted and their disease is the reason… even though I know that maybe in a society they are looked down at.* (Model borrower, woman, age 21)

I do not even know if she knew, probably not, I mean, she behaved like a child. She borrowed, not understanding that she would have to pay it back some time, with interest. She just didn't realize she'd never be able to pay it all off. (Unreliable debtor, man, age 38).

The next justifications for non-repayment – was mentioned by about half of the respondents, which included only two model borrowers, and clear differences emerged between groups depending on their experience of indebtedness. Non-borrowers believed that misfortune such as job loss would justify not paying off financial liabilities, whereas unreliable debtors excused deviations from payment schedules due to financial crisis or poverty. Model borrowers, on the other hand, regarded only health problems as a justification for default.

> *It seems to me that such a deviation from the norm, if someone incurs a loan and then has to pay it back is, for example something as serious as someone's death is a good enough reason to default on a loan, as then one is no longer able to repay the loan or any other debt or agreement such as renting a flat.* (Non-borrower, woman, age 21)

> (…) *some legal regulations do make allowances for extra time if someone has financial problems; for example, banks might suspend or reduce charges for a while or, if it is a loan from friends or family they may be more lenient about repayment if someone actually has very big financial problems – I think that is accepted in society.* (Model borrower, woman, age 21)

In addition, some respondents believed that you should not meet your obligations if you are dissatisfied with the service of the lender or the economy generally.

> *Such conscious opposition to paying off a loan or any obligation may result from such an individual's dissatisfaction with the political system, or if a person is dissatisfied with the quality of services provided.* (Non-borrower, woman, age 21)

Half of the respondents indicated intergenerational differences in the approach to repayment of financial liabilities.

> *The majority of young people are more susceptible to these offers because they want to have more. By contrast, older people are more realistic in financial terms and make sure that they can afford to repay this obligation.* (Model borrower, woman, age 43)

Many participants indicated significant differences in attitudes regarding borrowing and repaying loans from banks and from family. Several contributors referred to other explanations of non-payment of liabilities, such as debt which they had not incurred themselves.

> *Perhaps, for them, the social norm is that if the loan is from the family rather than a stranger, you do not need to repay.* (Non-borrower, woman, age 21)

Credit and debt association

The interviews also revealed associations with taking out loans – three of which were clearly negative. Again, the difference between model borrowers and other people is evident. Model borrowers seem to be oblivious to the negative aspects of borrowing such as stress, costs, and the possibility that anything can go wrong. They do not treat the loan as a last resort, but as something normal.

Both unreliable debtors and non-borrowers, but not model borrowers, describe credit as a source of stress, nerves and discomfort.

> *I always, and it was never different, I feel extremely uncomfortable and anxious when I plan to take out a loan, so I rarely do it.* (Unreliable debtor, woman, age 48)

> *I've never taken out a loan to buy a home. I'd rather be safe and not feel stressed.* (Non-borrower, man, age 70)

Most unreliable debtors and some non-borrowers were convinced that credit is expensive and available only for richer members of society.

> *I know today that I am too poor to take out loans.* (Unreliable debtor, woman, age 48)

Non-borrowers and unreliable debtors, but again not model borrowers, also mentioned that anyone who incurs a loan should remember that something could go wrong (for example, loss of a job, sickness, economic meltdown).

> *I do not like to take credit precisely because of that different things can happen.* (Unreliable debtor, woman, age 45)

> *We need to think what could happen – sudden disaster, death, or disease … and unforeseen expenditure. You have to bear this in mind, and be responsible.* (Non-borrower, woman, age 73)

In view of these associations it is no surprise that nearly half of the respondents (mostly unreliable debtors) declared that other Poles use credit only in case of necessity or as a last resort. However, only one model borrower and three non-borrowers mentioned this point.

A majority of non-borrowers and unreliable debtors, and only one model borrower, mentioned that although it is not acceptable, some people deliberately commit fraud.

> *There are people who (...) do not pay and do not do anything to deal with this, they do not have any remorse ymm simply do not pay*. (Model borrower, woman, age 43)

Those who took out loans emphasized that living with credit may and should be normal.

> *There are people whose commitments are serious and chronic who have no prospect of repaying. They learn how to survive like this, without suffering, but rather living with the legal side of debts.* (Unreliable debtor, woman, age 48)

Model borrowers remarked that they lived among people who make use of loans and repay their debts on time. In contrast, other respondents declared that they meet people with different attitudes and experience in incurring and repaying debts.

> *I think that I seek the company of people who live by the same standards. It seems to me that people who share the same standards simply feel better together because they can trust each other, knowing that we do not look for problems or fail to fulfill our own commitments.* (Model borrower, woman, age 43)

Unreliable debtors and one model borrower pointed to the fact that indebtedness is a taboo subject.

> *To be honest this is rarely the topic to be spoken with your friends*. (Model borrower, woman, age 21)

> *Issues of financial liabilities and debts are not considered in casual conversations and in such meetings*. (Unreliable debtor, woman, age 48)

Discussion

This study identifies a list of social norms important in the process of borrowing for Poles as well as reason and justifications for not paying or being late with repaying financial liabilities, credit and debt associations. It reveals a number of differences between people with various experiences of incurring and repaying financial liabilities.

Almost all respondents agreed that in Poland borrowing money for large purchases such as a car is normal and typical. The majority stated the norm that reasonable borrowing and expenses within one's financial abilities and resources is acceptable. All of them recognized the norm that paying financial liabilities on time is a high priority. This result is convergent with Lewicka-Strzałecka (2017) research which show that 95% of Poles agree that repaying debts. is a moral duty. Similar results were obtained ten years before (Lewicka-Strzałecka & Białowolski, 2007) which may suggest that this is a well-established social norm in Poland.

Moreover, most respondents stated that reliability and conscientiousness in repaying debts depends on the sanctions for deviations from the payment schedule and on the amount of the liability.

However, this does not necessarily mean that all respondents (or even a majority) followed these norms. For example, non-borrowers do not use credit themselves but would rather postpone or give up the purchase than borrow money. Although unreliable debtors know the norm they do not always take their financial situation into consideration. This presents a serious threat to the effectiveness of activating and disseminating social norms in order to modify socially desirable behavior in terms of incurring and paying off financial obligations. Further studies should explore the mechanisms that determine why, despite full awareness of social norms, we do not adhere to them all in our own lives.

The approach to borrowing of the groups compared and the social norms mentioned by them in this respect differ significantly. Model borrowers have a very different approach to loans than others. They seem to be oblivious to the negative sides of loans – the risks and dangers – as well as exhibiting less justification for not repaying obligations than the others. In fact, they only mention one valid reason for default (nonpayment) – serious health problems. For comparison, Hoelzl, Pollai, & Kamleitner (2009) reported that debtors overestimate the positive effects of indebtedness as well as underestimate the negative effects. Model borrowers treat loans as something normal and for everyone but, according to them, the borrower should consider their ability to repay. The borrower should take out loans consciously, with a plan for both spending the money and repaying it on time. It is not surprising then that, in this situation, they believe that living with the obligation to repay the loan in the background is something normal and does not affect everyday life in a very negative way.

Interestingly, model borrowers declare that in their immediate vicinity they are the only ones who use and pay their loans in a timely manner. On the contrary, unreliable debtors have, among their friends and acquaintances, other debtors and borrowers as well as people who avoid loans and perceive them as expensive, risky, and stressful. This corresponds with specific social support for debt observed by Lea, Webley, & Levine (1993) among unreliable debtors who live in a community where debt is more common and more tolerated than it is among non-borrowers.

On the other hand unreliable debtors say that if one has credit – even overdue or unpaid – one should still live a normal life. For them, loans are a quick way to solve financial problems; they borrow money out of necessity rather than to finance any larger, long-term investment. Such investment loans are seen as only for wealthy people from the upper classes, which confirms research results (Webley & Nyhus, 2001; Joireman, Kees, & Sprott, 2010), indicating a shorter time horizon for unreliable debtors.

Unreliable debtors believe that one should not run away from the problem of overdue debt, but try to solve the problem. However, they think that factors such as carelessness, lack of reflection and a propensity for gambling or other addictions, as well as financial crisis or poverty, may explain deviations from payment schedules. Similarly, cyclic studies on financial morality of polish citizens (Lewicka-Strzałecka, 2017) show interesting difference between those who have problems with paying their debts with those who pay on time or do not take credits or loans. Namely, people who struggle to repay are more accepting of immoral behaviors which aim at avoiding the seizure of personal and real property to pay a debt as for example frequent changes of bank accounts, transfer of property to family members or illegal employment. At the same time, unreliable debtors have their own private rules for borrowing; for example, they do not borrow money from someone who is in need, or they repay a debt promptly to a poor colleague. But they might default on the installments to a bank as they think it has so much money that it will not notice any difference. They were the only respondents who mentioned the taboo that covers the subject of debt.

Non-borrowers, like unreliable debtors, are surrounded by people with various debt-related experiences. Although they see that borrowers have a better standard of living, they emphasize that lending is associated with permanent stress and psychological burden. In their opinion, anyone who considers taking out a loan should not only have a very specific investment and repayments plan but must also be aware that unpredictable life situations may happen, such as losing a job, sickness, or economic meltdown. That is why they would only take out a loan if their or a loved one's life is in danger. Similarly to unreliable debtors, they believe that large investment loans are the domain of richer and much more business-oriented people. Non-borrowers also believe that random situations such as illness or sudden unemployment would justify not paying financial liabilities. They also mentioned that, although it is socially unacceptable, some people deliberately commit fraud.

As we can see, the approach to incurring and paying off financial obligations of people with different experiences of indebtedness varies significantly, and there are different cognitively available norms in this area. Among these they choose those to which they themselves are able to adapt, and it is interesting how differently they interpret the same phenomena. For example, a model borrower considers long-term planning of investments and repayments as something normal and almost exclusively sees the bright side of life with credit. Non-borrowers believe that a borrower does not enjoy the benefits of accelerated consumption because he is overwhelmed by the burden of the incurred liability, and that even if the instalment is not difficult to repay at a given moment, the situation may change. The awareness of such a possibility and its risk must be really stressful for a borrower.

Even more fascinating is the complex image of norms and rules of living with indebtedness that unreliable debtors present. Obvious contradictions seem to be combined in their approach. They all agree that debts need to be paid on time, and that overdue debts should be dealt with and solved; but, at the same time, they present numerous excuses for deviations from payment schedules.

When planning our research we assumed that internalized and activated norms affect various economic behaviors including propensity to borrow and repay. The analysis of the data revealed significant differences between compared groups. as respondents implemented different social norms when it came to borrowing and repaying. They also, which seems even more important, differed in their general attitude to life with financial liabilities. When comparing the statements of model borrowers, unreliable debtors and non-borrowers we can clearly see three different ways of constructing their financial reality. The reality includes both social norms which regulate their everyday life, the lives of other people (which they are aware of) as well as the reason and possible justifications for the norm deviation.

The construction of financial reality seems to have a great impact on the way they take loans, credits or borrow money, then subsequently on their quality of life with financial liabilities and consequently on managing and repaying those liabilities.

As a result it builds up their wellbeing and translates into their future financial situation. It confirms the results presented by Hełka & Żbik (2015), who showed that the perception of model borrowers and unreliable debtors including how they live with and feel about their financial liabilities translates into propensity to borrow and repay.

This subjective approach to one's own financial situation may have equal or even greater importance for financial behaviors and perceived wellbeing than objective financial situation (income, owned assets). It confirms earlier research conducted by Maison (2013) who compared financial optimists (those with objectively low income but who evaluated their own financial situation as satisfactory) with financial pessimists (those with significantly higher income but who evaluated their situation as unsatisfactory). It turned out that financial optimists feel and function much better in financial reality. Despite lower income the optimists, unlike pessimists, are able to save money and don't get in trouble with repaying their financial liabilities.

A broader analysis of the presented data seems to suggest that, to a large extent, our earlier approach to incurring and repaying liabilities shapes our later actions. That is why proper economic socialization in this area is so important. It may enable people to function in the world of easily-accessible or indispensable loans that would be both positive for well-being and rational from an economic point of view.

In further studies, it would be worthwhile to explore how these different approaches to incurring and paying off financial liabilities are created. It would also be interesting to see if they can be shaped and, if so, to what extent. Respondents themselves suggested that there is an intergenerational gap in social norms and the general approach to borrowing. These differences in norms were mentioned by both younger and older respondents in the interviews. This issue would require further research on a larger sample of respondents, comparing the generation brought up before the economic transformation and people who have more recently grown up in the world of credit cards and easy loans.

One more issue would be worth exploring, namely the extremely different approach to loans from various sources (bank vs. informal loans from family, friends) and loans to finance various purposes. These themes appeared consistently in the statements of people with different experiences of incurring and paying off financial obligations. Therefore in further studies, it would be necessary to control for, not only the type of loan (credit card, consumer loan, payday loan, mortgage loan), but also the purpose of the loan.

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Appendix 1

Semi-structured interview scheme with examples of questions

1. (Introduction and briefing)
2. (Explanation of social norms and examples):
Our conversation is connected with social norm so t is important for all of us to understand this issue in the similar way. Let me explain how I understand social norms.
Social norms describe behaviors which in given community are considered as typical, normal and acceptable. They cover both what is required and prohibited. Some norms are universal for the entire society or even entire human kind. Some norms are valid only in a given community or group of people. For example social norms requires us to thank when we receive a gift even if we don't love it. Norm tells us what kind of behavior is welcomed in the situation and what behavior is unwelcomed or forbidden and might be condemned or punished. Social norms might be written down as codes or laws. But even if they are not written down, they are still known and recognized. Following them is enforced in society by punishment and rewards as praise or reprimand. What is interesting, it is quite possible that excluding sets of norms function in society in a parallel way.
3 (Social norms in society)
I would like talk with you about social norms concerning incurring and repaying financial liabilities. I mean loans, credits, subscriptions and bills eg. phones, cable, tv, rents, electricity bills etc. What kind of norms concerning those issues function, in your opinion, in our society
4. (What are social norms which govern your live?)
And what norms do you follow when incurring and repaying financial liabilities. I mean loans, credits, subscriptions and bills eg. phones, cable, tv, rents, electricity bills etc.
5. (Demographic data)

Gender	Woman		Man
Age			
Have you ever taken a loan or a credit (also from friends and/or family?	YES		NO
Have you ever been late in repaying any of your financial liabilities (loan, credit, fixed or subscription fees)?	YES		NO
Was it short term, incidental situation or was it long term, reoccurring problems with timely repayment?	A. short term / incidents B. long term / reoccurring C. not applicable		
If it was long term did you have any contact with debt collection company?	YES	NO	NOT APPLICABLE
Have you already solved the problem with repaving financial liabilities?	YES	NO	NOT APPLICABLE