

Defining Social-Economic Systems in Terms of Their Cultural Dimensional Values

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ABSTRACT

A study of how the underlying cultural values influence the social-economic systems that develop. This paper defines the various social-economic systems that make up the economies of the world in terms of their social values. By defining nations as fitting a unique social-economic model, it is possible to examine the cultural values for each such model and determine unique cultural traits. This study uses the cultural values to compare and contrast each nation and identifies four distinct social-economic models with cultural differences that are consistent across the countries studied. The results are surprising in the strength of the differences and the consistency of these differences. The ability to define a social-economic system based upon measured cultural values holds an enormous potential for better understanding of these often-misunderstood societies.

JEL Classifications: P2, P3, P5, P19, P29, Z1

Keywords: social-economic systems; capitalism; socialism; communism; economic systems; cultural values; cultural dimensions

I. INTRODUCTION

The 1990-1991 collapse of the Soviet Union and the communist empire gave rise to 15 new nations with different economic systems. The former communist nations have evolved into a matrix of economic models that are still in their evolutionary stages. One must ask if it is possible to define how the underlying cultural values of a nation influence the social-economic models that develop.

Eleven former communist nations included in this study were surveyed from 1991-2003. The data was collected in-person, directly from the respondents. One of the authors personally conducted extensive research and administered all of the surveys in each country, a very challenging and time-consuming process. The authors were able to define the cultural dimensional values for the former communist nations by using the Hofstede VSM 94 survey results from the research results. These cultural dimension values were used to compare and contrast the underlying cultural values of the communist nations that were previously off limits to any such study. Using the cultural value results from the lead author's 2003 study (Bradley, 2003), combined with published studies, it was possible to identify four distinct social-economic-models; capitalist model, communist model, European socialist model, and Asian-Latin socialist model.

This paper defines the various social-economic systems that make up the economies of the world in terms of their social values. The standard definitions that seek to define economies often pertain to political and economic systems without consideration of the underlying cultural value system. This paper defines the social-economic systems in terms of the underlying cultural values.

The ability to define a social-economic system based upon measured national cultural values provides an enormous potential to better understand these often misunderstood and complex social-economic systems. Prior to the break-up of the Soviet Union, the closed nature of the communist world, the disagreement with and resistance to social research, made it extremely difficult to study and understand the similarities and differences between and within nations of the communist world and the capitalist world. By conducting this research immediately after the collapse of the communist world, the authors were able to establish the national cultural identities for much of this previously unstudied world. This study provides the ability to compare and contrast these social-economic models and establish the unique cultural values associated with each.

II. LITERATURE REVIEW

This study uses the cultural value model to examine the differences between social-economic systems. The study of culture is based upon the early research conducted by Kluckhohn (1951) that provided an approach to culture based on two universal facts: (a) The number of societal problems is limited, and (b) the number of known responses are also limited. According to Kluckhohn and Strodtbeck (1961), these two factors give a consistent group orientation of national cultural values. Individuals in society usually reflect the group's primary underlying values that are embedded in national cultural values.

The concept of unique cultural characteristics was further amplified and refined by Hofstede in his definitive work published in 1980, which encompassed the period of research from 1967 to 1978, involved 116,000 questionnaire responses from 40 countries

(Hofstede, 1980). This work verified the efforts of previous researchers by identifying four cultural dimensions that varied across nations, with stable differences for each country. Determination of the nation's cultural values identifies a national identity. The national identity is used to identify group values and characteristics. According to Hofstede (1980), one can identify group values and group characteristics from the national identity just as the personality determines the identity of the individual. Hofstede identified these four factors as Individualism, Power Distance, Uncertainty Avoidance, and Masculinity. In 1987, the Chinese Culture Connection research project (Bond, 1987) added a fifth cultural dimension, Confucianism dynamism, which Hofstede later renamed as Long-Term Orientation. The following definitions are provided from Hofstede (1980) and Bond (1987):

1. Individualism (IND): "the relationship between individuals and collectives. Individualism pertains to societies in which ties between individuals are loose;"
2. Power Distance (PD): "the degree of inequality between people in society as viewed by the worker;"
3. Uncertainty Avoidance (UA): "degree to which members of the society feel threatened by unknown situations or (in)tolerance of ambiguity in society;"
4. Masculinity (MAS): "Pertains to societies in which social gender roles are clearly distinct." Division of the roles between genders; and
5. Long-Term Orientation (LTO): "the fostering of virtues oriented toward future rewards, in particular perseverance and thrift, while short-term orientation fosters virtues that are related to the past and present, in particular respect for tradition, preservation of face and fulfilling social obligations."

There are numerous definitions of culture. As described by Triandis (1994), "culture emerges in adaptive interactions, consists of shared elements, and is transmitted across time periods and generations." Because culture is complex, Triandis (1994) suggested that the best way is to use many different criteria to differentiate each cultural value from the other. First, it is necessary to establish a set of characteristics used to compare all national cultures. Second, selected measures for each characteristic must be established to compare national cultures and subcultures.

The first major research to establish national cultural characteristics was conducted by Hofstede (1980). Beginning with the study done by Morris (1956) concerning ways to live, there exists a host of research with high correlations to Hofstede's studies including; McClelland's (1961) work on the need for achievement and affiliation; Haire, Ghiselli, and Porter's (1966) study regarding the capacity for leadership and informational sharing; Cutright's (1968) study of occupational inheritance; the research on the openness/secretcy that exist in society by Bass and Franke (1972); and Kogut and Singh's (1988) study of the method of entry for foreign investment. They all have a high correlation with at least one of the cultural traits established by Hofstede.

According to Hofstede (1980), one definition or description of culture is, "the collective programming of the mind, which distinguishes the members of one human group from another." In Hofstede's (1980) analysis, he indicated that the methods that different groups use to deal with problems create the cultural patterns that evolve over time. Society's values are programmed into an individual's mind at a very early age. This programming is long lasting and is usually not in the conscious mind, but rather subliminal in nature and not always rational (Hofstede, 1980).

An important question related to cultural values is their stability over time. Several studies in the literature have established persistent, consistent, and persevering cultural values and traits over generations (Hofstede, 2003; North, 1991, and 2005; Triandis, 1994; Voigtländer and Voth, 2012). One example of the consistency and perseverance of cultural values is found in migrant communities. Migrants to any country are immersed in that country. Migrants are continuously exposed to, inundated and surrounded by, different cultural values. However, they continually hold onto to their cultural values. Studies by Giuliano (2007; Fernandez and Fogli (2009); and Algan and Cahuc (2010) indicate that cultural values brought to the new country last for generations and that their descendants also maintain these values, even when they are inundated and surrounded by the new and different culture.

Hofstede (2003) discussed the value systems and their origins. According to Hofstede, cultural values have been institutionalized within society, establishing the longevity of these values. Once cultural values are a part of society, the institutionalization of these values further reinforces their existence as behavioral actions, thus creating the presence of national cultural values that are unique (Hofstede, 1980). This coincides with the Triandis (1994) view that culture can be transmitted across time periods and across generations. In Hofstede's view, cultural values occur due to natural factors. The natural factors lead to the development of institutions that support society's cultural traits and values. Family structures, schools, legal systems, economic systems, and political systems develop that support and reinforce the cultural values of society. Therefore, a society's cultural values lead to stability and consistency over time and embrace a long-time development that does not change quickly (Hofstede, 2003; North, 1991 and 2005; Triandis, 1994). The ability of cultural values to exist over time with little change is what Hofstede (1980) called the consequences of that culture. Hofstede indicated that society's cultural values change little, if any, over time because of the crystallized nature within the institutions of society. As Hofstede said, "culture is the crystallization of history in the minds, hearts, and hands of the present generation." That is, cultural values and cultural value dimensions are stubbornly persistent and constant over long periods of time. According to Triandis (1994), "culture emerges in adaptive interactions, culture consist of shared elements, and culture is transmitted across time periods and generations." The authors of the current study follow the Hofstede framework and the belief that cultural value dimensions are stable over time and therefore justifies the use of the combination of the authors' survey results (surveyed from 1991-2003) and the database of Hofstede, Hofstede, and Minkov (2010).

According to Beugelsdijk, Kostova, Kunst, Spadafora, and van Essen (2018), a stable cultural distance exists in the experience of firms doing business internationally. More precisely, Beugelsdijk et al. (2018), concluded that culture may change, but that the differences in cultures change over time on "parallel trajectories," a conclusion also found by Inglehart and Baker (2000) and also by Beugelsdijk, Maseland, and van Hoorn (2015). The opposing view is that cultural value dimensions become outdated over time and therefore comparisons become invalid (Taras, Steel, and Kirkman, 2012). The findings by Beugelsdijk et al. (2015) indicate that even when there is cultural change as measured by Hofstede's cultural dimensions, the results remain valid over time. According to Beugelsdijk et al. (2015) relative cultural differences measured years ago serve as a good proxy for cultural differences today. Similarly, cultural distance measures

based on surveys conducted in the 1960s and 1970s (Kogut and Singh, 1988) still provide a good overall indication for relative cultural distances today.

Additional support for the use of the authors' survey results and the database of previous studies is Divergence theory. Divergence theory states that culture has a unique national characteristic and is stable over time. Divergence theory evolved from earlier empirical studies that indicated a divergence of cultures across countries (Abegglen, 1958; Bond, 1987; Hofstede, 1991; Hoppe, 1990; Kelley and Worthley, 1981; Laurent, 1983). Divergence theory argues that culture is such a strong influence upon institutional values that dynamic changes in the characteristics and values do not change over time. Stemming from the divergence theory of culture that creates unique cultural values within a society, national characteristics can be measured and compared across nations. Hoppe (1990) found that even when using a sample that included a wide range of occupations, the results did not vary significantly from those of Hofstede taken 20 years earlier using a homogeneous sample.

Some academic literature argues that cultural values change as society modernizes and develops into a global economic environment (Inglehart, 1990, and 1997; Nash, 1964). Clearly, change in society occurs, this is not in question, especially as a country changes from an industrial, production-oriented economy to a more technological developed and service oriented country (Inglehart and Baker, 2000). Beugelsdijk et al. (2015) find a lower power distance exists in many countries compared to previous studies, while Uncertainty Avoidance and Long-Term Orientation have not changed much but they find this change to be an absolute change and not a relative change meaning the differences between countries tends to be stable. The rapid economic development in Asia (especially China) may lead to some movement toward "Asian values", such as lower MAS and Higher LTO (Sheth, 2006). Combined with economic development, these processes may cause a narrowing of cultural differences. Though culture and cultural values may change, the differences in culture tend to persist Ralston (2008). Technological advancement may lead to more individualism but the differences in culture and cultural values still persist. What happens to cultural differences as change occurs? As stated by Hofstede (2003), "cultures change, but they change in formation." There has been rapid economic change in China. China today is much different than China twenty or thirty years ago. Yet, Chinese values have persisted for thousands of years, perhaps longer than any national or societal values, thus they are extremely difficult to change. There may be some individuals within Chinese society that will change rather quickly, but not society itself. Chinese society still maintains its traditional values. It is more likely that the level of individualism was already there, but those with this characteristic never acted upon it or revealed it (to do so would have put them at a great social disadvantage). The government, political leaders, and legal institutions in China still strongly reflect, and are committed to, Chinese traditional cultural values. The government's effort to create a social "credit" rating is evidence of this. The number of people who exhibit individualism more than before is increasing, but that does not mean the institutions will change because of this. The study by Sun and Ryder (2016) showed a general trend towards individualism in China, however, according to Sun and Ryder (2016) the increased level of individualism occurs with an extremely strong collectivist attitude. In a study of China by Zhang, Noels, Kulich, and Guan (2016), they found continued collectivism as an important cultural value at the same time they found a rise in individualism. Zeng and Greenfield (2015) used Google Books Ngram Viewer to study

China and found very similar results, where individualism increased, but they found that China still has extremely strong collectivism values.

The framework of Hofstede's research is useful for guiding research designs so as to utilize national cultures (Bourgoin, 1984; Gudykunst and Ting-Tommey, 1988; Kreacic and Marsh, 1986; Triandis, 1984). Hofstede's framework agrees with the model used to study both personality and sociocultural systems by the Inkeles and Levinson study conducted in 1961 (Hofstede, 1995). Before 1961, academic literature discussed three fundamental topics related to culture. The three fundamental topics related to culture included how people relate to authority, a person's view of self, and how people respond to or dealt with conflict (Inkeles and Levinson, 1961). Inkeles and Levinson (1961) also stated that analytical research should be found in adults universally while being functional for both the individual and the social system. Hofstede (1995) states, "five dimensions are derived from analysis of individual responses aggregated to the country level and therefore apply to societies not individuals." According to Hofstede, the application of cultural values to societies has, "yielded unexpected and even revolutionary insights" (Hofstede, 1995).

Hundreds of studies comparing from 5 to 39 countries identify significant correlation to one or more of Hofstede's cultural values (Hofstede 2003), an indication of the reliability of Hofstede's research. The evolution of utilizing culture as a variable has allowed for the study of cross-cultural research (Boyacigiller et al., 1995). This also has established the study of culture across nations by making generalizations that concern unique groups within societies by using the clustering approach of nationalities (Ronen and Shenkar, 1985).

In summary, various aspects of culture have been defined by a host of researchers using a common theme of culture as delineated by Hofstede and reinforced by Triandis (1994). It is this ability to establish cultural characteristics applied to national groupings and ultimately to subgroupings that permits the comparison of these homogeneous groups using Hofstede's national cultural values as the standard measurement tool. One of the main sub-groupings of any nation is the underlying economic model that is utilized within the society as a means of conducting the economic affairs of the nation.

The use of the term social-economic model is distinct from the commonly used term, economic model. Two nations can have very different social structures, yet both are similar in how they practice the economics of the business world. Compare any two Eastern European nations, Asian nations, or South American nations and one can quickly see this distinction. Capitalism in Japan is very different from England or Germany. Socialism in Sweden is very different than in Peru. It is increasingly necessary to define this economic world in more definite language. Today, the advent of several communist nations, such as China, Vietnam, and even Cuba, becoming much more capitalist in how they practice their business organizational model provides further evidence that both social and economic definitions must be used to understand this complexity.

Mund (1960) defined capitalism as "A commercial exchanging economy based upon private property in which productive activity is organized and conducted for profit." An underlying concept of capitalism identified by Mund (1960) is the basis upon which all forms of capitalism rest. According to Mund (1960), the framework of capitalism requires the presence of entrepreneurs that conduct most business activity within the society. How the government intervenes in the economy will certainly influence entrepreneurialism and for-profit economic activity. Taxes, regulations, fiscal policy,

monetary policy, and the degree of control over economic entities all are important factors that define a social-economic model. Several vital elements are needed for capitalism including: private ownership, property rights, freedom of choice, stable money supply, competition, and reliance upon markets. Recently, even some communist nations such as China, Vietnam, and Cuba are using many of the methods of capitalism while certainly not practicing the private property concept as Mund (1960) defined. Thus, the mixed economies of these nations should be considered still communist.

A broad definition of a socialist society would include, collective ownership and/or administration of the distribution of goods and services as well as the factors of production, emphasis on social justice, and an equalitarian society (Newman, 2005). To correctly define socialism in the reality of today's world, it must be understood that socialist nations utilize markets as the basic underlying economic system. However, these nations use national economic policy and national social policy to determine the course of their respective societies and to redistribute income to help those in need. Thus, socialism can be thought of as the combination of entrepreneurial capitalism in the context of a national social program using taxation and national ownership of resources for a national goal without regard for any political system, but with a very large role of government. This definition establishes a format under which nations that are democratic can also be socialist.

It is possible to define communism as having two qualities, government managed distribution and government ownership of the means of production (Resnich and Wolf, 2013). Furthermore, central planning is a prominent feature of communism (Peng, 2000). In the Soviet Union it was sometimes called state capitalism in which the government controlled everything and received the economic benefits from the surplus value created. Other nations adopted a similar model either by force or by agreement. This created the communist block of nations that at one time was virtually half of the world's production. Usually, these nations had dictatorial political systems.

Distinguished from the communist social-economic model is the socialist model. The socialist model is certainly different from the communist model and the capitalist model, yet in many ways the socialist model is a combination of both communism and capitalism. While there is government control of various resources and production, the nation also has an active entrepreneurial class of small and larger companies. The focus is to combine both public and private production with the goal of equal distribution of income and standard of living. One must be careful to think of socialism not as a political model, or communism, but rather as defining a social-economic model by how it practices economics inside of its political system. Socialist nations can be democratic, especially in the European nations.

As nations in the world adopted communism, China, Cuba, and various African nations, many forms emerged, but all had government ownership of virtually all means of production. Several extremely important differences between socialism and communism include entrepreneurialism within the society, government ownership levels of companies, national income policy, and the level of control within the society. Some socialist nations have democratic political institutions, while communist nations adopted authoritarian rule. No nation has adopted communism under a democratic government, which allows a distinction to be made between nations that are socialist and those that are democratic. In this study, that distinction will define those nations that are socialist and those that are communist.

While studies have sought to examine the economic models of capitalism, socialism, and communism, none have created a social-economic cultural model that examines the underlying cultural values of these nations. By defining nations as fitting a unique social-economic model, it is possible to examine the cultural values for each such model and determine unique cultural traits. These unique cultural traits and values will then define that model.

With the demise of the USSR and the subsequent collapse of most of the communist economic world, it is important to examine the underlying values and philosophy of the world's major social-economic models. In light of the difficulty to conduct social research in the former communist nations, the authors were able complete this research and use the results to define the cultural dimensional values of the former communist nations. This study used the cultural values to compare and contrast each nation and identified four distinct social-economic models, capitalism, communism European socialism, and Asian-Latin socialism.

The ability to define a social-economic system based upon measured cultural values holds an enormous potential for better understanding of these often-misunderstood societies. This study will provide the ability to compare and contrast these social-economic models.

III. THE RESEARCH PROJECT

The research was conducted in two parts. The first part consisted of the authors' study of the former communist nations that was conducted from 1991-2003. The second part of the study was to compare the results to published studies that have established the cultural dimensional values of most of the world's nations (Hofstede, 2003; Bradley, 2003; Hofstede and Bond, 1988), the combination of the authors' survey results and the database of previous studies provided the authors with a worldwide social-economic cultural value measure. The cultural value measure for each nation was then organized into four social-economic categories. These four social-economic models were then compared as to their cultural values. The social-economic systems were defined and sorted into the appropriate category. These groupings were examined for both similarities and differences in cultural value scores so as to define the social-economic model in cultural value terms.

There are three basic research questions for this study. The first research question is: Are there unique cultural values that define the social-economic systems; the second research question is: What are the cultural values that define each social-economic model; and the third research question is: Do the Asian nations will have similar cultural values to the Latin nations.

Once the cultural values from the authors' study were completed and tabulated, then the authors organized the nations into their respective social-economic category. The former communist nations were placed into one category and the capitalist nations were placed in another. This left a host of nations that fit a different model. These nations for the most part could be called socialist nations. This grouping was then placed as to geography. This provided the following categories that were used to examine their cultural values: (1) capitalist nations, (2) communist nations, (3) socialist nations, (4) European socialist nations, (5) Asian socialist nations, and (6) Latin-American socialist nations.

From these six groupings, their national cultural values were compared to determine what, if any, significant differences were found. The Asian and Latin-American nations were combined into one group for the authors' study and are referred to as the Asian-Latin socialist model.

The discussion of the results takes place in two parts. The first part discusses each economic model and associated cultural values. By grouping the mean results, one can identify each of the social-economic model's general characteristics. Once this is examined, then an examination of the similarities and differences between the models follows.

The support for the research questions are significant in that these social-economic models break down into distinct cultural values. The overall thesis of the paper, that social-economic models have unique cultural values, are very evident from the results. That there is such overwhelming agreement for the thesis is perhaps surprising, yet very interesting.

The separation between the two socialist oriented groupings (the Asian-Latin socialist and the European socialist) clearly illustrates that there are unique characteristics for each group. Additionally, the communist model has unique characteristics different from all the other models. Former communist nation dictators imposed their will with absolute power. However, the cultural values of these nations supported much of the agenda that was contained in the communist philosophy.

IV. THE SOCIAL-ECONOMIC MODELS

The first social-economic model studied is the capitalist model. Capitalism is found in many Western nations with various other nations adopting some form of capitalism consistent with their own underlying cultural values. The second model is the communist model that is now found in China, Cuba, Vietnam, and North Korea but also in the recent past in Eastern Europe and the former Soviet Union. Certainly, China has developed a new economic model that is a combination of capitalism and communism that is very different from the past models of communism yet retains much of the communist philosophy. Because government control remains pervasive and ownership retained by the government for most large enterprises, China is still considered communist in nature.

The third model is the socialist model. The underlying cultural value of socialism is an orientation toward equality in society and that government's responsibility is to provide for its citizens a host of entitlements. However, many nations have modified this model into a social orientation for their governmental philosophy, thus creating various socialist style nations.

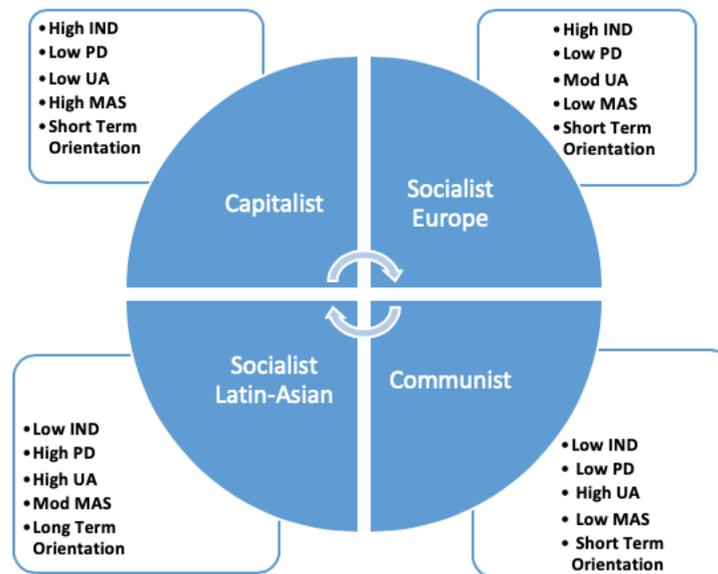
This study examines the real differences and similarities between each economic and social model. In this paper, the concepts of capitalism, communism, and socialism will be used as to their cultural characteristics inherent in the philosophy that each model is seeking to create.

Though a number of nations have a consumer society that many would define as capitalist, simply having a consumer society is not the main criterion that determines the social-economic category. The influence of the social aspects of governmental influence is the overriding factor in deciding if a nation is capitalist or socialist. Japan, Germany, and Canada are examples of nations that could be placed in both categories.

The fourth model is a variant of socialism called the European socialist model and is found in Scandinavian and European countries such as, Denmark, Sweden, France, Belgium, and the Netherlands. The fifth social-economic model is the Asian socialist model and includes Asian nations such as Japan, South Korea, Malaysia, Singapore, India, the developing countries of Africa, and the various Middle Eastern nations. The sixth model is the Latin-American socialist model that includes countries such as Venezuela, Costa Rica, El Salvador, and Mexico. However, for this study, the Asian and Latin-American nations were combined into one group and are referred to as the Asian-Latin socialist model.

The authors' social-economic model is shown in Figure 1 and Figure 2. The authors' model explains the cultural values and how societies cultural values determine the social-economic system that develops, and therefore government policies, regulations, taxes, social services, and distribution of income.

Figure 1
Cultural value model



Societies with high Individualism, low Power Distance, low Uncertainty Avoidance, high Masculinity, and low Long-Term Orientation have all the cultural values and characteristics that strongly support capitalism. This combination of cultural values results in a large number of entrepreneurs and risk takers, with a focus on business, creating a social-economic system with minimal government, with few social benefits and emphasis on individual liberty.

Societies with high IND, low PD, moderate UA, low MAS, and low LTO have the individualism needed for capitalism, but the moderate UA and low MAS score results in a combination of cultural values that would encourage more government involvement to

provide programs to address the moderate UA and low MAS values. In this model, there is an extensive market system, combined with extensive redistribution of income through social programs. This combination of cultural values is the European socialism mode

Societies with low IND, high PD, high UA, moderate MAS, and high LTO have the cultural values and characteristics that strongly support socialism. This combination of cultural values results in a large government presence, providing many government services, high taxes, an extensive number of regulations, with relatively few entrepreneurs and relatively few risk takers. This is the Asian-Latin socialist model.

Societies with low Individualism, low Power Distance, high Uncertainty Avoidance, low Masculinity, and low Long-Term Orientation have the cultural values and characteristics that support communism. With this combination of cultural values, government control is pervasive throughout society, ownership of the factors of production are retained in the government's hands, and there is complete government control of resources. The government is there take care of its citizens and to provide all social services to the people.

A. Capitalism

From Table 1, the mean values for the cultural orientation for capitalist nations are; IND = 64, PD = 43, UA = 57, MAS = 57, and LTO = 40. The cultural values from these nations indicate a slightly weaker form of capitalism with a high level of IND, moderate level of PD, moderate level of UA, moderate level of MAS, and Low LTO. The strongest support for capitalism has high IND, low PD, low UA, high MAS, and low LTO have all the cultural values and characteristics that strongly support capitalism.

1. Individualism in Capitalist Nations

From Table 1, the results show that Individualism among all capitalist nations, except Hong Kong, Thailand (both Asians nations that are collectivist in nature) and Turkey (an Islamic nation that is typically collectivist) are the highest in the world. The mean IND value without those 3 nations is 74 and including these nations is 64, both values are far above the world average. The level of individualism is extremely high for capitalist nations.

For capitalism to thrive, capitalist nations require the initiative, creativity, and risk taking by individuals. Without the high level of individualism, it would be more difficult for capitalism to succeed. The individualist cultural value aspect is critical for capitalism to be successful. A high IND value is expected in capitalist countries. Any nation that displays, demonstrates, or exhibits this individualist characteristic would likely be capitalist in orientation as well. One would expect very little collective effort from an individualist society, but rather the desire to support as much individual effort as possible. Capitalist nations tend to be much more interested in policies that allow an individual to care for their own personal needs and usually support policies that minimize assistance for those who do not work hard or do not take personal responsibility for their unfortunate or unproductive situation.

The capitalist system cultural value emphasis is on individual achievement, limited government, personal liberty, and freedom. The cultural values of the capitalist system ensue a high level of individual risk taking and entrepreneurial activity.

2. Power Distance in Capitalist Nations

The cultural value scores for Power Distance (see Table 1) indicates few patterns, as there is a group with high values, a group with middle values, and a group with low values. Thus, it would appear that Power Distance among capitalist nations is not consistent toward either a high or a low value for the nations studied. A low Power Distance in society would be the most supportive of capitalism.

Power Distance is how the worker views their position in relationship to management. Capitalism is present in all geographic areas of the world which may be one of the factors influencing the scores being so varied. Numerous cultural factors influence Power Distance. Religion, education level, the role of women in society, the disparity between rich and poor, historical business evolution, and the length of time a democratic government has existed are all factors that influence Power Distance. These influences are operating on all economic models, but they have a different impact in each country in determining the Power Distance value. The USA and the European nations are all in the middle of the capitalist nation's scores. The Asian sector is in the high range with the low range containing nations with a strong religious influence.

3. Uncertainty Avoidance in Capitalist Nations

The UA score (see Table 1) for the capitalist nations were moderate in value indicating that the society is not fearful of uncertainty, yet at the same time, faces a somewhat uncertain future due to the strong individualistic orientation. The nations were consistent in this value with only Britain, Ireland, and Hong Kong having a low value. It is interesting that Hong Kong would have such a low value while China would have the highest value. This is certainly an indication that there are real differences between the two cultures. The influence of Britain upon Hong Kong can perhaps be seen in this low UA value. A low Uncertainty Avoidance score is the most supportive of a capitalist system.

4. Long-Term Orientation in Capitalist Nations

The least studied of Hofstede's cultural dimensions is the Long-Term Orientation. Because the scores are not available for many nations, it is difficult to compare and contrast the various nations. Over time as other countries are studied, this can be better analyzed. The Long-Term Orientation values for capitalist nations in Table 1 show low scores for most of the capitalist nations except for the very high level of 96 in Hong Kong. It indicates that Hong Kong has an extremely long-term outlook as one of its cultural values. The other capitalist nations are not nearly as long term oriented as Hong Kong. The only other capitalist nation that has a score above 50 is Thailand. High levels of LTO are typical for Asian cultures.

5. Capitalist Values Summary

The presence of individual effort, individualism, and an individualist mindset is certainly a basic characteristic of entrepreneurs and one of the main tenants of capitalism. This would indicate a high IND value, as shown in the results from this study. Capitalism and

individualism would tend to foster a moderate to high MAS value that places an aggressive work-oriented society in the forefront. One could also see the capitalist nations having a low to moderate PD value. A moderate PD score was found from the authors' research. Also, the time orientation of a person's effort in society would be much shorter, since a capitalist system emphasizes a results-oriented society, and therefore, should have a shorter time horizon than a society that allows for a slow longer-term effort being acceptable. This would provide capitalism with a short or moderate LTO, for most capitalist countries, as can be seen in Table 1. Because the individual is responsible for their own well-being, capitalist societies would appear to foster a moderate to low UA as there is little certainty as to what the future will hold. However, that future is also in each individual's own hands, thus perhaps fostering a moderate rather than a low uncertainty.

B. Communism

The communist survey results for each nation are shown in Table 1. From Table 1, the mean values for the cultural orientation for communist nations are; IND = 35, PD = 44, UA = 77, MAS = 37, and LTO = 45. Societies with low IND, low PD, high UA, low MAS, and low LTO have the cultural values and characteristics that support communism.

Table 1
Cultural dimensional values for the five groupings

Communist Cultural Values						Capitalist** Cultural Values					
Country	IND	PD	UA	MAS	LTO	Country	IND	PD	UA	MAS	LTO
Armenia*	18	13	90	34	18	Australia	90	38	51	61	31
Bulgaria*	49	13	101	46	49	Britain	89	35	35	66	25
China**	15	80	64	50	114	Canada	80	39	48	52	23
Croatia**	33	73	80	40		Germany	67	35	65	66	31
Czech*	41	47	64	50	34	Hong Kong	25	68	29	57	96
Estonia**	60	40	60	30		Ireland	70	28	35	68	
Hungary**	80	46	82	88	96	Israel	54	13	81	47	
Kyrgyzstan*	29	19	75	14	35	Italy	76	50	75	70	
Latvia*	23	25	99	26	16	N. Zealand	79	22	49	58	30
Lithuania*	8	30	94	8	23	S. Africa	65	49	49	63	
Poland*	23	1	55	27	22	Spain	51	57	86	42	
Romania*	49	33	73	24	28	Thailand	20	64	64	34	56
Russia*	31	40	102	6	36	Turkey	37	66	85	45	
Serbia**	25	86	92	43		USA	91	40	46	62	29
Slovakia**	52	104	51	110	38	Means	64	43	57	57	40
Slovenia**	27	71	88	19							
Ukraine*	27	48	93	0	50						
Uzbekistan*	59	3	79	56	38						
Vietnam**	20	70	30	40	80						
Means	35	44	77	37	45						

* Cultural value results from study (1991-2003) done by the authors

** sourced from Hofstede, Hofstede, and Minkov (2010).

The former communist nations study was conducted over a period from 1991-2003. Several studies have produced various cultural values for various groups in Russia, Poland and the Czech Republic, but few have been completed in the other nations. In addition, the factories used in the authors' research study were all very similar in their

production processes. The use of similar factories throughout the study generated sample survey results appropriate for making comparisons, both between these nations, and those of other nations. In most of the replications of Hofstede's original survey across 52 countries, the results have been similar even when using different sample groups, thus supporting the theory that culture is the institutionalization of held values within a society, and with a large enough sample, results will have similar scores. However, for all studies Hofstede suggested a homogeneous sample, which this study obtained by using similar factories.

The communist ideology, as practiced by most communist nations, proclaimed that they were a socialist ideology trying to become a communist nation. Under communism, the government had total ownership of all goods and services. Theoretically, a communist nation provided lifetime services for everyone within the society on an equal basis. This ideology is different from the socialist nations. In communism, all the means of production were owned by the government. There was no real private property ownership and little, if any, private business efforts were allowed. Under socialism there is private ownership of property, production facilities, and individual business efforts with vast, intrusive government control, but private business is allowed and encouraged. Pure communism would be a nation without any private ownership of any tangible items, while pure socialism would have government control through taxation and regulation but would not own directly every company. However, many socialist nations have government and private ownership together usually with the government maintaining majority control.

The nations studied in the authors' research project included 12 out of the 20 present and former communist nations. China was surveyed by Bond in 1990 and can also be included in the communist nations. The sample included nations from Europe, the Caucasus, and Central Asia providing a wide-ranging geographic study. The diversity of nations included in this study is certainly large enough to provide a sufficient overview of the communist world.

1. Individualism in Communist Nations

The communist philosophy made the government the preeminent entity in the nation. The individual was to serve the state and in turn, the government would provide everything the individual needed to survive in life. That was the goal of the communist philosophy. One would expect that the nations that adopted the communist philosophy would have a low Individualism score. The study confirms this with a mean value of 35, ranking very low among all nations in the world for this dimension. The Individualism value ranged from a high of 59 for Uzbekistan that places it in the upper middle range among nations, to a low of 8 for Lithuania which is among the lowest of all nations. Only Uzbekistan and Romania score in the middle range with all other communist nations scoring very low on this dimension.

2. Power distance in Communist Nations

Under communism there was a dichotomy within society between the total control at the top by the central authorities and the local levels where the micro-communist world was very different. Central authority provided the dictates to the local authorities, but the

reality of life was contained within the work environment. Previous studies have indicated a high PD value for the communist nations, not taking into consideration the actual practices within local communities as opposed to the dictatorial system in place at the top. The authors of this study propose a low PD value exists for communism. The extreme power of the trade unions was evident in every community in the communist world. The ultimate example of this was in Poland where the unions were, in fact, the power source. From Table 1, the Power Distance value for communist countries is 44, nearly exactly the same as for capitalist countries. The finding of this study, that most communist and former communist nations had low PD scores, is contrary to previous academic studies indicating a high level of Power Distance for communist nations, but the results of the authors should not be surprising. The results of this dimension signifies equality among workers and managers. When considering the communist philosophy that everyone is equal and owns an equal share of the society, this is very consistent with that belief.

3. Uncertainty Avoidance in Communist System

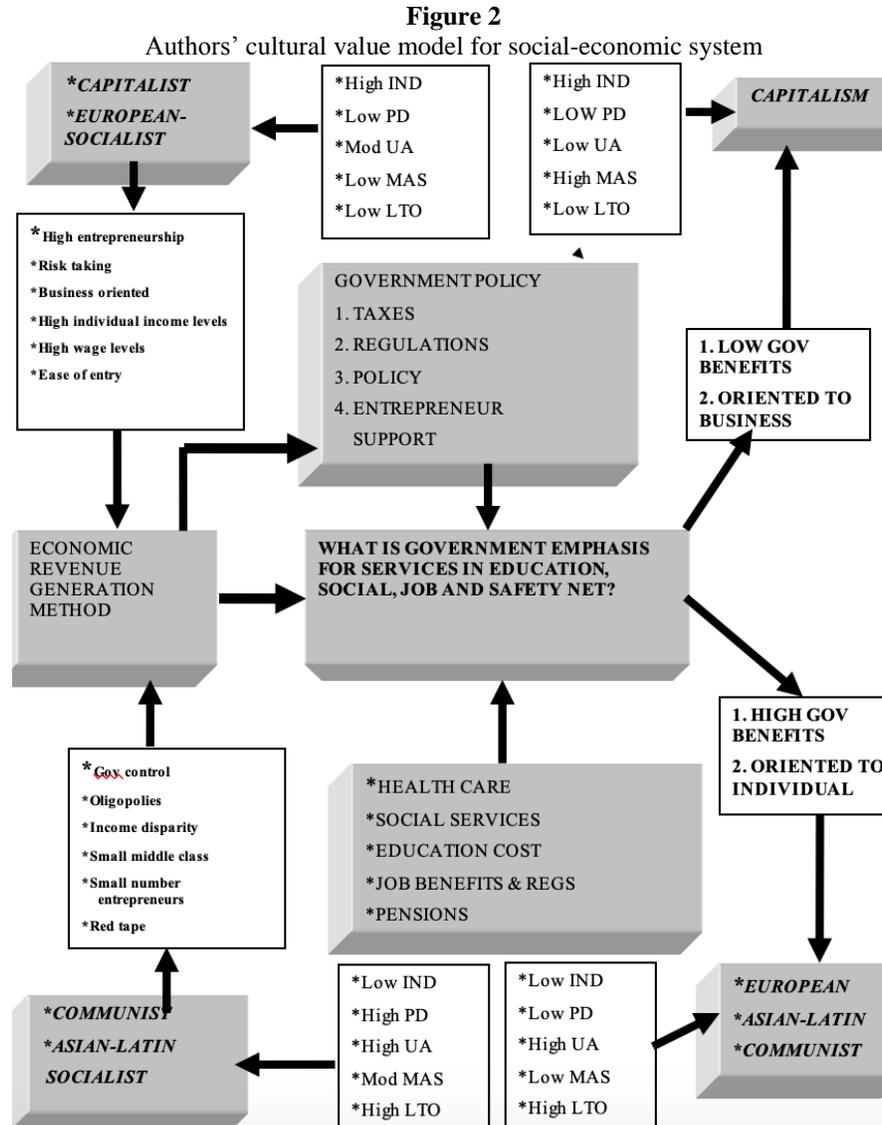
The prevalence under the communist philosophy of the government taking control of all aspects of an individual's life, would presume a high certainty for the society. For a person's entire existence, their survival in life is known as to how to function within the laws and tenants of the society. This need for certainty would point to a high uncertainty avoidance score for communist nations. This is validated as the cultural value scores are at very high levels for all nations studied except for Poland and the Czech Republic. From Table 1, the mean Uncertainty Avoidance score is 77. Societies of the communist world would appear to desire a life of certainty that the communist philosophy provided.

4. Masculinity in Communist Nations

The cultural dimension of Masculinity usually is consistent with the value of Individualism in that many of the traits associated with an individualist society are also in the high MAS range. From Table 1, the mean Masculinity score for communist nations is 37. The low MAS score indicates a need to focus on the family over work, harmony in decisions, the desire for security within the community, and a less aggressive society. These traits are similar to the communist philosophy of the common need, collectivism, and community. With the exception of the Czech Republic, the MAS scores are very low, and in the case of Russia, Ukraine, and Lithuania among the lowest in the world. The mean of 37 is in the low range among all the world's nations. Certainly, the communist nations are not a Masculine oriented society.

5. Long-Term Orientation in Communist Nations

The overall cultural value of 45 for LTO is perhaps a surprising result as the communist philosophy proclaimed a future that was better by sacrificing the present. However, the communist world appears to focus upon the near term more than the long term with the exception of China (LTO = 114), Hungary (LTO = 96), and Vietnam (LTO = 80).



In summary, the authors' study found the communist nations have a low Individualism mean score, moderate Power Distance mean score, very high Uncertainty Avoidance mean score, and a very low Masculinity mean score, all are generally consistent with the philosophy of communism. The studied nations are indeed supportive of the communist goals and philosophy. This can now be compared to the philosophy of socialism. While much of the socialist philosophy is in agreement with communism, the economic realities of socialism are very different from the communist beliefs that the government controls and owns everything.

6. Comparison of Study to Published Hofstede Values

Cultural values for communist nations sourced from Hofstede, Hofstede, and Minkov (2010) are shown in Table 2 and compared to the Authors' study. In each category, the first column is from the authors' study and the second column is from the cultural values listed by Hofstede et al. (2010).

Table 2
Communist cultural values

Authors' Study Compared to Values Sourced from Hofstede, Hofstede, and Minkov (2010)										
Country	IND	<i>IND'</i>	PD	<i>PD'</i>	UA	<i>UA'</i>	MAS	<i>MAS'</i>	LTO	<i>LTO'</i>
Armenia	18	18	13	13	90	90	34	34	18	18
Bulgaria	49	30	13	70	101	85	46	40	49	69
China	15	20	80	80	64	30	50	66	114	87
Croatia	33	33	73	73	80	80	40	40		58
Czech	41	58	47	57	64	74	50	57	34	70
Estonia	60	60	40	40	60	60	30	30		82
Hungary	80	80	46	46	82	82	88	88	96	58
Kyrgyzstan	29	29	19	19	75	75	14	14	35	35
Latvia	23	70	25	44	99	63	26	9	16	69
Lithuania	8	60	30	42	94	65	8	19	23	82
Poland	23	60	1	68	55	93	27	64	22	38
Romania	49	30	33	90	73	90	24	42	28	52
Russia	31	39	40	93	102	95	6	36	36	81
Serbia	25	25	86	86	92	92	43	43		52
Slovakia	52	52	104	110	51	51	110	100	38	77
Slovenia	27	27	71	71	88	88	19	19		49
Ukraine	27	25	48	92	93	95	0	27	50	55
Uzbekistan	59	59	3	3	79	79	56	56	38	38
Vietnam	20	20	70	70	30	30	40	40	80	57
Means	35	42	44	61	77	75	37	43	45	59

In each category, the first column is from the authors' study and the second column is from the cultural values listed by Hofstede, Hofstede, and Minkov (2010).

IND, PD, UA, MAS, LTO are from the authors' study.

IND', PD', UA', MAS', LTO' are sourced from Hofstede, Hofstede, and Minkov (2010).

The authors' study shows a slightly lower average IND score for the communist nations as compared to Hofstede et al. (2010). Latvia, Lithuania, the Czech Republic, and Poland are much lower in the authors' study than listed by Hofstede et al. (2010). The IND score for Russia is also slightly lower in the author's study. The IND score listed by Hofstede et al. (2010) for China is only slightly higher than the value listed in the authors' study. Bulgaria and Romania show higher IND from the authors' study. Most of the IND results are either the same or only slightly different.

The authors' study shows a lower average PD score for the communist nations compared to Hofstede et al. (2010). Bulgaria, Latvia, Lithuania, Poland, Romania,

Russia, Ukraine are much lower in the authors' study than listed by Hofstede et al. (2010). Most academic literature indicates that under communism the countries should have a high-Power Distance value consistent with an autocratic society. The authoritarian system that existed in the communist world certainly implied that a high-Power Distance should exist at all levels. Puffer and Sheskina (1996) concluded that Russia should have a high-Power Distance. Previous research has supported this conclusion (Bollinger, 1994; Hisrich and Grachev, 1993; Holt, Ralston, and Terpstra, 1994; Veiga, Yanouzas, and Buchholtz, 1995; Welsh, Luthans, and Sommer, 1993). Bakacsi, Sandor, Andras, and Viktor (2002) found that former Soviet Union countries had high Power Distance due to the collectivism orientation. Cseh, Ardichvili, Gasparashvili, Krisztian, and Nemeskeri (2004) describe former communist nations as meticulously following rules, not questioning authority, and demonstrating a lack of independent thinking, all indicative of high-Power Distance. Muratbekova-Touron (2002) argued the former Soviet Countries had high Power Distance as evidenced by their bureaucratic management, their hierarchical system, and their reliance on autocratic authority.

The comprehensive study by Bradley (2003) found consistently lower than expected power distance values. Bradley's study included 6387 respondents in eleven countries. Bradley (2003) found a much lower Power Distance among all countries studied than was expected from the literature. This translates into a viewpoint of equality between workers and managers.

According to Bradley (2003), the communist factory was a very democratic institution in which the workers had a large input into the process of decisions. The role of the factory manager was to provide the social network associated with their workers rather than as a manager of production. The actual work environment under communism was based upon worker participation, social structures orientated to the factory and collective agreement, equality, and a strong role of the worker councils, all indicating a low rather than high Power Distance. Once decisions were made, the directions were followed without question.

The current authors' study shows almost the same average for UA that is listed by Hofstede et al. (2010). China, Latvia, Lithuania, show a much higher UA from the authors' study than those listed by Hofstede et al. (2010), while Poland, Romania, and the Czech Republic show higher UA values as compared to Hofstede et al. (2010).

The authors' study shows a slightly lower average MAS than that listed by Hofstede et al. (2010). China, Lithuania, Poland, Romania, Russia, Ukraine, and Vietnam all show lower MAS values in the authors' study compared to Hofstede et al. (2010), while Bulgaria and Latvia show a slightly higher MAS in the authors' study.

The authors' study shows a lower average LTO than that listed by Hofstede et al. (2010). Bulgaria, Russia, Romania, the Czech Republic, Slovakia, Lithuania, Poland, , and Latvia, show a lower LTO in the authors' study than listed by Hofstede et al. (2010), while China, Hungary, and Vietnam show a higher LTO than listed by Hofstede et al. (2010).

C. Socialism

The degree of socialism present in a nation can be defined by how the government chooses to supply a variety of services to the people of the nation. There are many forms of socialism, ranging from total governmental control, such as the former Soviet Union,

and many of the Middle Eastern nations, to a very loose control such as Denmark or Sweden. However, in each case, the society is the benefactor of the services that are provided. The services provide by the socialist government are financed with taxes, which are inevitably very high. Socialism is not how the nation acquires resources, but rather where these resources are allocated that determines if the nation is socialist in nature.

What are the underlying values of the society that fosters socialism as a form of governmental flow of services? The society must have a form of collective mentality that places the good of the nation above that of the individual. This would indicate that the society is low on Individualism and low on Masculinity as well. However, a nation can also be oriented to individual effort (a higher IND), then through various tax and regulatory methods, use the individual effort to support the collective society. The former example is the Asian-Latin socialist model and the latter is the European socialist model.

This creates two groupings for socialist nations, each distinct from the other. The authors' study initially sought to combine all socialist countries into one grouping, however, after examination of how different these groups were in cultural orientation, a distorted picture would emerge without separating the groups. The Asian-Latin grouping would appear at first to be unusual, however, the cultural dimensional values of each group separately are virtually identical. The final grouping thus put these two regions together. Though each is very different in religion, social norms, economic development, and political development, they are very much alike in their social-economic beliefs as related to their underlying cultural values.

European socialist nations have a very entrepreneurial nature with a socialist governmental orientation. In contrast, the Asian-Latin model of socialist nations exhibits a very controlled economy with emphasis upon monopoly and oligopoly structures and often direct government ownership. In the Asian-Latin model, the individual is always seen in the context of the group, while Europeans regard the individual as unique. It is this contrast between the two types of socialism that requires the socialist nations be divided into two groups. The two socialist groups provide a more accurate insight into the similarities and differences between the groups and the communist and capitalist social-economic groups. A high IND, low PD, moderate UA, low MAS, and low LTO is the most supportive of the European socialism model. A low IND, high PD, high UA, moderate MAS, and high LTO is the most supportive of the Asian-Latin socialist model.

Many would argue that the former communist nations are, in fact, socialist nations and should not be a separate grouping. The communist nations were chosen as a separate identity because communism, as explained before, was different from socialism due to the total ownership of all means of production. Socialism, in contrast, does not consider the ownership of all means of production as necessary. Several countries have undertaken reforms that would now place them in the socialist category. Discussion of this will follow in the result's section.

1. Individualism in Socialist Nations

The socialist nations have two distinct groupings for the IND cultural dimension. There are European countries that are very entrepreneurial in their makeup and the Asian countries that are very state-controlled in most, if not all, aspects of the economy. Because they are socialist in how the government provides for the citizens and thus are

defined as a socialist nation, it does not mean that there is only one model of how this is accomplished in the economic arena. The cultural dimensional trait of IND provides a very clear indication of this by the geographic divide among the socialist nations on this trait. The means of the two sub-groupings provide evidence of this divide. From Table 3 and Table 4, the mean IND score for European socialist is 62 and the Asian-Latin socialist IND score is very low at 23.

Table 3
Cultural dimensional values for the five groupings

Asian-Latin Socialist* Cultural Values						European Socialist* Cultural Values					
Country	IND	PD	UA	MAS	LTO	Country	IND	PD	UA	MAS	LTO
Costa Rica	15	35	86	21		Austria	55	11	70	79	
Ecuador	8	78	67	63		Belgium	75	65	94	54	
El Salvador	19	66	94	40		Denmark	74	18	23	16	
Guatemala	6	95	101	37		Finland	63	33	59	26	
India	48	77	40	56	61	France	71	68	86	43	
Jamaica	39	45	13	63		Greece	35	60	112	57	
Japan	46	54	92	95	80	Netherlands	80	38	53	14	44
Malaysia	26	104	36	50		Norway	69	31	50	8	
Mexico	30	81	82	69		Portugal	27	63	104	31	
Panama	11	95	86	44		Sweden	71	31	29	5	33
Peru	16	64	87	42		Switzerland	68	34	58	70	
Singapore	20	74	8	48	48	Means	62	42	67	37	38
South Korea	18	60	85	39	75						
Taiwan	17	58	69	45	87						
Uruguay	36	61	100	38							
Venezuela	12	81	76	73							
Means overall	23	70	70	51	70						
Asia mean	29	71	55	56	70						
Latin mean	19	70	79	49							

* sourced from Hofstede, Hofstede, and Minkov (2010).

Table 4
Mean values for the socialist nations' cultural values

	IND	PD	UA	MAS	LTO
European Socialist	62	42	67	37	38
Asian-Latin Socialist	23	70	70	51	70
Socialist	43	56	68	44	54

2. Power Distance in Socialist Nations

Within most socialist nations, there is a strong union or governmental regulated work environment. This is consistent with a low Power Distance value. A nation that regards the values of society as more important than the individual needs, it would seem, would also see an equality of power between the management and the worker. The mean PD value for European socialist nations is 42, a relatively low value and typical for Western nations. The mean PD value for the Asian-Latin socialist is 70, a relatively high value.

3. Uncertainty Avoidance in Socialist Nations

A society that has a large safety net, where the government is the provider of many social services to its citizens would seem to create a very certain environment. This must be examined as to what comes first, the uncertainty that creates the desire for a certain environment, or the certainty that is already present that then creates the institutions that enhance that certainty? One can see that this cultural dimension has both high and low values. The Asian-Latin socialist (UA = 70) and the European socialist (UA = 67) have a similar value for Uncertainty Avoidance. A further examination of this trait in the methods by which the evolution occurred would be needed to understand how the Uncertainty Avoidance dimension is affecting or influencing the socialist systems in these nations.

4. Masculinity in Socialist Nations

A society that is oriented to a high MAS value is oriented to work more than the family environment. The MAS value for socialist nations is one of the most important findings in the study. A defining characteristic of socialist nations is their low MAS score that differentiates them from the other social-economic models. The underlying value of socialism is orientation toward equality in society and that government's responsibility is to provide for its citizens a host of entitlements. This is very consistent with a low MAS score.

The European socialist MAS score was low at 37, but the Asian-Latin socialist score was higher at 51, closer to the MAS score for Capitalist (MAS = 57). While one can never be certain of the exact reason for the evolution of any society's cultural values, this distinct finding indicates that this cultural trait is influencing this evolution. That the low value is indicative of a socialist orientation cannot be ignored. It will be very interesting to follow the former Soviet Union nations over time, to see which nations evolve into a socialist orientation and examine their MAS values to see if they also have a low MAS score. When examining the communist nations' scores for MAS, it would appear the most likely to become very socialist in their social-economic evolution would be Armenia (MAS = 34), Latvia (MAS = 26), Lithuania (MAS = 8), Russia (MAS = 6), Ukraine (MAS = 0), and Kyrgyzstan (MAS = 14) while less likely are Bulgaria (MAS = 46), the Czech Republic (MAS = 50), Hungary (MAS = 88), and Serbia (MAS = 43).

5. Long-Term Orientation in Socialist Nations

There is a large and distinct difference between the Asian-Latin and European groupings in their LTO value. When one examines the Asian and Latin LTO value, it is on the Long-Term spectrum while the European value is very short. As most of the western cultures have a much shorter time horizon than the rest of the world, this is not surprising that the socialist nations are similar in this regard. The Latin nation's values are much longer, and the orientation is toward a future reward rather than a present reward.

6. Cultural values summary of Social-Economic Models

The results from this study show the capitalist nations have a high value for IND, a moderate value for MAS, a moderate value for PD and UA, and an orientation that is low on LTO (see Table 5 for cultural value scores). The results did not find any surprises except for the low LTO value for Hong Kong when compared to China.

Table 5
Mean cultural value scores summary

SYSTEM	IND	PD	UA	MAS	LTO
Capitalist	64	43	57	57	40
Communist	35	44	77	37	45
European Socialist	62	42	67	37	38
Asian-Latin Socialist	23	70	70	51	70
Socialist	43	56	68	44	54

The results certainly indicate that there are four distinct social-economic models with differences that are consistent across the countries studied. There are several interesting findings from the study.

1. There is a clear difference in the cultural values between the communist and socialist nations.
2. The European socialist nations have high IND, low to moderate PD, low MAS, and low LTO; the Asian-Latin socialist have low IND, high PD, high MAS, and high LTO; UA is similar for both.
3. The European socialist nations are almost identical to the capitalist nations except for a lower MAS value.
4. The Asian and Latin socialist nations are very similar in their scores (see Table 3 and 4) for IND, PD, and MAS, even while being totally different in geography, religion, history, and political development. There was a substantial difference for UA between the two groups.
5. The former communist nations will probably become socialist in their orientation due to the low MAS (35) values and low IND (37) scores in line with socialism of the Asian-Latin model more than the European socialist model.

The socialist model appears to have one underlying value that is fairly consistent across both socialist groups, the MAS value. Having a low MAS score appears to be indicative of a nation focusing upon the needs of the society over the individual. The MAS dimension concerns the society and how it looks to the group while the IND trait indicates how the society believes the individual does or does not fend for themselves. The European socialist nations have a higher IND (62) score very much in line with the capitalist nations (IND 64), however, the European socialist MAS (37) score is low, and the same as the communist nations' MAS (37) score. Having a high IND value does not preclude a society from being socialist in nature if they also have a low MAS orientation. This is one of the important findings from this study. If the former communist nations are included in the now socialist nations, this conclusion stands out even more.

The European socialist nations and the Asian-Latin socialist nations have two similar traits, UA and MAS. UA is almost the same, and MAS is somewhat similar. The socialist model is one that is oriented to what happens after acquiring the resources from the private sector, rather than a model that is oriented to how these resources are acquired. This distinction is critical to understanding the realities of how socialism functions and why nations as diverse as Norway and Malaysia can both be socialist nations. That there are two socialist models is certainly an important finding, however, that these two models are different, except for an almost identical UA, and similar MAS value. The similar MAS is very meaningful and extremely important. It would appear that looking at the MAS value within a society can provide insight into how the nation views the use of its

resources and thus how the political and social structures should be oriented. A society that demands a social orientation over an individual orientation would certainly experience constant conflict if the government was oriented to an individual effort. To alleviate conflict, policies oriented to providing a social structure for society should be embraced. This surely requires additional research effort as it could be one of the key elements in understanding how societies evolve their social and political systems.

Why are European socialist nations and Asian-Latin socialist different in their orientations? The answer perhaps is seen in the IND value and the PD value scores. It would appear that European socialist nations focus upon the individual to acquire resources while Asian-Latin socialist nations focus upon the combined individual-state effort to acquire those resources. This is the process mechanism, or system component of the economic models. European socialist nations are almost exactly the same in their orientation, except for MAS as the capitalist nations, thus providing an interesting viewpoint that the only real difference in these nations is the use of their resources not in how they acquire them. As opposed to Asian-Latin socialist nations that are different from both the standpoint of how they acquire the resources and in how they distribute them as well.

V. VALUE MODEL FOR SOCIAL-ECONOMIC SYSTEMS

The results of this study lend themselves to the development of a cultural social-economic model. The model can help to define the emerging global economic structures in terms of their cultural differences, defining them both as nations and as social-economic entities.

The activities and processes of government and economics are complex and varied across nations. The authors' Cultural Value-Model (see Figure 1) seeks to provide a representation of the findings that can be utilized to better understand how the inclusion of culture into the discussion can provide the basis for an improved awareness of the influences that are affecting the four social-economic systems described in this paper. Table 6 summarizes the results regarding the differences and/or similarities between the various social-economic systems. Table 6 compares each system and indicates if the cultural dimension values are similar or different.

Table 6

Are the social-economic systems different in their specific cultural dimensional values?

Social-economic system	IND	PD	UA	MAS	LTO
Communism-Capitalism	yes	no	yes	yes	no
Asia-Latin-Capitalism	yes	yes	yes	no	yes
Asia-Latin- Communism	yes	yes	no	yes	yes
European- Capitalism	no	no	no	yes	no
European-Communism	yes	no	no	no	no
Asia-Latin-European	yes	yes	no	yes	yes
Asian-Latin	no	no	no	no	n/a

A. Capitalist Model

Capitalism is an economic system that foster economic growth and allocates resources through decentralized markets. However, the capitalist model shows that much more is

in play than just the economic system in place within those societies that are considered capitalist. They all share a high IND score, much to be expected. This provides the impetus for the fostering of small companies that become larger companies, it is a very entrepreneurial environment. The large concentration of entrepreneurs in these nations is evidence that the individual is paramount in the society. From the results of the authors' study, the moderate values for PD, MAS, and UA across these nations is consistent with the Cultural Values Model (see Figure. 1 and Figure 2). The importance of the work environment, an aggressive approach to work and life, a belief that a strong economic life will in and of itself create the family environment, and not fearing the future are all related in this model. While capitalism is thought of as an economic term, certainly it can be said to be a social-economic term as well.

B. European Socialist Model

This model is very similar to the capitalist model except for MAS which is very low, compared to a relatively high MAS in the capitalist model. It would appear that the European nations evolved very similar in their institutions that promoted the economic world for the individual but instead of becoming nations of individuals; they instead evolved into a more community-oriented society, using that individual success to foster a society in which the government provides the services that all within the society requires. In contrast, the capitalist nations have evolved believing the individual is responsible for providing their own services with a limited governmental involvement. One very interesting finding is how the socialist nations separated themselves based upon MAS scores. They are certainly very different from the capitalist nations on what role government plays in the society and most have adopted a parliamentary style of government over a representative style of government.

C. Asian-Latin socialist model

In contrast to the European model is the Asian-Latin model. With differences in religion, geography, historical evolution, and political institutions, these nations established a cultural framework very similar in their institutional development. One could certainly argue that this model is cross-cultural, a very powerful statement, but one that has an international scope that cannot be denied. That so many countries with such diverse demographics could evolve in such a similar way is perhaps the most important finding from the study.

VI. SOCIALISM AND COMMUNISM VS CAPITALISM

The authors' study validates the differences to be found between capitalist and socialist societies. It would appear that the future will entail continuing disagreement between these two philosophies. One must remember that communism is also different from socialism in that a communist society owns the means of production, while the socialist society does not necessarily own the factors of production. The underlying values of IND, MAS, and UA are so very different in these models that the institutions stemming from them are certainly different as well. These institutions are what, either allow or inhibit, the creation and changes of new values. With such a strong orientation toward a low IND,

an incredibly low orientation toward MAS and the very high UA factor, the former communist nations do not appear to be oriented toward a capitalist evolution, but rather a socialist orientation. With such a divergent orientation, conflict as to how to achieve various goals for the people within these societies will become an even greater conflict between nations. The differences in cultural values are not simply small differences, but in some cases they are almost complete opposites. With such different social-economic approaches, the viewpoint on how to solve problems, create new institutions, development social reforms, and a host of other needs between these societies, leads to completely different solutions.

This study provides the means through an in-depth survey of former communist nations, to establish the cultural values of the four social-economic models in the world. These models are distinct in their cultural values orientation. The world is divided into the socialist world and the capitalist world. The distinctions between the models are observed across the nations within in each model. The results are surprising in the strength of the differences and the consistency of these differences. Because the cultural values become institutionalized over time, the world is not coming together, but it appears to be fracturing into two worlds, the capitalist world and the socialist world.

VII. CONCLUSION

The authors' study uses cultural values for understanding the world's social-economic systems. The authors' social-economic model is easy to understand, applicable to the real world, and is based on a nations' underlying cultural values. It is important to have a model that provides the ability to separate nations as to their social-economic structures from a cultural viewpoint.

One may conclude that nations evolve from a set of cultural values that over time become the institutions that form their social-economic world. Once these institutions evolve, the social nature of society is defined by the governmental actions that integrate into the society the regulations, laws and social dynamics that become the cultural values of that nation.

Because there are many nations in Asia that have not yet been surveyed, Cambodia, Burma, Turkmenistan, Mongolia, and others, future research would be valuable in these nations to either enhance the conclusions of the authors or discover an additional Asian communist model. As Asian cultural values are very different from the rest of the world, this would be a very valuable addition to the research. Also, the size of Russia lends to further study that would divide the nation into its regional parts, and see if perhaps Russia needs several cultural value indexes. It could be observed that perhaps there is a European and Asian cultural model for Russia rather than one overall model.

The authors understand the many concerns that may evolve over time as to how the nations were included in each grouping. However, without sub-dividing the groups into even more models that would provide less rather than more clarity, it can be suggested that this is a very functional model for further understanding of our global community.

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