KNOWLEDGE AREA MODULE 1

Cultural Influences in International Socioeconomic Development

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Introduction

For KAM 1, abiding by the guiding theme of societal development, I will for Breadth examine and contrast theoretical foundations of socioeconomic development, and how those developments evolved from and/or have impacted cultural values. For Depth, I will then contrast the theoretical foundations with the current-day environment of evolving and revolving economic systems (e.g., the transition from centralized states to more decentralized, free-market systems), and the impact of those changes on social interaction. Finally, for Application, I will integrate the Breadth and Depth findings with the development of a course in Global Economics for Antioch University.

BREADTH

SBSF 8110: Theories of Societal Development

Cultural Impact on International Socioeconomic Development

Seeds of Socioeconomic Development

The role of culture in socioeconomic development theory has often been ignored or at least shunted aside as an unwieldy inconvenience. This paper will attempt to view socioeconomics from a cultural perspective, considering how we might integrate the role of culture, respect its influence, and then ultimately get beyond it.

Societal formation, as all humankind itself, may well have sprung from common seed. Throughout the largest portion of recorded history of the world's socioeconomic development, society was most universally set up along systems of manorial rule and primitive mercantilism. Heilbroner and Thurow (1998) describe pre-modern society as a simpler time, if not marked by great pinnacles of economic and social growth, at least as an era well rooted in a tradition of stability: "It may not have seemed so to the peasants and merchants whose lives were constantly disrupted by war, famine, merciless taxation, and brigandage. But it was very stable compared to the tenor of economic life in our own time. The basic rhythms and techniques of economic existence were steady and repetitive. Men and women sowed and reaped, potters and metalworkers turned and hammered, weavers spun and wove" (p. 13).

As societies developed into more complicated interrelations—both domestically and externally—social sciences became more organized in their analyses. Worsley (1999) observes that Development Theory emerged following the Second World War, dealing through necessity with a ranging variety of cultural lifestyles and social perspectives. “However, few writers put culture at the heart of their analyses, and even anthropologists tended to see their subject-matters as something that was disappearing before their own eyes. It was assumed that, with the end of colonialism and the adoption of the correct policies, ‘traditional’ cultures would disappear and the world would become rapidly ‘modernized’” (p. 30).

Given this minimized appraisal of culture’s influence and lifespan, “development theories tended to emphasize the state, planning, the market, labor-flows, money-supply or commoditization, etc., as if these things were not themselves the cultural constructs of a particular kind of civilization,” rather they were promoted as universal principles that all societies would ultimately adopt if not originate (Worsley, 1999, p. 30). Within this construct, social development scientists were able and expected to ignore culture aspects such as “religion, kinship, ethnicity or the arts, and thought of their economic and political models as acultural,” which led to what Worsley calls a continued weakness in development studies, and a diminishment of the “complexity and diversity of human social life” (p. 30).

Perhaps two of the largest contributors to the deculturization of socioeconomic development theory—two unlikely partners along opposite though thoroughly linked extremes—are Adam Smith (1723-1790) and Karl Marx (1818-1883). Smith introduced the maxim, “Individual ambition serves the common good,” reducing the complexity of cultural foundations within social development to a base driver of self-interest and greed—one of the founding

principles of modern economic thought. As we'll see below, Smith, well-steeped in his British environment of Western culture, helped expand the Western cultural roots into a universal application of economic theory discounting, undermining, and often exterminating the cultural perspectives beyond the West.

Marx considered the social impacts on economic development, but rather than a cultural perspective, he employed a mechanistic determinism in his developmental theory applied universally to societies without much regard for cultural idiosyncrasies. While Marxism concerns itself in depth with the historic and intrinsic exploitation of the working class by ruling overlords, "at its core lies a complicated analysis of the manner in which surplus value (the unpaid labor that is the source of profit) is squeezed out through mechanization" (Helbroner & Thurow, 1998, p. 36). Or as Marx (1990) himself said it, "The capitalist mode of production and accumulation, and therefore capitalist private property as well, have for their fundamental condition the annihilation of that private property which rests on the labor of the individual himself; in other words, the expropriation of the worker" (p. 940).

Though Marxism as a driver of socioeconomic development has ultimately proved unsuccessful, Hofstede (1997) proposes that the failing may be due to the differing cultural dimensions of adopting countries, specifically the large "power distance" between the upper and lower strata of a society; a failure that might be attributed to Marx's "mental software" programming, coded in relatively egalitarian German cultural mindset.

> It is a tragedy for the modern world that Marx's ideas have been mainly exported to countries at the large power distance side of the continuum … This absence of a check to power has enabled government systems claiming Marx's inheritance to survive even where these systems would make Marx himself turn in his grave. In Marx's concept of the 'dictatorship of the proletariat' the 'dictatorship' has appealed to rulers in some large power distance countries but the 'proletariat' has been forgotten. (p. 41)

Whether or not culture played a significant role in socioeconomic development is actually a moot question. Culture was not an incidental influence on societal development, but was the clay that societies were sculpted from; the very medium of development itself, rather than an inconvenient tangent for theorists to discard.

Since cultures were unable to contrast themselves with other cultures regularly and scientifically, the impact of culture was readily unexamined. Huntington (1995) observes that throughout most of the history of societal development, most cultures or "civilizations" lived ignorant or only intermittently aware of how societies were developed outside their own. As civilizations expanded and entwined, cultural simplification endured as the world was divided into two cultural camps: those of the West, and those that were not but yet fell prey to Western cultural influence.

> With the beginning of the modern era, about A.D. 1500, global politics assumed two dimensions. For over four hundred years, the nation states of the West—Britain, France, Spain, Austria, Prussia, Germany, The United States, and others—constituted a multipolar international system with Western civilization and interacted, competed, and fought wars with each other. At the same time, Western nations also expanded, conquered, colonized, or decisively influenced every other civilization. (p. 21)

Huntington's theories of societal development have found many critics, including Worsley (1999), who claims Huntington only "provides an extremely crude and highly problematic representation (both in writing and in maps) of world cultures and civilizations: Western, Confucian, Japanese, Islamic, Hindu, Orthodox, Latin American, African and Buddhist" (p.40). Worsley questions if there is any meaning to world divisions "placed under these banners" and subjected to Huntington's "blurring of categories and definitions" such as cultural history, geography and religion; yet Huntington is given credit, at least by Worsley, for

broaching the impact of culture and civilization on the development of political and economic systems, something that has often been neglected (p. 40).

Along with the theories of socioeconomic development, inclusive or exclusive of cultural perspectives, it is appropriate to consider some of the drivers of social change, as we'll later consider these within a "transcultural" construct. Echoing Marx, Bauman (2000) and Fairbanks (2000) point to the conflicts created by polar tensions between poverty and prosperity. One of the misconceptions within current definitions of poverty, says Bauman (2000), is the oversimplified equating of poverty with hunger:

> What the equation 'poverty = hunger' conceals are many other and complex aspects of poverty—'horrible living and housing conditions, illness, illiteracy, aggression, falling apart families, weakening of social bonds, lack of future and non-productiveness'—afflictions which cannot be cured with high-protein biscuits and powdered milk. (p. 74)

In contrast with the social ills of poverty, and as a beacon for socioeconomic striving, Fairbanks (2000) provides a useful definition of prosperity:

> Prosperity is the ability of an individual, group, or nation to provide shelter, nutrition, and other material goods that enable people to live a good life, according to their own definition. Prosperity helps create space in people's hearts and minds so that they may develop a healthy emotional and spiritual life, according to their preferences, unfettered by the everyday concern of the material goods they require to survive. (p. 270)

Fairbanks (2000) proposes ten critical elements in the social change process: decode the current strategy for prosperity, create a sense of urgency, understand the range of strategic choices and inform them with analyses, create a compelling vision, create new networks of relationships, communicate the vision, build productive coalitions, develop and communicate short-term wins, institutionalize the changes, evaluate and affirm the changes (pp. 273-280). Rather than a Smithian or Marxian reduction of cultural influence to mechanistic or simplistic motivations, Fairbanks—in his more expansive take on social change—gives a hint of the

transcultural drivers to be considered ahead. Fairbanks adds an even more complex calculation into the development algorithm; that beyond a society's cultural impacts on socioeconomic development, are cultural impacts which may be impacted in turn by internal subcultures: "There are segments of each society that hold different beliefs about what prosperity is and how it is created. Acknowledging and understanding this is the basis for creating change" (p. 271).

While various economic and social scientists ponder the drivers of socioeconomic development and change, Worsley (1999) warns that there are some scholars who would dismiss the very foundations of development theory, in part due to faulty founding assumptions, along with over-generalized cultural characterizations, with the scholars arguing that "the whole notion of development is counter-productive and imbued with culturally imperialist assumptions. All place great emphasis on the varieties of ways of being human and the dangers of any form of cultural homogenization" (p. 39).

As we move into deeper consideration of just whether and how culture might impact socioeconomic development, as well as how socioeconomic development might in turn impact a culture, it may serve to consider further how deeply cultural influence has been factored in to socioeconomic development thought. Such cultural considerations haven't been many, says Paul Krugman, whom Fairbanks (2000) credits as "one of the most influential economists in the world today" and quotes Krugman as acknowledging that "economics is marked by a startling crudeness in the way it thinks about individuals and their motivations. … Economists are notoriously uninterested in how people actually think or feel" (p. 272).

Worsley (1999) agrees with that sentiment: "To the extent that attention was paid to culture, the basic assumption was that what was needed was some equivalent (not necessarily

Christian) of the Protestant ethic, which had provided ideas and values crucial to modernization in the West" (p. 31). Countries failing to find successful economic development faced the obverse assumption that their "failure to develop could result not just from going down the communist path, but also because of the influence of negative cultural factors, i.e., not having a Protestant ethic" (p. 31). Since modern economic science was a primarily Western construct, it stands to figure that the Western researchers of development theory favored a Western perspective on what cultural aspects were efficacious and not.

> Those development specialists who did think about cultural factors assumed that what was needed was the whole package of modern Western values and social institutions. Adoption of the 'Western way of life' was assumed to be the way forward, though they were usually careful not to say so too publicly and presented their strategies in 'neutral' language. (Worsley, 1999, p. 31)

Theorists who avoid cultural considerations in their constructs do so at their own peril, as witnessed by shortcomings in the formulation of both Marx's communism and Smith's capitalism. Marx failed to calculate what might happen to the proletariat in a large power-distance culture, where people in power are too far removed and antagonized from the lower spheres. Smith failed to accommodate more collectivist cultures, where an operating mindset of individualistic greed would not be warmly embraced. Culture needs to be more than another factor in the theoretical equation of development; it needs to be the calculative base.

Worsley (1999) warns against looking at culture as an isolated phenomenon that may impact social development, but as indeed the enveloping environment that permeates all societal spheres: "Culture, then, is not so much a sector of social life, marked off from other sectors—notably the political and the economic—but a dimension of all social action, including economic and political life" (p. 37).

This is a sentiment we will encounter as we examine the research and conclusions of other thinkers on the evolution, impact, and social palette of culture.

Culture's Influence on Socioeconomic Development

If we accept as a given that culture's influence should be included in theories of socioeconomic development—no matter how problematic that might be—we are confronted with the difficulties of defining a culture, how to measure cultural characteristics, and calculating how culture might impact and be impacted by the social changes in the development process. Hofstede (1997) refers to culture as "software of the mind," a computer-era appropriate term that designates the diverse selection of loaded programming each of us carries within our not-too-dissimilar biological hardware: "Every person carries within him or herself patterns of thinking, feeling, and potential acting which were learned throughout their lifetime. Much of it has been acquired in early childhood, because at that time a person is most susceptible to learning and assimilating" (pp. 4-5).

The cultural upbringing and identity we each carry bore deep into our attitudes and thought processes. Some have compared it to a fish swimming in water; the surrounding medium so encompasses the creature, it is unaware of the water as such, but simply perceives it as an all-embracing and inseparable reality (at least until the poor thing is hooked into the open air, and, with an overwhelming infusion of oxygen, the hapless fish might have a short but illuminating glimpse of alternate dimensions—a sort of culture shock).

Hofstede (1997) says it is these new ways of perceiving alternate realities apart from our cultural programming that can be so vexing. “As soon as certain patterns of thinking, feeling and acting have established themselves within a person’s mind, (s)he must unlearn these before being able to learn something different, and unlearning is more difficult than learning for the first time” (p.5).

As challenging as it might be to define and even perceive the encompassing media of culture, it can be even more difficult to quantify cultural traits and their impact to a degree suitable for calculation within precise economic formulae or scientific theory of social development. Skelton and Allen (1999) say though the cultural factors are so difficult to figure, as important as they are in socioeconomic constructs, cultural considerations must not be dispensed with in scientifically demanding research.

> Culture as a concept is everywhere, and we cannot just wish it away because it is a difficult thing to define and write about. There are common-sense understandings of the term and it is important that we engage and debate with the ways in which people use it. … Understanding culture in a broad conceptual framework can help us interpret what things meant to people and …. Nuanced and sophisticated investigations into cultural aspects of ways of life can be very significant in making assessments of processes of change. (p. 4)

As the happily submerged fish may live unaware of the airy world above, many culturally imbedded beliefs are so ingrained as given assumptions, they are as geometric postulates beyond question or need of further proof. Trompenaars (1998) says one method of divining these culture-defining assumptions is to pick at them a little.

> The best way to test if something is a basic assumption is when the question provokes confusion or irritation. You might, for example, observe that some Japanese bow deeper than others. Again, if you ask why they do it the answer might be that they don’t know but that the other person does it too (norm) or that they show respect for authority (value). A typical Dutch question that might follow is: “Why do you respect authority?” The most likely Japanese reaction would be either puzzlement or a smile (which might be

> hiding their irritation). When you question basic assumptions you are asking questions that have never been asked before. It might lead to deeper insights, but it also might provoke annoyance. Try in the USA or the Netherlands to raise the question of why people are equal and you will see what we mean. (p. 23)

Numerous theorists have proposed systemic mechanisms by which cultures produce and are produced, influencing and being influenced by socioeconomic development. Harrison (2000) details a ten-step outline in how various cultural characteristics can influence how societies progress, and/or remain static (pp. 299-300):

1. Time Orientation: Progressive cultures emphasize the future; static cultures emphasize the present or past. Future orientation implies a progressive worldview—influence over one's destiny, rewards in this life to virtue, positive-sum economics.

2. Work is central to the good life in progressive cultures but is a burden in static cultures. In the former, work structures daily life; diligence, creativity, and achievement are rewarded not only financially but also with satisfaction and self-respect.

3. Frugality is the mother of investment—and financial security—in progressive cultures but is a threat to the "egalitarian" status quo in static cultures, which often have a zero-sum worldview.

4. Education is the key to progress in progressive cultures but is of marginal importance except for the elites in static cultures.

5. Merit is central to advancement in progressive cultures; connections and family are what count in static cultures.

6. Community: In progressive cultures, the radius of identification and trust extends beyond the family to the broader society. In static cultures, the family circumscribes community. Societies with a narrow radius of identification and trust are more prone to corruption, tax evasion, and nepotism, and they are less likely to engage in philanthropy.

7. The ethical code tends to be more rigorous in progressive cultures. Every advanced democracy (except Belgium Taiwan, Italy, and South Korea) appears among the twenty-five least corrupt countries on Transparency International's Corruption Perceptions Index. Chile and Botswana are the only Third World countries that appear among the top twenty-five.

8. Justice and fair play are universal impersonal expectations in progressive cultures. In static cultures, justice, like personal advancement, is often a function of who you know or how much you can pay.

9. Authority tends toward dispersion and horizontality in progressive cultures, toward concentration and verticality in static cultures. Robert Putnam's analysis of the differences between the north and the south in Italy in *Making Democracy Work* is illustrative.

10. Secularism: The influence of religious institution on civic life is small in progressive cultures; its influence is often substantial in static cultures. Heterodoxy and dissent are encouraged in the former, orthodoxy and conformity in the latter.

Of these ten dimensions, at least two of them correlate with Hofstede (1980) as he defines which cultural dimensions play a larger role in socioeconomic development: "Time Orientation" and "Community." As we shall see below, Hofstede divides these two dimensions into terms of "Uncertainty Avoidance" and "Individualism." Here, Harrison observes that progressive cultures are more focused on the future (with its degree of uncertainty); while static cultures tend to dwell in the past or the present (a more certain timeframe). Even more interesting is the way Harrison interprets the role of "community": in progressive cultures, the bounds of interests extend beyond the family to the larger society; while in static cultures, the family is the narrow focus of trust and identity. In contrast, Hofstede (1997) determines a "collectivist" culture is at an economic disadvantage to more "individualist" cultures, with individualism as a trait more prominent in fast-developing societies (p. 77).

Given that the two princely extremists of economic thought (Smith and Marx) were at opposite ends of the individualist/collectivist spectrum, the distinctions between collectivism, community, individualism, and narrow self-interests and their role in "progressive" and

"developed" societies is worthy of further investigation. Hofstede (1997) notes that the role of individualism as a prime driver of economic development can ultimately take on adverse influences as societies reach a certain stage of isolating monetary wealth:

> The negative relationship between individualism and economic growth for the very wealthy countries suggests that this development leads to its own undoing. Where wealth has progressed to a level at which most citizens can afford to do their own thing, this leads to friction losses, and the national economy grows less than in countries where people are still accustomed to doing at least a number of things together—like Japan. (p. 76)

Other cultural observers have developed similar measurement tools for dissecting the mindset of a society. For example, Trompenaars (1998) provides an eight-dimensional algorithm for measuring cultures, with a continuum between poles of cultural characteristics that may influence socioeconomic development (pp. 8-11):

- Relationships with people
- Universalism versus particularism
- Individualism versus communitarianism
- Neutral versus emotional
- Specific versus diffuse
- Achievement versus ascription
- Attitudes to time
- Attitudes to environment

Again, two of these dimensions ("individualism versus communitarianism" and "attitudes to time" correlate to two of the Hofstede dimensions key to socioeconomic development, "individualism" and "uncertainty avoidance." The first correlation of dimensions uses the identical term of "individualism"; the second correlation between "uncertainty avoidance" and "attitude to time" could measure, among other attributes, a culture's preference for present and near-term future sureties, or a greater comfort with longer-term uncertainty.

There can be an understandable apprehension to apply such sweeping characterizations to an entire population within a culture, which may account for some of the avoidance of including cultural dimensions within theories of socioeconomic development. While each culture may contain individuals with diverse positions on a cultural dimension continuum, Trompenaars (1998) observes that it is the distribution around an average that can be used to define general cultural characteristics (p. 25). He also uses an underwater metaphor reminiscent of our earlier waterworld fish, in that most of a culture lies "beneath awareness in the sense that no one bothers to verbalize it, yet it forms the roots of action," much like an iceberg with its "largest implicit part beneath the water" (p. 24).

Perhaps the grandest father of cultural investigation is Dutch researcher, Geert Hofstede, who has investigated various dimensions of culture and offers insight into how some of those dimensions may impact and be impacted by socioeconomic development. In his original study, Hofstede (1980) classified dimensions of work-related value differences in 40 subject countries. The classifications may well be applied to cultural dimensions of the socioeconomic sphere, including:

- power distance (or the extent to which individuals at lower levels accept their lack of autonomy and authority);
- individualism (or the relative importance of self and immediate family versus the collective workplace);
- masculinity (or the extent to which traditionally "male" goals of wealth and recognition are acknowledged); and
- uncertainty avoidance (or the extent to which risk and ambiguity are acceptable business conditions).

Hofstede later added a fifth dimension: long-term orientation (fostering virtues oriented towards future rewards, e.g., thrift), which interjected a growing understanding of Asian culture,

specifically Confucian influence. (See Appendix 1 on page 25 for a graph of various country assessments under Hofstede's classification system.)

Several cultural dimensions could have a direct impact on the nature of socioeconomic development, including the degree to which a culture is "masculine" or "feminine" in orientation (Hofstede, 1997).

> Based on their cultural characteristics, masculine versus feminine countries excel in different types of industries. Industrially developed masculine cultures have a competitive advantage in manufacturing, especially in large volume: doing things efficiently well, and fast. … Feminine cultures have a relative advantage in service industries like consulting and transport, in manufacturing according to customer specification, and in handling live matter such as high-yield agriculture and biochemistry. (p. 95.)

Cultures more open to new ideas and ways of doing things (i.e., "weak uncertainty avoidance" cultures) are often in a position to reap the rewards of innovation (Hofstede, 1997). However, cultures which may fixate on established customs and methods may be more able to see a program through.

> Weak uncertainty avoidance countries are more likely to stimulate basic innovations as they maintain a greater tolerance towards deviant ideas. On the other hand they seem to be at a disadvantage in developing these basic innovations towards full-scale implementation, as such implementation usually demands a considerable sense of detail and punctuality. The latter are more likely to be found in strong uncertainty avoidance countries. The UK has produced more Nobel Prize winters than Japan, but Japan has put more new products on the world market. There is a strong case here for applying synergy between innovating and implementing cultures, the first supplying ideas, the second developing them further." (pp. 122-123)

Arguably one of the most influential cultural dimensions determining the advancement of socioeconomic development (at least along the continuum of moving from impoverished to prosperous economies) may be a high individualist rating on the individual-collective spectrum, or rather the degree where the good of the individual is emphasized over the good of the

collective. In turn, this is also one of the cultural dimensions that may be most impacted as a society becomes more prosperous. “The strong relationship between national wealth and individualism is undeniable, with the arrow of causality directed … from wealth to individualism” (Hofstede, 1997, p. 77).

Hofstede observes that “countries having achieved fast economic development have experienced a shift towards individualism. Japan is an example: the Japanese press regularly publishes stories of breaches of traditional family solidarity.” Where Japanese families traditionally cared for their elders, the government now must often fill in as the dutiful care provider (p.77). As noted earlier, this is contrasted by Harrison’s (2000) view that progressive cultures tend to have a greater emphasis on “community.”

Often it can be a challenge to discern between what might be a driving force, and what it is that is driven. Do cultural influences drive social development? Or do economic factors drive cultural change? While culture may play a lead role in the socioeconomic development of a society, economic development can impact culture at its core in return, especially along the dimensional spectrum of individual-collectivist societies (Hofstede, 1997):

> When a country’s wealth increases, its citizens have access to resources which allow them to ‘do their own thing.’ The storyteller in the village market is replaced by TV sets, first one per village, but soon more. In wealthy Western family homes every family member may have his or her own TV set. The caravan through the desert is replaced by a number of buses, and these by a larger number of motor cars, until each adult family member drives a different car. The village hut in which the entire family lives and sleeps together is replaced by a house with a number of private rooms. Collective life is replaced by individual life. (p. 76)

Hofstede (1997) says it is the individual-collective dimension which can often contribute to the greatest misunderstanding between cultures, especially those at opposite ends of the spectrum. However, this is one cultural dimension that is unlikely to change easily. “The deep

roots of national cultures make it likely that individualism-collectivism differences, like power distance differences, will survive for a long time. Yet if there is to be any convergence between national cultures, it should be on this dimension" (p.77).

Power distances separating the upper and lower levels of a culture also contribute to the success and failure of various societal changes. We earlier visited the dimension of power distance and its impact on socioeconomic development, specifically as Hofstede (1997) attributed the failure of Marxism in some of the adopting nations such as Russia due to the end-spectrum extremes of power distance between the higher and lower social strata (p. 41).

As history is often written by the victors, cultural value systems may be defined by the monetarily powerful—those with the means and muscle to export and impose ideologies. Hofstede (1997) attributes much of the economic success in the West, so steeped in individualistic initiative, to the fact that the discipline of economics itself was defined by Westerners in eighteenth century Great Britain, led in large part by Adam Smith. "Smith assumed that the pursuit of self-interest by individuals through an 'invisible hand' would lead to the maximal wealth of nations. This is a highly individualist idea from a country which even today ranks near the top on individualism" (pp. 71-72).

In the final analysis, it could well be dollars, euros, yen, and rubles that govern theoretical directions in examining social development, rather than cultural values. Currency is easily quantified to decimal-point accuracy. Some researchers question the very practicality, if not the validity, of considering cultural issues alongside economic equations in the context of developmental theory. Pye (2000) warns us to be wary of using cultural variations within sweeping assessments of just what may contribute to or hinder socioeconomic development.

> Problems arise when an attempt is made to jump all the way from generalized cultural characterizations to economic outcomes without taking into account all the intervening variables and the situational contexts. It is thus unscientific to try to draw up a universal list of positive and negative cultural values for economic development. … We are dealing with clouds, not clocks, with general approximations, not precise cause-and-effect relationships. (pp. 254-255)

Scientific procedures and practical perspectives may well justify excluding nebulous influences, however essential they might be. Yet earlier references in this paper to other great thinkers such as Worsley, Krugman, Huntington, Hofstede, reveal that consideration of socioeconomic development theories devoid of and apart from cultural factors is far from complete, and thus prone to inaccuracies and faulty reasoning.

Pye (2000) himself observes just how important and intransient cultural influence are likely to remain. “We know they are important, but exactly how important at any particular time is hard to judge. … Cultural differences will endure, and in most cases there is little point in trying to say which cultures are superior and which ones inferior. Their strengths and weaknesses will be in different areas and will involve different practices” (p. 255).

While cultures might endure, economic circumstances do not. Technological innovation may readily displace and disenfranchise cultural systems and organizational forms that might have once proved effective (Pye, 2000). For example, an assembly-line industrial society which functioned well by way of team players with a collectivist spirit may be rendered obsolete by newer computer-monitored machinery with individualist workers at the isolated controls. “Economic development is not a single event but an ongoing process of history, so there will be many ups and downs in all countries” (p. 255).

The world is now confronted with earth-shaking changes in technologies, sociopolitical systems, levels of ideological interactions, providing us with an unprecedented social laboratory.

How history is playing out in the current-day, culturally-impacted socioeconomic development of nations will be the subject of this paper's Depth component to come.

Transcultural Socioeconomics

After better understanding what role culture plays in societal development and change, especially as it relates to cross-cultural relations, the next stage may be to ask how we get beyond all this. Under question in this section is not what aspects of socioeconomic development might operate independent of and indifferent to cultural influences, but what socioeconomic issues—for better or worse—might transcend cultural differences in international and global relations, with a commonality of experience and understanding across national, social, and cultural borders.

Cultures are not necessarily billiard balls, solid and impenetrable while bouncing one another about a global table top. Cultural collisions can indeed change development vectors through kinetic physics, but there are also transmutational forces at play in social interactions that may produce unexpected alchemical syntheses. While cultural roots run deep and firmly planted, they are nonetheless not impervious to new influences (Worsley, 1999). "All societies are open to foreign ideas, whether these are borrowed or imposed on them. But these always have to be adapted to existing, local cultures. The result is a dialectic; not imposition or the blind acceptance of ideas imported from abroad, but a synthesis of cultures, a hybridity" (p. 36).

Such a "hybridity" of cultural perspective may be essential for even the most economically dominant of nations to find a fit in a globalized society. In his comprehensive

analysis of clashing civilizations, Huntington (1995) underscores that the successful global business must adopt a global philosophy, given that it does not necessarily follow that non-Western revolving and evolving societies will import Western ideologies:

> Westerners who assume that it does are likely to be surprised by the creativity, resilience, and individuality of non-Western cultures. … Non-Western societies can modernize and have modernized without abandoning their own cultures and adopting wholesale Western values, institutions, and practices. … It would, as Braudel observes, almost 'be childish' to think that modernization or the 'triumph of civilization in the singular' would lead to the end of the plurality of historic cultures embodied for centuries in the world's great civilizations. (p. 78)

Yet there is an inherent danger of too much hybridization of the global mindset, typically residing at the intellectual top of a society (Bauman, 2000). "The cultural hybridization of the globals may be a creative, emancipating experience, but cultural disempowerment of the locals seldom is" (p. 100). Bauman says the "globals" who reach too far beyond their cultural foundation for whatever social and economic gains there might be in it, may do so at the cost and peril of the baser locals. "It is an understandable, yet unfortunate inclination of the first to confuse the two and so to present their own variety of 'false consciousness' as a proof of the mental impairment of the second" (p. 100).

Beyond more superficial cultural differences, there are some life characteristics we all share in common, regardless of our enveloping social heritage: we all have fundamental needs of shelter and sustenance, some sort of familial nurturing in our early and end years, and some means of interacting with our immediate society in the days between birth and death. Indeed, the socioeconomic divisions within a given culture itself may be greater than the differences between cultures, and these universal gulfs within a culture may unite us in a transcultural commonality. For example, Bauman (2000) observes that regardless of our nationality or cultural

heritage, something we all share in common is that we are all economic wanderers, though some of us are tourists, and some of us are vagabonds:

> The tourists stay or move at their hearts' desire. They abandon a site when new untried opportunities beckon elsewhere. The vagabonds know that they won't stay in a place for long, however strongly they wish to, since nowhere they stop are they likely to be welcome. The tourists move because they find the world within their (global) reach irresistibly *attractive*—the vagabonds move because the find the world within their (local) reach unbearably *inhospitable*. The tourists travel because *they want to*; the vagabonds because they have *no other bearable choice*. (p. 93)

Very few cultures have been able to avoid internal schisms between the rich and poor, typically creating a culture of the cultured and the uncultured. As wealth around the world is becoming more centralized in fewer hands, and the ranks of the bottom-rung poor grow larger, Bauman (2000), who earlier in this paper gave us an enhanced definition of poverty, notes that impoverishment is another expanding commonality that transcends cultural differences.

> The total wealth of the top 358 'global billionaires' equals the combined incomes of 2.3 billion poorest people (45 percent of the world's population) … Indeed, only 22 percent of global *wealth* belongs to the so-called 'developing countries,' which account for about 80 percent of the world population. And yet this is by no means the limit the present polarization is likely to reach, since the share of the global *income* currently apportioned to the poor is smaller still: in 1991, 85 percent of the world's population received only 15 percent of its income. No wonder that in the abysmally meager 2.3 percent of global wealth owned by 20 percent of the poorest countries thirty years ago has fallen by now still further, to 1.4 percent. (p. 71)

As globalization inflates its influence, other transcultural phenomena occur, such as the diminishment of cultural relevance on the world stage, and an imposed necessity to redefine a localized identity. Bauman (2000) examines the impact of globalization on local cultures, in particular the usurping of local influence in decision making processes that may be subordinated to supra-national interests, particularly in areas governing trade, commerce, and the most fundamental of economic interaction, both internal and external. "In the world of global finances,

state governments are allotted the role of little else than oversized police precincts" (p.120). As local governments work to attract globalized investments, they may find they have limited means and authority to do so. "To excel in the job of precinct policeman is the best (perhaps the only) thing state government may do to cajole nomadic capital into investing in its subjects' welfare" (p. 120).

As national governments attempt to adapt and position themselves as investment receptive and locally relevant in a transnationally globalized environment, and as they seek a local legitimacy for their continued empowerment, Bauman (2000) describes a worldwide increase in incarceration in relation to local governments' repositioning as "precinct police" (p. 120). Bauman submits this as a further global phenomenon, regardless of national and cultural differences.

> The USA is notoriously in the lead and far ahead of the rest (though its records are fast approached by the new Russian Federation): altogether, more than 2 per cent of the total population of the USA was under control of the penal law system. The rate of growth is most impressive. In 1979 there were 230 prisoners per 100,000 inhabitants—there were 649 on 1 January 1997. … The USA so far stands alone, but the acceleration of pace is visible almost everywhere. Even in Norway, known to be particularly reticent in resorting to prison sentences, the proportion of prisoners went up from below 40 per 100,000 inhabitants in the early 1960s to 64 per 100,000 now. In Holland the proportion went up from 30 to 86 per 100,000 during the same period; in England and Wales the proportion has now reached 114 prisoners per 100,000 of population. (p. 115)

Bauman concludes the causes of this imprisonment growth "must be of a supra-party and supra-state nature—indeed, of a global rather than local (in either territorial or cultural sense) character" (p. 116). Perhaps one of the world's most universally resonant experiences will be that of the jailhouse culture.

Beyond the transnational fallout of poverty, wealth distribution inequities, and climbing incarceration rates, we might find other—and perhaps more positive—transcultural phenomena

as different cultures interact in more complicated and longer-lasting interrelations. Values and traits that may be transported and adopted between cultures, in spite of fundamental cultural differences, could be considered transcultural in nature.

Harrison (2000) tells the story of a Peruvian man who was able to distill fundamental characteristics of success in the Japanese culture, translate those characteristics into transcultural terms, and introduce them as "progressive values" within a program targeting Peruvian children.

> Octavio Mavila was for three decades the Honda distributor in Peru. A self-made man well into his seventies, Mavila has visited Japan numerous times over the years. … He came to the conclusion that the only really significant difference between Japan and Peru was that the Japanese children learned progressive values whereas Peruvian children did not. In 1990, he established the Institute of Human Development in Lima to promote his Ten Commandments of Development: order, cleanliness, punctuality, responsibility, achievement, honesty, respect for the rights of others, respect for the law, work ethic, and frugality. (p. 303)

There's also the story of Lionel Sosa (Harrison, 2000), a Mexican-American who identified a generalized "series of values and attitudes that present obstacles to access to the upward mobility of mainstream America" (p. 306):

- Resignation of the poor
- Low priority of education
- Fatalism
- Mistrust of those outside the family

These values resonate with the Hofstede dimensions of "individualism" and "uncertainty avoidance" that correlate to traits found in rapidly developing societies. Sosa incorporated his "upward mobility" characteristics in a culture-specific program for success based on "the twelve traits of successful Latinos." Harrison notes these traits are similar to Octavio Mavila's Ten Commandments of Development (p. 306).

So many of the world's woes and wars can be traced to misunderstandings, misperceptions, and simply misguided self-interests in relations between cultures. With the ability of many nations to now inflict global fallout from mistaken steps, the time is critical to find new modes of cross-cultural interaction. Gilpin (2001) proposes that a focus on commonality between cultures will be key in establishing effective governing of the complicated relations so endemic in global socioeconomic affairs. "Governance at any level, whether national or international, must rest on shared beliefs, cultural values, and, most of all, a common identity" (p. 402).

With the rapid increase in global relations, in large part facilitated by dramatic developments in communication technologies reaching deep into even historically isolated cultures of Eastern Europe and Asia, cultural differences and conflicts are finding new definition, and even exacerbation if not resolution. Opposing cultures and their representatives are clashed together in live satellite feeds, spotlighting how difficult localized perspectives can be to overcome.

Progressive economic development on a global scale is now achievable, made possible through increasingly inexpensive and accessible technologies; it is our social and culturally defined national differences that pose the harshest obstacles. Gilpin (2001) observes that, in spite of the prerequisite in effective global governance, successful transcultural relations will not be readily achieved:

> Unfortunately, we do not yet live in a global civic culture, and few common values unite all the peoples of the world. Identity and loyalties are still national or even local, ethnic, and racial. As more and more nations are formed, national identities are becoming more numerous and, in some cases, more intense. … The best for which one can hope is that the major powers, in their own self-interest as well as that of the world in general, will cooperate to fashion a more stable and humane international political and economic order. (p. 402)

Globalization, for all the posturing and protests it entails, may well be the driver to address, redress, and egress cultural differences along explosive frontlines. As economic incentives expand, they may further motivate globalizing powers to ensure effective relations between nations and cultures, and this bodes well for an energized study of transcultural issues. This may well not evolve accidentally, but through the intelligent efforts of world citizens able to move beyond the narrow perspectives of localized culture and interests. Implementing transcultural modes of interaction may require a "transgovernmental" impetus (Gilpin, 2001).

> Transgovernmentalism foresees a world stripped of power, national interests, and interstate conflict, a world in which technocrats, bureaucrats, and the like solve issues outside the realm of politics. … Thus, transgovernmentalism envisions a world nearly devoid of both domestic and international politics. (p. 398)

Based on the above considerations and references, we might determine that, 1) Culture is more than an important factor in the calculation of socioeconomic development, it is the very atomic matter constructing the social whole; 2) Cultural characteristics and their role in social change may indeed be defined and measured; and 3) Now more than ever an inclusive perspective on cultural and transcultural interaction is critical for effective global relations and progressive development.

The current events in global affairs provide an excellent laboratory in which to examine how culturally influenced and intermixed social change is progressing, especially in theaters throughout Asia, Eastern Europe, and South America. How close we may be getting to transcultural and transgovernmental interrelations in a global socioeconomic environment will be the focus of the Depth component of this paper.

Appendix 1:

Cultural Dimension Indexes from Hofstede (1997)

This chart measures the respective cultural dimensions on a scale of 0-100 (the higher the score, the stronger the cultural dimension is extant), and ranks 50 countries and three geographical regions in their relative position to one another.

PDI: Power distance index

IDV: Individualism index

MAS: Masculinity index

UAI: Uncertainty avoidance index

LTO: Long-term orientation index

	PDI		IDV		MAS		UAI		LTO	
	rank	score	rank	score	rank	score	rank	score	rank	score
Arab Countries	7	80	26/27	38	23	53	27	68		
Argentina	35/36	49	22/23	46	20/21	56	10/15	86		
Australia	41	36	2	90	16	61	37	51	15	31
Austria	53	11	18	55	2	79	24/25	70		
Bangladesh									11	40
Belgium	20	65	8	75	22	54	5/6	94		
Brazil	14	69	26/27	38	27	49	21/22	76	6	65
Canada	39	39	4/5	80	24	52	41/42	48	20	23
Chile	24/25	63	38	23	46	28	10/15	86		
China									1	118
Columbia	17	67	49	13	11/12	64	20	80		

	PDI		IDV		MAS		UAI		LTO	
	rank	score	rank	score	rank	score	rank	score	rank	score
Costa Rica	42/44	35	46	15	48/49	21	10/15	86		
Denmark	51	18	9	74	50	16	51	23		
East Africa	21/23	64	33/35	27	39	41	36	52		
Ecuador	8/9	78	52	8	13/14	63	28	67		
Finland	46	33	17	63	47	26	31/32	59		
France	15/16	68	10/11	71	35/36	43	10/15	86		
Germany FR	42/44	35	15	67	9/10	66	29	65	14	31
Great Britain	42/44	35	3	89	9/10	66	47/48	35	18	25
Greece	27/28	60	30	35	18/19	57	1	112		
Guatemala	2/3	95	53	6	43	37	3	101		
Hong Kong	15/16	68	37	25	18/19	57	49/50	29	2	96
India	10/11	77	21	48	20/21	56	45	40	7	61
Indonesia	8/9	78	47/48	14	30/31	46	41/42	48		
Iran	29/30	58	24	41	35/36	43	31/32	59		
Ireland (Rep of)	49	28	12	70	7/8	68	47/48	35		
Israel	52	13	19	54	29	47	19	81		
Italy	34	50	7	76	4/5	70	23	75		
Jamaica	37	45	25	39	7/8	68	52	13		
Japan	33	54	22/23	46	1	95	7	92	4	80
Malaysia	1	104	36	26	25/26	50	46	36		
Mexico	5/6	81	32	30	6	69	18	82		
Netherlands	40	38	4/5	80	51	14	35	53	10	44
New Zealand	50	22	6	79	17	58	39/40	49	16	30
Nigeria									22	16
Norway	47/48	31	13	69	52	8	38	50		
Pakistan	32	55	47/48	14	25/26	50	24/25	70	23	0
Panama	2/3	95	51	11	34	44	10/15	86		
Peru	21/23	64	45	16	37/38	42	9	87		

	PDI		IDV		MAS		UAI		LTO	
	rank	score	rank	score	rank	score	rank	score	rank	score
Philippines	4	94	31	32	11/12	64	44	44	21	19
Poland									13	32
Portugal	24/25	63	33/35	27	45	31	2	104		
Salvador	18/19	66	42	19	40	40	5/6	94		
Singapore	13	74	39/41	20	28	48	53	8	9	48
South Africa	35/36	49	16	65	13/14	63	39/40	49		
South Korea	27/28	60	43	18	41	39	16/17	85	5	75
Spain	31	57	20	51	37/38	42	10/15	86		
Sweden	47/48	31	10/11	71	53	5	49/50	29	12	33
Switzerland	45	34	14	68	4/5	70	33	58		
Taiwan	29/30	58	44	17	32/33	45	26	69	3	87
Thailand	21/23	64	39/41	20	44	34	30	64	8	56
Turkey	18/19	66	28	37	32/3	45	16/17	85		
Uruguay	26	61	29	36	42	38	4	100		
USA	38	40	1	91	15	62	43	46	17	29
Venezuela	5/6	81	50	12	3	73	21/22	76		
West Africa	10/11	77	39/41	20	30/31	46	34	54		
Yugoslavia	12	76	33/35	27	48/49	21	8	88		
Zimbabwe									19	25

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DEPTH

SBSF 8120: Current Research in International Societal Development

Evolving Economies in a Cultural Context

The 21st century provides a dynamic laboratory for examining the world's evolving and revolving economic systems, and the relationship of cultural influences with socioeconomic change. This module will incorporate central themes of the Depth component, and examine how current research is addressing and demonstrating those themes, in particular:

- The role, intractability, and value of culture in socioeconomic development
- Globalization drivers across cultures
- Realms of transculturalism
- Conclusion: Implication and resolution of differences

The matter goes far beyond academic fancy. Faced with the challenges of globalizing economies, millions of marginalized people suffering ever-increasing burdens with diminishing supports, and a world on the brink of civilizational war, these issues take on a highlighted hue of utmost urgency.

The Role, Intractability, and Value of Culture in Socioeconomic Development

As considered in the Breadth component of this KAM, "Culture is more than an important factor in the calculation of socioeconomic development, it is the very atomic matter constructing the social whole" (p.24). Current literature may not support in full that position, but it is well-documented that cultural issues percolate throughout the brew of international interrelations.

The role and intractability of culture.

Contemporary research and reporting from around the world have substantiated that culture—regardless of swirling government ideologies and socioeconomic changes—does continue to play an intractable role in development, whether in China, Zimbabwe, Malaysia, Russia, Serbia, Sweden, Australia, Japan, Bulgaria, and beyond (e.g., Inglehart & Baker, 2001; Low, 2001; Mavondo, 2000; Michaeilova, 1999; Mueller & Clark, 1998).

Cultural variations can range from different "ways of knowing" (Berrell, Gloet, & Wright, 2002), to clashes in managerial styles between Western and Asian joint-venture executives (Elashmawi, 1998), to diametric and seemingly irreconcilable opposition in fundamental ethical values (Singhapadki, Rawwas, Marta, & Ahmed, 1999). These cultural conflicts have impeded globalization, international business partnerships, transfer of economic ideologies, and other critical areas of interrelations, even when all parties have a common aim of socioeconomic development.

Multinational corporations, international assistance programs, global marketers, and others seeking to export management styles and ideologies across national and cultural borders are frequently finding failure in their efforts. Berrell et al. (2002, p. 7) attribute much of the problem to a shortage of "managerial talent capable of operating internationally," and a reluctance or incapability by international workers to "generate global learning practices."

Too many executives go overseas packing the proposition that everything will work out fine, if only the natives just do things "our way." This in spite of the experience that attempts to reengineer a cultural foundation is often not only met with unreliable results, but enormous resentment (Applebaum, 2001, p. 2). For example, Americans involved in a joint venture with

Japanese and Indonesian partners may suddenly find that interpersonal clashes along lines of meeting timeliness, snack preferences, pecking orders, prayer breaks, emphases on consensus over conflict, and basic cross-expectations in procedural logistics can boil over into heated adversity and damaged teamwork (Elashmawi, 1998).

Mueller (1998) supports the Breadth observation that cultural issues are frequently disregarded or dismissed in the development and application of management theories. This oversight becomes especially problematic in current-day international socioeconomic relations.

> U.S. management theories were developed when there seemed to be little interest in determining whether such theories applied cross-culturally. There was a tendency to assume that U.S.-based behavioral theories were universally applicable; this tendency stemmed in part from the dominant Anglo-American perspective of the research generated in the United States and the lack of cross-cultural empirical studies. (p. 1)

Some of the most formidable cultural schisms may occur between ideologies of the West trying to find a fit in the Eastern European mindset, especially over issues of “equity” versus “equality” in reward structures. The Western equity norm proposes distribution of incremental rewards for enhanced levels of performances, while under an Eastern equality norm, recipients tend to be rewarded the same regardless of their contribution (Muller & Clark, 1998).

International marketers face one of the most immediate and economically-driven challenges in responding well within cross-cultural interactions. Mavondo (2000) defines marketing as the “interface between the organization and the environment” (p. 2), or in modern vernacular, marketing is where the rubber meets the road and its success serves as a bottom-line measurement of how well tactics mesh (or not) with excursions into new cultural environments.

Rundh (2001) proposes that cultural differences pose some of the widest divides to overcome in bridging distances in international interrelations. “The most important obstacles in

the international market development have been factors connected with the economic distance, for example, in the form of language and cultural differences (psychological distance)" (p. 5). Rundh's failing, as is the case with so many other theorists dealing with cross-cultural relations (Breadth, p. 1-3), lies in—while admitting the important influence of culture—neglecting to plumb the depths of culture's influence and providing insights into how cultural conflicts might be overcome.

Luna and Gupta (2001) provide evidence that should warn international executives to avoid misinterpreting the results of cross-cultural enterprises, though the results may be exactly as predicted and in direct proportion even within entirely differing cultures. For example, consumers in cultures at opposite ends of a cultural dimension may show a proportionally identical response to a global branding campaign. However the identical results may be driven by completely opposite cultural drivers: "Collectivist consumers use brands to reassert their similarity with members of their reference group, while individualist consumers use brands to differentiate themselves from referent others" (p. 5).

Culturally-established ethical standards are also proving problematic in international relations, such as those values often reflected in local laws and customs concerning copyright infringement and piracy. Singhapakdi et al. (1999) warn international managers, particularly American, that "trusting individuals from cultures that habitually exhibit standards that differ from the standards predominating in the USA could be disastrous to multinational marketers" (p. 4).

No matter how much forward momentum may be applied to a golf ball, ultimately it is the lay of the land that determines its final destination. Inglehart and Baker (2002) apply the golfer's physics to the landscape of cross-cultural topography: "Different societies follow

different trajectories even when they are subjected to the same forces of economic development, in part because of situation-specific factors, such as a society's cultural heritage" (p. 2). Thus, "changes in GNP and occupational structure have important influences on prevailing world views, but traditional cultural influences persist" (p. 3). For example, even with the drastic shifts in Chinese culture and socioeconomic structures, Low (2001) finds many of the ancient business principles—such as the 12 Golden Standards— devised by Tao Zhugong during the Zhou dynasty starting some 25 centuries ago are still relevant and practiced in modern-day China.

As considered in Breadth, socioeconomic development may well impact a culture at its core (p. 15), especially along the cultural dimension of individual versus collective mindset. Yet, as Ingelhart and Baker conclude, these changes are hardly proving to be uniform.

> Industrialization promotes a shift from traditional to secular-rational values; post-industrialization promotes a shift toward more trust, tolerance, and emphasis on well-being. … Economic development tends to push societies in a common direction, but rather than converging, they seem to move along paths shaped by their cultural heritages. Therefore, we doubt that the forces of modernization will produce a homogenized world culture in the foreseeable future. … In short, economic development will cause shifts in the values of people in developing nations, but it will not produce a uniform global culture. The future may LOOK like McWorld, but it won't feel like one. (p. 5-6)

The value of culture.

The mixing, merging, and sometimes melding of culture in the global marketplace can provide a valuable synthesis of perspectives, new modes of thinking, new elements formed through combinations of cultural chemistry; sometimes producing a golden alchemy, other times explosive mixtures of incompatible and volatile elements. Berrell et al. (2002) sum up the challenge facing international cross-cultural operatives in the understatement, that "in JVs [joint

ventures] where the discourses of national culture collide rather than converge, harnessing the various aspects of intellectual capital as a core competency is a significant challenge" (p. 3).

Elashmawi (1998) enumerates the simple logistical requirements and values in international relations that require rudimentary appreciation of the local partners' participation: "In general, these partners offer strategic benefits like new technologies, stable international finance, local market expertise, and availability of human resources" (p. 2). Yet, in spite of the strategic advantages in successful interrelations, Elashmawi warns of the problems sure to occur if the cultural influences in the day-to-day operations are overlooked. "These are the issues that can make or break an expensive joint venture operation. … Multicultural incompetence affects the joint venture's bottom line. The extra time it takes to conduct meetings, make decisions, and transfer technology can delay the operation's schedules" (p. 2-4). Failure to account for and accommodate these cultural differences ultimately costs not only the interpersonal relationships, but also diminishes the final tally of quality end-products and enterprise profits. The fundamental value in effective cross-cultural relations may be further witnessed to and underscored by the failure to achieve them.

Beyond the economic necessities and benefits to international relations, there is perhaps a Darwinian value to the cultural differences our planet enjoys. As variation of biological forms might ensure adaptability and survivability of "life"—though entire species may be wiped out by disease or environmental upheavals, culture could provide a similar salvation. While civilizations rise and fall, certain cultural characteristics may help ensure the overall survival of the human species with evolutionary selected assets, for example, as individualism in times of rapid economic growth, and collectivism in times of catastrophe and collapse.

If the collectivist citizens of China were to demand personal automobiles with the same passion as individualistic Americans, this would undoubtedly pose a catastrophic problem to the environment and overextend resource demands throughout Asia. Brown and Flavin (1999) identify the global impact if the world were to adopt the transportation mindset of the United States:

> If in 2050, for example, the world has one car for every two people, as in the United States today, there would be five billion cars. Given the congestion, pollution, and the fuel, material, and land requirements of the current global fleet of 501 million cars, a global fleet of five billion is difficult to imagine. (p. 2)

Cultural differences may not only survive global shifts in socioeconomic systems, but help us as a race survive the shifts as well. The cultural variations, often seen as an obstacle to overcome, may serve as some sort of social rectifier, perhaps helping to regulate the extent of cultural change to a degree tolerable by ecological balance. In the above example, the introduction of automobiles as a primary mode of transportation in China could be devastating to the infrastructure, air quality, and natural resources; fortunately the cultural dimension of individualism is much lower in China than in the United States, which may help to reduce the Chinese demand for private transportation and promote instead a culturally-acceptable mass transportation plan as a viable alternative.

Globalization Drivers Across Cultures

Socioeconomic drivers can be a two-way street, obfuscating precisely what might drive—and what might be driven by—aspects of social change. Globalization drivers are bilateral: the forces that drive globalization forward; and the ensuing socioeconomic drivers that globalization creates.

Globalization is not a naturally occurring outgrowth of societal pressures, but economic ones. Societies are self-contained and exclusive. Economies, especially in the Western mode, are inherently expansive. Uchitelle (2002) observes the "prevailing laissez-faire practices" permeating the globalizing mindset of corporate executives and government leaders attending recent World Economic Forum sessions: free trade through lower tariffs, unrestricted competition, privatization of state enterprises, and no restrictions on foreign investment. Globalization is an economic construct, and economic interests are driving it on.

Whatever social drivers may be behind globalization, those living on the lower rungs of society have not seen much good to come out of it. According to quoted world leaders at a United Nations conference in Mexico City, globalization has done far less to raise the incomes of the world's poor than had been hoped.

> The vast majority of people living in Africa, Latin America, Central Asia and the Middle East are no better off today than they were in 1989, when the fall of the Berlin Wall allowed capitalism to spread worldwide at a rapid rate. Rather than an unstoppable force for development, globalization now seems more like an economic temptress, promising riches but often not delivering. (Kahn, 2002)

In the topsy-turvy realms of globalization, it is now the economic forces driving social developments rather than the opposite case found in historic play, especially in terms of finding efficacious means of interacting between and beyond cultural divisions. Luna and Gupta (2001) document that "globalization of markets and international competition are requiring firms to operate in a multicultural environment" (p. 1).

Industrialization, an expanded outgrowth of globalization and the "central element of the modernization process" is producing "pervasive social and cultural differences, such as rising educational levels, shifting attitudes toward authority, broader political participation, declining

fertility rates, and changing gender roles" (Inglehart & Baker, 2001, p. 2). These change forces are not the only drivers at work:

> Today's unprecedented wealth in advanced societies means an increasing share of the population grows up taking survival for granted. Their value priorities shift from an overwhelming emphasis on economic and physical security toward an increasing emphasis on subjective well-being and quality of life. 'Modernization,' thus, is not linear—it moves in new directions." (p. 2)

Jean-Pierre Page observes (in Samary, 1999, p. 3) that cultures prepared for globalization are finding better success, and the "prescriptions of market economics worked fairly well, especially as those countries already possessed structures and institutions that were in the process transition to the market. In Russia and Ukraine, however, the same measures, applied to economies and populations that were not prepared for them, have not worked well and have even had adverse effects."

As noted in Breadth (p. 24), "Globalization, for all the posturing and protests it entails, may well be the driver to address, redress, and egress cultural differences along explosive frontlines." As international economic incentives expand and intensify, they may further motivate globalizing powers to ensure effective relations between nations and cultures, and encourage the development of stable domestic environments where unresolved issues of social justice might otherwise threaten international economic viability.

Though globalization may be the salvation of the world's poor; it may also be the ignition. Samary (1999, p. 7) wonders who is assessing the assessors of economic reforms, "where queues disappear but the goods in shop windows are inaccessible; where run-down public services are privatized in a two-tier world in which poverty is spreading … we are heading for an explosion that could open the way for the rightwing extremists."

The upside-down world of globalization and its impact on cultural evolution produces many surprises and contradictions. In an interesting twist of perspective, Sen (2001) writes that antiglobalization protestors are ironically involved in one of the most globalized world movements, which "tries to unite the underdogs of the world economy" and cuts across many national and cultural dividing lines.

Realms of Transculturalism

One of the unfortunate aspects in the definition of culture is that it establishes borders and boundaries where they might not necessarily belong. Sen (2001) writes of the danger in dividing the world into discrete cultural camps and civilizations, in that it "propels us into the absurd belief that this partitioning is natural and necessary." Sen observes a plurality of identities that cut across a culture, which supports a transcultural perspective where global commonalities might provide a fundamental base of human survival and shared development. He suggests it is this plurality that may be the "main hope of harmony"; not some imagined uniformity imposed through misdefined concepts of universal economic ideologies or boundaries of civilizations.

In the Depth component, it is proposed that understanding the role of culture in socioeconomic development is a fundamental step for ensuring the best aspects of what globalization might provide. Once the influences of culture are considered, the next stage may be to ask how we might move beyond them.

As in Depth, question in this section is "what socioeconomic issues—for better or worse—might transcend cultural differences in international and global relations, with a commonality of experience and understanding across national, social, and cultural borders":

> Cultures are not necessarily billiard balls, solid and impenetrable while bouncing one another about a global table top. Cultural collisions can indeed change development vectors through kinetic physics, but there are also transmutational forces at play in social interactions that may produce unexpected alchemical syntheses. … Values and traits that may be transported and adopted between cultures, in spite of fundamental cultural differences, could be considered transcultural in nature. (p. 18)

Low (2001) proposes that one reason Tao Zhugong's ancient Chinese business practices have survived more than two millennia is their universal appeal. Philosophies that survive across internal cultural changes so long may have some transcultural value. "As China opens up to embrace a more liberal trading system worldwide, businessmen and governments from the West should pay more attention to these business principles practiced by the Chinese since time immemorial" (p. 8). Students of western business practices may find a resonance between these principles with those found in western texts. Translated and modified for contemporary meaning, Tao Zhugong's 12 Golden Standards include:

1. Be a good judge of character
2. Be customer-oriented
3. Be single-minded
4. Be captivating in sales promotion
5. Be quick to respond
6. Be vigilant in credit control
7. Be selective to recruit only the best
8. Be bold in marketing the product
9. Be smart in product acquisition
10. Be adept in analyzing marketing opportunities
11. Be a corporate model
12. Be far-sighted in developing a total business plan

In the search to find ways to transcend cultural differences, it could serve best to start with a rudimentary hierarchy of fundamental human needs and desires: transcultural themes of health, survival, love, families, career development, personal growth, etc. With a focus on commonalities as a starting point, the cultural "partners" could work to develop common goals.

In this way, the starting points (commonalities) and end points (goals) are drawn; then it's only a linear matter of connecting dots to plot the relationship course, rather than the labyrinth of redefining deeply held cultural beliefs.

> Beyond more superficial cultural differences, there are some life characteristics we all share in common, regardless of our enveloping social heritage: we all have fundamental needs of shelter and sustenance, some sort of familial nurturing in our early and end years, and some means of interacting with our immediate society in the days between birth and death. Indeed, the socioeconomic divisions within a given culture itself may be greater than the differences between cultures, and these universal gulfs within a culture may unite us in a transcultural commonality. (Depth, p. 19)

Luga and Gupta (2001) refer to a framework for discerning cross-cultural behavior incorporating the works of other theorists and researchers (e.g., Hofstede, Belk, Pinker, Solomon, Geertz, McCracken, Rook), to examine cultural manifestations of values, heroes, rituals, and symbols. What the specific manifestations might be varies according to cultural differences; what does transcend the cultural differences is the proposal that all cultures share the act itself of defining and envisioning values, heroes, rituals, and symbols.

Researchers, theorists, and great-thinkers such as C. Jung, A. Maslow, and J. Campbell have sought to identify common aspirations, archetypes, myths, and symbols that may unite all humanity through universal experience. Though much less scholarly in rigor but with the efficacious measurement of economic return on investment, that duty may now be in the realm of international advertising agencies.

International students representing nations and cultures from diverse world corners including Asia, South America, Europe, Eastern Europe, and Africa attend courses in international advertising at the University of California, Santa Barbara. These students are shown a series of commercials with various themes. Based on their reactions, it is possible to discern

what themes might bridge cultural differences, and what other themes might exacerbate the differences. According to preliminary observations, here is a listing of culturally divisive and transculturally appealing themes:

Culturally divisive themes

- Humor
- Sex
- Politics
- Religion

Transculturally appealing themes

- Babies
- Relationships
- Life cycles
- Sports
- Animals
- Self-image
- Water

Television commercials are universal phenomena in most every nation and culture. They provide an interesting and novel tool in the examination and measurement of cultural differences. This is an area that will be further researched, quantified, and qualified in future KAMs.

Conclusion: Implications and Resolutions

A review of current literature in this Depth component supports the conclusions of Breadth on the ongoing role of culture in socioeconomic development (p. 24):

1) Culture is an important factor in the calculation of socioeconomic development;
2) Cultural characteristics and their role in social change may indeed be defined and measured; and
3) Now more than ever an inclusive perspective on cultural and transcultural interaction is critical for effective global relations and progressive development.

Apart from social and cultural safeguards toward a peaceful coexisting world, improving cross-cultural and transcultural skills and understanding makes bottom-line business sense. Business-degree curricula should include core courses in cross-cultural management and economics, world history, and current events; and the core courses within the curriculum should incorporate cultural issues as integrated components. Further research should examine how to effectively accomplish these aims. That topic will be featured in the Application component of this KAM.

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Annotated References

Applebaum, A. (2001, October 1). The new new world order. *Slate*. Retrieved December 23, 2001, from http://slate.msn.com/?id=116462

The author provides an analysis of the evolving "*new* new world order" from the period of the Cold War's end (marked by the fall of the Berlin Wall in 1989), considering such contributing influences as Fukuyama's "The End of History" and Huntington's "The Clash of Civilizations." Though the United States promoted international concepts of "New World Order," "Nation Building," and "Democracy Promotion," lecturing other nations and regions (e.g., China, Russia, Malaysia, Africa, and Serbia), the effort ultimately met with failure to "democratize" the world.

This article is not a research paper, per se, but a survey and analysis of contemporary thought, imperial ideological campaigns, and resultant failures, and their usurpation by a new and simplistic "war on terrorism," where a cross-culturally unifying mechanism is not cultural similarities, but a common fear. Though many of Applebaum's contentions are based on personal opinion, the breadth and depth of her international reporting experience lends those opinions considerable weight.

This article supplements the Breadth thesis that efforts to impose cultural standards (e.g., American democracy) are likely to fail, and the ability to accept and get beyond cultural differences is key to successful interaction.

Berrell, M., Gloet, M., & Wright, P. (2002). Organizational learning in international joint ventures. *The Journal of Management Development.* 21 (2), 83-100. Retrieved April 14, 2002, from http://clorinda.emeraldinsight.com/vl=17878921/cl=19/nw=1/fm=html/rpsv/cw/mcb/02621711/v21n2/s1/p83

This article uses a conceptual theoretical basis for investigating the impact of national culture on organizational learning in a global context, and the implications of this for international management development. Going beyond prior studies which demonstrate the existence of two cultures within an organization—"systems" and "organizational" culture—this article proposes that national culture too has a significant impact on organization learning in international joint ventures.

The authors incorporate components of prior research (e.g., aspects of intellectual capital as a driver in organizational learning and management development), and then turns to a case study of Australian and Malay managers co-working in a collaborative venture in Malaysia. The case study provides an observational overview of the issues involved in cross-cultural management, from which generalized conclusions may be developed. The article uses the results of the case study to determine conclusions and recommendations regarding effective international and cross-cultural joint venture management.

The authors explore ways in which organizational learning and management behavior are shaped by the often intangible influences of national culture. Using qualitative methods, the study gathered anecdotal data about managerial behavior via observation. The study found considerable differences between mindsets of the Australian and Malaysian groups of managers, and that the differences in national culture "ways of knowing" influenced the ways each cultural group performed in the joint-venture setting, and the successful harnessing of intellectual capital in the organizational learning processes.

The article also stresses the importance of matching the dissemination of all information within a JV, including knowledge about national culture, with the preferred learning styles of the target group. In light of the sweeping implications of the findings, and to better support these conclusions and recommendations, the article may have included case studies beyond the single referenced case if the authors hope to better support the authoritative posture they've assumed. However, the article does support the Breadth thesis that cultural considerations are fundamental in socioeconomic development, especially in cross-cultural initiatives.

Brown, L., & Flavin, C. (1999, May/June). A new economy for a new century. *The Humanist*. Retrieved April 14, 2002, from http://80-sks9.sirs.com.proxy.ohiolink.edu:9099/cgi-bin/hst-article-display?id=OH3657-s23909lu&artno=099407&type=ART

These two researchers provide an analysis of current socioeconomic trends and data, and what they mean within an evolving global economy. Among their conclusions, they extrapolate environmental conditions in the year 2050 based on current trends, and they warn of the dangers in an economic development based upon the cultural definitions of the United States.

The article suggests that cultural differences should survive the globalization process, and even serve as some sort of social rectifier, perhaps helping to regulate the extent of cultural change to a degree tolerable by ecological balance. For example, the introduction of cars as a primary mode of transportation could be devastating to the air quality of China; fortunately the cultural dimension of individualism is much lower than in the United States, which reduces the Chinese demand for private transportation and promotes instead mass transportation as a viable alternative. The article underscores the hazards of applying cultural dimensions on a global scale, in the belief that such characteristics—for better or worse—might be acquired.

They authors cite no references within their voluminous data, while drawing on the hefty information resources of their Worldwatch Institute. The scientific value of the article could have been enhanced with some reference attributions.

Elashmawi, F. (1998). Overcoming multicultural clashes in global joint ventures. *European Business Review.* 98 (4), 211-216. Retrieved April 14, 2002, from http://clorinda.emeraldinsight.com/vl=17878921/cl=19/nw=1/fm=html/rpsv/cw/mcb/0955534x/v98n4/s3/p211

The author provides a qualitative study of cultural clashes among mangers of joint ventures. The study observed daily interactions between American, Japanese, Asian, and European managers during daily activities such as business meetings, presentations, and technology transfers. The author compared and contrasted the cultural differences and conflicts that occurred during managerial interactions and activities. The author also describes a Multicultural Management (MCM) Process, which has been employed worldwide as a means to improve cross-cultural relations among international managers.

The author uses a case-study approach with observation and narrative analysis of cultural interactions, rather than quantitative analyses, though some supporting data could have been quantified. For example, how does the return on investment (ROI) in cross-cultural joint ventures compare to mono-cultural ventures within the company? What is the rate of cross-cultural venture failures in contrast to mono-cultural?

The article helps illustrate the Breadth contention that cultural differences impact socioeconomic development, in particular international interactions in economic and business spheres.

Inglehart, R., & Baker, W. (2001, March/April). Modernization's challenge to traditional values: Who's afraid of Ronald McDonald? *The Futurist*. Retrieved April 14, 2002, from http://80-sks9.sirs.com.proxy.ohiolink.edu:9099/cgi-bin/hst-article-display?id=OH3657-s23909lu&artno=131030&type=ART

This article provides a qualitative analysis of "modernization" and/or "Americanization" and their influence in creating a "McWorld"—wordplay on McDonald's restaurants' proliferation around the world. The authors conclude that, given well-entrenched traditional values, that most countries and cultures will avoid becoming clones of the United States socioeconomic system. This analysis, conducted by the two social researchers, bases its conclusions on the examination of data provided by the World Values Survey, a 20-year study by the University of Michigan Institute for Social Research, into the values, attitudes, and beliefs of 65 varied societies from around the world.

The article presents several unsupported propositions, e.g., eating at McDonald's in Japan differs from the experience of eating at a McDonald's in the United States, without citing examples of how that might be, let alone what research led to the conclusion. Several other such instances detract from the overall credibility of the analysis, yet the article provides some interesting insights into modernization and its impact on a culture, while allowing for cultural influence in the direction such socioeconomic development might take.

Kahn, J. (2002, March 21). Globalization proves disappointing. *New York Times*. Retrieved March 21, 2002, from http://www.nytimes.com

The author provides an analytical assessment of the United Nations conference in March, 2002 held in Monterrey, Mexico examining issues and results of globalization. The article offers a qualitative report on the event, based on the author's observations and interviews with conference participants. The credibility of the author is supported through the reputation of the *New York Times*.

The article details economic disparities of globalization and the cash flow transfer from "aid to trade" in imbalanced proportions, and the countries impacted by infrastructural shortcomings. The author provides voice to an argument that apart from cultural influences (besides those which may have contributed to an impoverished state), there are many issues surrounding economic development that are purely economic.

While not falling within the definition of scholarly research, researchers should consider such reporting as provided by this article within their analyses of fast-changing social conditions, as anecdotal evidence supporting more encompassing and defining theories.

Low, S. (2001). Chinese business principles from the eastern Zhou dynasty (770-221 BC): are they still relevant today? *Marketing Intelligence & Planning.* 19 (3), 200-208. Retrieved April 14, 2002, from http://tamino.emeraldinsight.com/vl=1629329/cl=11/nw=1/fm=html/rpsv/cw/mcb/02634503/v19n3/s7/p200

This paper proposes that ancient Chinese business and management practices, such as those introduced by Tao Zhugong during the eastern Zhou dynasty (770-221 BC), are still relevant for contemporary managers working at individual, company, national, and international levels. The author argues that Western managers may find lessons for their own leadership methods, especially for cross-cultural business relations in China and other parts of the world.

The author provides anecdotal evidence supporting the thesis, with a survey of Tao Zhugong's business principles, interspersed with contemporary references and citations testifying how those principles are relevant and demonstrated in our modern global business culture. The paper carries the tone of more a philosophical rather than scientific treatise, however much the author presents his case in a scientific format.

Still, the paper provides a useful tool in demonstrating cultural foundations, their impact and permanence, and how some cultural principles can transcend culture in settings where common universalities may find their place.

Luna, D., & Gupta, S. (2001). An integrative framework for cross-cultural consumer behavior. *International Marketing Review.* 18 (1), 45-69. Retrieved April 14, 2002, from http://clorinda.emeraldinsight.com/vl=17878921/cl=19/nw=1/fm=html/rpsv/cw/mcb/02651335/v18n1/s3/p45

This article examines the impact of globalization on cross-cultural relations, and more to the point, culture's impact on globalization, particularly from a marketing perspective. Marketers face one of the most immediate and economically-driven challenges in responding to cross-cultural interaction. This in turn makes the marketing of such research to international marketers both fundable and profitable. This in turn will provide a driver for even deeper and more relevant research into cross-cultural relations.

The authors probe four prime cultural components of values, symbols, heroes, and rituals, and how variances in those components and cultural dimensions necessitate variances in marketing tactics in various cultures. The article provides a framework for considering both etic and emic approaches to the study of culture; e.g., Hofstede's etic definition of cultural dimensions comparing different cultures along continuum categories of power distance, individualism, uncertainty avoidance, and masculinity; while McCraken's emic approach addresses subjective perceptions of cultural characteristics through an individual's "lens" of cultural principles and values; and how the differing approaches can be combined to conduct cross-cultural research.

The authors advocate the importance of explaining the mechanisms of cross-cultural interactions, especially in globalized markets, in non-academic terms accessible to marketing executives. While the article is thorough, well-referenced, relevant, and insightful, if the authors sought to make this piece accessible in the simplified terms they advocate, they failed.

Mavondo, F. (2000). Marketing as a form of adaptation: Empirical evidence from a developing economy. Marketing Intelligence & Planning. 18 (5), 256-272. Retrieved April 14, 2002, from http://tamino.emeraldinsight.com/vl=1629329/cl=11/nw=1/fm=html/rpsv/cw/mcb/02634503/v18n5/s4/p256

This paper reports on the impact of socioeconomic environmental change in a nation, and the resultant consequences on the organizational operations in a developing country, in this case, Zimbabwe. The author provides an extensive literature review, and relies on the Miles and Snow typology for analyzing categorical types of firms in the food manufacturing industry (i.e., *prospectors*, *defenders*, *analysers*, and *reactors*) operating in three different phases of environmental change (i.e., regulated, transitional, and open-market). The article concludes that organizations do not necessarily adapt their marketing tactics in response to environmental changes, thus an environmental politico-economic system is a poor indicator of how organizations may adapt (specifically, in their marketing activities as an "interface between the organization and the environment"). Rather, the study finds, internal strategies have a greater impact on organizational change, rather than changes in the environment itself. However, such adaptation in organizational strategies is hindered through cultural influences, organizational inertia, internal politics, and other constraints.

This paper further supports a contention that culture provides a governing role in socioeconomic change, in spite of systemic environmental reengineering that may be imposed through globalization and an attempt to create common transnational operating systems. The article provides a thorough quantitative analysis supporting a narrowly defined hypothesis in an outstanding piece of research.

Michailova, S. (1999). Exploring subcultural specificity in socialist and postsocialist organizations: The case of Bulgaria. Paper presented at the SCOS conference, Anderson School of UCLA, Los Angeles, CA. Retrieved November 8, 1999, from http://www.agsm.ucla.edu/research/conferences/scos/papers/michail.htm

This research article does not include a hypothesis, per se, but rather seeks to provide an empirical and seemingly ethnographical study of a Bulgarian industrial organization, examining the subcultures that might exist in the organization in both socialist and postsocialist eras (i.e., members of the management subcultures are by rule communists before 1989 and respectively non-communists in the first years after 1989). The article is based on a case study of an organization given the pseudonym "SOBIO" (abbreviation of State-Owned Bulgarian Industrial Organization). The author conducted field work over some nine months in 1994, interviewing some 54 subjects to formulate her conclusions.

The author cites her empirical findings, with the conclusion that SOBIO's subcultural composition includes hierarchically based, occupationally based and age differentiated subcultures. In the case of Bulgaria the separation is according to whether organizational actors are members of the communist party or not. This conclusion further underscores the importance of considering traditional and cultural influences on socioeconomic systems involved in international interplay.

This article had a rather narrow scope, and the results were not extrapolated to support some greater hypothesis. Given the tightly focused topic, and the ethnographical feel of the article, the qualitative research approach seemed appropriate and perhaps even necessary for the nature of the study.

Mueller, S. & Clarke, L. (1998). Political-economic context and sensitivity to equity: Differences between the United States and the transition economies of Central and Eastern Europe. *Academy of Management Journal.* Vol. 41, 06-01-1998, pp 319(11). Retrieved November 4, 1999, from the Electric Library database.

This paper contrasts in particular the effectiveness of merit-pay systems in the United States and republics of the former Soviet Union, and the differing cultural response to issues of "fairness of reward distribution across political-economic contexts." The findings belie a Western perception that changes in the Central and Eastern European social environment and processes along Western ideals will be embraced in a universal response.

The study assesses norms of equity versus equality, where the equity norm proposes distribution of incremental rewards for enhanced levels of performance; while under an equality norm, all recipients are rewarded the same regardless of their contribution. The article identifies three categories of workers along a continuum of equity sensitivity, including "benevolents," "equity sensitives," and "entitleds." The study uses a survey instrument, measuring university student responses in 15 countries under solid methodology controls, while enhancing "cross-cultural comparability" with similar a demographic base in each country (e.g., age, work experience, education level). The results of the study challenge the universality of an equity norm.

The authors provide an extensive survey of existing literature, insightful analyses, and well-supported conclusions. The authors also offer a degree of self-criticism in the study's limitations (e.g., the cross-sectional rather than longitudinal target group), and suggest areas for future research, including follow-up studies to examine how attitudes toward equity change as transitions to free-market systems are more fully implemented.

Rundh, B. (2001). International market development: New patterns in SME's international market behaviour? *Marketing Intelligence & Planning.* 19 (5), 310-329. Retrieved April 14, 2002, from http://tamino.emeraldinsight.com/vl=1629329/cl=11/nw=1/fm=html/rpsv/cw/mcb/02634503/v19n5/s3/p319

The author proposes that marketing across borders is an incremental process, with numerous successive obstacles to overcome in successful international marketing, including cultural differences (which the author also refers to as "psychological distance"). The article provides an extensive literature review, though the analysis of the literature provides few new observations and conclusions, and those few were difficult to discern through the ponderous writing style (perhaps attempting to mask the dearth of substance). This article proves of only marginal value to my current research; nonetheless, it does support the contention that cultural differences are indeed a force to be reckoned with in spheres of international relations.

The author is a Swede (and a senior lecturer in marketing at Sweden's Karlstad University), and it was interesting to note, while he regarded the significance of cultural differences in international marketing success, he did tend to sideline culture as an issue in marketing efforts within the European Union and regional nations, focusing instead on logistical matters such as transportation costs, administrative barriers, and regulatory issues. From an American perspective, marketers could consider themselves with cultural differences as a core issue in just about any target country, since the American culture, such as it is, is so different from just about everyone else's.

Samary, C. (1999, November). Former communist countries braced for change: Eastern Europe heads into the unknown. (B. Smerin, Trans.). *Le Monde Diplomatique,* English edition. Retrieved November 12, 1999, from http://www.monde-diplomatique.fr/en/1999/11/?c=04samary

Catherine Samary is a lecturer at the University of Paris, an author of a book on the dismembering of Yugoslavia, and wrote this analysis of the reform process in Eastern Europe for the *Le Monde Diplomatique*. She provides an historical review of the political, social, and economic upheavals in pre- through post-Soviet era in Eastern Europe ranging from the writings of Trotsky and Luxembourg, the revolution of the Bosheviks, the collectivization of Stalin, the challenges to the Soviet state in the 1980s, and ultimate fall and reformation of the Soviet republics. She writes with the authority and clarity of a careful observer.

As Eastern Europe works through social and economic reforms, Samary warns outside factions to be wary of the threat to global stability if the reforms are not implemented and/or imposed with a sensibility to practical and culturally-appropriate variations. She provides an example of the Western "shock-therapy" imposed on a society and culture not prepared for the demands of a free-market system, where a system based on collectivist care was dismantled, and privatization closes and splits industrial plants though big enterprises were centers of "social activity for their workforce and sometimes provided a structure for the whole surrounding region."

In a conclusion that should be considered in the immediate demands of finding efficacious means to global development, Samary wonders who is assessing the assessors of economic reforms, "where queues disappear but the goods in shop windows are inaccessible; where run-down public services are privatized in a two-tier word in which poverty is spreading … we are heading for an explosion that could open the way for the rightwing extremists."

Sen, A. (2001, November 23). A world not neatly divided. *New York Times*. Retrieved November 23, 2001, from http://www.nytimes.com

Amartya Sen is a Nobel Prize winning economist, who wrote this piece for the opinion pages of the New York Times. The article provides a counterpoint to Huntington's clashing civilizations, as covered in the Breadth component of this KAM. Sen writes of the danger in dividing the world into discrete cultural camps, in that it "propels us into the absurd belief that this partitioning is natural and necessary." Sen writes there is a plurality of identities that cut across a culture, which supports a thesis of the transcultural perspective where commonalities might provide a fundamental base of human survival and shared development. He suggests it is this plurality that may be the "main hope of harmony"; not some imagined uniformity imposed through misdefined concepts of universal economic ideologies or boundaries of civilizations.

In an interesting twist of perspective, Sen writes that antiglobalization protestors are ironically involved in one of the most globalized world movements, which "tries to unite the underdogs of the world economy" and cuts across many national and cultural dividing lines.

Singhapakdi, A., Rawwas, M., Marta, J., & Ahmed, M. (1999). A cross-cultural study of consumer perceptions about marketing ethics. *Journal of Consumer Marketing*. 16 (3), 275-272. Retrieved April 14, 2002, from http://clorinda.emeraldinsight.com/vl=17878921/cl=19/nw=1/fm=html/rpsv/cw/mcb/07363761/v16n3/s5/p257

The article offers this research question: “How do ethical values of individuals differ when they are reared in different cultures?” The authors hypothesize that consumers from different cultures will tend to hold different views of ethical issues. They suggest that American multinational marketers operating in other cultures with ethical values that differ significantly from American standards could meet with “disastrous” results.

The authors cite prior research into various national cultures and accepted norms of ethical behavior within those nations’ legal and social structures. To test the hypotheses of cultural impacts on ethical values, data were collected from US and Malaysian consumers through a self-administered questionnaire. For the US group, the researchers selected a household panel from a "major southern university." For the Malaysian group, the researchers randomly selected 250 households from various regions of the country. The study concludes that, yes indeed, cultural foundations do impact ethical values, especially notable in the two measurement groups of Americans and Malaysians, falling at opposite extremes on some cultural dimensions (e.g., power distance and individualism).

This study determines its conclusions based on the data gathered comparing just two different cultures (US and Malaysian) to answer its original and much broader research question. However, it does seem to be a valid and valuable piece of research supporting the thesis of culture’s impact on socioeconomic development, particularly in areas impacted by ethical standards.

Uchitelle, L. (2002, February 9). Challenging the dogmas of free trade. *New York Times*. Retrieved February 9, 2002, from http://www.nytimes.com

This article is written by a *New York Times* reporter covering a panel discussion on the challenges of globalization, featuring presenters such as Harvard economist Dani Rodrik and Columbia University professor of law Charles Sabel. The writer selects these two panelists as spokespeople challenging the "prevailing laissez-faire practices" permeating the globalizing mindset of corporate executives and government leaders attending World Economic Forum sessions: free trade through lower tariffs, unrestricted competition, privatization of state enterprises, and no restrictions on foreign investment.

The critics propose that globalization, to be successful, should incorporate other dimensions beyond the limiting laissez-faire planks, including government roles in helping native businesses compete against the free market immigration, decentralized experimentation, and enlisting local institutions (and, presumably, their local cultures) as partners in multinational free market development.

This article provides a contrast and synthesis of timely opinions, and—given the rapid developments in globalization issues—offers the *New York Times* imprint of credibility and authenticity with a faster access to expertise and analysis of current events than may be found in scholarly journals.

APPLICATION

SBSF 8130: Professional Practice and International Societal Development

University Course in Global Economics

This module will demonstrate the application of the Breadth and Depth analysis of international socioeconomic development's relationship to current issues in transitioning and globalizing economies, with the design of classroom and online components integrating that application within a course in global economics. The course will be taught in the Winter 2003 term at Antioch University Santa Barbara.

Course Context and Content

In Depth, the concluding paragraph suggested that "business-degree curricula should include core courses in cross-cultural management and economics, world history, and current events; and the core courses within the curriculum should incorporate cultural issues as integrated components" (p. 42). This derives from Breadth and Depth conclusions that improving cross-cultural and transcultural skills in international socioeconomic relations—apart from the social good that may be gained—makes bottom-line business sense as well. To that end, the conclusions will be integrated into a university course on global economics.

The course context and content is derived from a variety of sources, including texts on economics, global development, theories of cultural dimensions and cross-cultural relations, as well as research conducted for the Breadth and Depth components of this KAM, and further

analyses of current events (see Appendix A for the Course Bibliography, p. 70). The course also includes observations gleaned from the instructor's direct experience working more than a decade with international development and business projects in Eastern Europe.

In Breadth, it was observed that "the role of culture in socioeconomic development theory has often been ignored or at least shunted aside as an unwieldy inconvenience" (p. 1). However, "culture was not an incidental influence on societal development, but was the clay that societies were sculpted from; the very medium of development itself, rather than an inconvenient tangent for theorists to discard" (p. 4).

In Depth, it was observed how "the 21st century provides a dynamic laboratory for examining the world's evolving and revolving economic systems, and the relationship of cultural influences with socioeconomic change" (p. 29). Depth also provided conclusions integrating the theoretical foundations of Breadth with contemporary research that:

1) Culture is an important factor in the calculation of socioeconomic development;
2) Cultural characteristics and their role in social change may indeed be defined and measured; and
3) Now more than ever an inclusive perspective on cultural and transcultural interaction is critical for effective global relations and progressive development (p. 41).

The presentation of economic theories and study of contemporary changes in the global environment should include the integration of cultural influences to provide a practical foundation for the students. These issues and conclusions are integral to the materials and pedagogical development of the course.

Pedagogical Issues

Coates and Humphreys (2001) report on research that demonstrates that through the use of effective online learning techniques, "student satisfaction is increased … and critical thinking and problem-solving skills are frequently reported as improved" (p. 3). Muirhead (2001) suggests that instructors who wish to employ computer-mediated education effectively must develop a "new contemporary vision of learning" (p. 1):

> Teachers are still considered knowledge experts who have a clear understanding of the subject matter. Yet, their new role involves promoting more self-directed learning activities that cultivate achieving knowledge objectives through personal study. Teachers are challenged to carefully design instructional activities that guide their students into on-line learning situations that promote personal acquisition of knowledge. (p. 2)

While online learning may enhance the classroom experience in a hybrid of educational environments, instructors should beware of alienating and/or isolating students lost in "cyberia," where students may feel they have been banished with no feedback from their instructors (Muirhead, 2002, p. 2). This hybridization of learning modes and models may well pave the way for future inroads uniting the best aspects of educational techniques. "Among professors in general, technological tools are becoming increasingly popular way to connect with students. These tools vary from equipment used in the classroom to course-management software for putting course material, or entire courses, online" (Arnone, 2002, pp. 2-3). These new teaching tools may not only improve the courses where they're utilized, but influence the quality of instruction in more traditional course constructs as well.

> As distance education gets better, as the technology to engage students gets better, all classes will get better … because the pressure will be there. The standard experience in a course will become much more like the experience in the class of a favorite professor today. (Newman as quoted in Arnone, 2002, p. 5)

Indeed, Levine (2002) predicts that instructors who can integrate the newest technologies within the classroom and the global online educational environment will find a demand for their skills that transcend the place restrictions of college and university campuses, finding a degree of independence and recognition of their individual contributions: “The most renowned faculty members, those able to attract tens of thousands of students in an international marketplace, will become like rock stars” (p. 21).

The online environment provides an efficient and effective means for providing students with immediate and regularly updated materials supporting the initial design of the course, as well as applied content responding to the particular dynamics of a given group of students. McLachland-Smith and Gunn (2001) proscribe this flexibility in content can enhance the real-time relevancy and application of the group learning experience. “The currency and relevance of course material to professional life was considered a positive factor and learning was immediately reinforced through application to real situations. … The WWW could be used to deliver continuously updated course materials instead of requiring all materials to be packaged at the start of the course” (pp. 46-47).

The global economics course incorporates multimedia presentations in the classroom, including PowerPoint slides and video clips demonstrating lesson principles, for example, a clip from the film *A Beautiful Mind* will be used to dramatize how economist John Nash developed his Nobel Prize-winning theory for the necessity to synthesize self-interest with group interests for the best outcome in a game scenario. From a socioeconomic perspective, this supports the cultural synthesis combining the individualism of Adam Smith with the collectivism of Karl Marx as discussed in Breadth (p.7).

The course will also include an online component providing content such as a syllabus, a bibliography, posted readings, online exercises, and links to additional resources (see Appendix B for a screenshot of the course site homepage, p. 72). The course lessons and assignments will incorporate Pierce's eight strategies to help teach thinking in an online setting (as cited in Muirhead, 2002, p. 5):

1. Design self-testing and tutorials on basic chapter content.
2. Apply the concepts of the textbook chapters to cases or issues every week.
3. Pose well-designed questions for asynchronous discussion.
4. Ask students to reflect on their responses to the course content and on their learning processes in private journals.
5. Create cognitive dissonance: provoke discomfort, unsettle confirmed notions, uncover misconceptions, inspire curiosity, pose problems.
6. Conduct opinion polls/surveys as pre-reading activities before assigned readings and to arouse interest in issues or topics.
7. Present activities that require considering opposing views.
8. Assign a mediatory argument promoting a resolution acceptable to both sides.

In particular, the course structure, incorporating both online and classroom learning, will inevitably by design and subject matter emphasize certain cognitive dissonance as classroom discussions expose the diversity of deeply-held economic and cultural convictions. This dissonance will be explored and countered with the discussion direction requiring the consideration of opposing views, even role-playing which might have students assume an opposite perspective to their own, as well as assignments to attempt a synthesized resolution of opposing viewpoints.

Ironically, one of the largest obstacles in injecting a transcultural perspective into issues of socioeconomic development is the historic mono-cultural foundations of economic theory, which poses a problem to the dynamics of the class itself. Some students may have difficulty in relinquishing an unchallenged "universality" of certain ideas and ideals, especially in increasingly cross-cultural online and classroom settings. Shapiro and Hughes (2002) propose that concepts of "community" and

"common culture" can no longer be assumed, given the impact of numerous trends on society at large and academia in particular:

> Trends such as rapidly changing technologies; changes in higher education such as the increasing number of adult and returning students in colleges and universities, the spread of corporate education, and the trend toward the convergence of education, business, and entertainment; and major social and cultural changes such as the globalization of the economy … and the increasingly multicultural environment. Students, faculty, and administrators come together with a multiplicity of beliefs and values about what kind of culture, and what kind of community, is real, desirable, or possible. Consequently, culture and community must be built or developed, and not simply in one fell swoop but rather as an ongoing process. (p. 93)

Rather than a "fell swoop" of imposing a transcultural or even cross-cultural perspective on the class, the introduction of differing and even opposing viewpoints may be better facilitated through incremental steps, finding common ground between perspectives before delving deeper into the schisms. This may be solved by relying on transcultural themes and common frames of reference as suggested in Depth (p. 41):

- Babies and children
- Personal relationships
- Life cycles
- Sports
- Animals and pets
- Self-image

Students and most people in general may be as defensive and offensive over their inherent economic values as with their differing religious beliefs. By developing a transcultural learning environment transcending political inclinations, socioeconomic upbringing, and cultural/national heritage, it may help the students feel more comfortable in challenging and being challenged by alternative, contradictory, and even antagonistic perspectives.

Online Component

As demonstrated in Appendix B (p. 72), the course homepage provides a gateway to the diverse supporting materials for the economics class. The website infrastructure is simple and easily navigable, with a minimum of link options and graphic distractions. This online model has been used for other university courses, and the students have provided positive feedback on the design and benefits. The online components include:

Readings. This page includes locally-posted and linked articles on developments in international regions including Asia, South America, Europe, Eastern Europe, North America, and Africa; globalization and transnational financial systems; culture-related topics; ethical, social, and environmental issues; socioeconomic and technological trends into the future. The article selection will attempt to find timely examples on timeless issues, providing nonlinear holographic perspectives on the course concepts. The articles will be modified and amended during the course to provide an immediate real-world relevancy to the instructional topics.

Exercises. The students will be provided with self-guided excursions into online resources demonstrating course concepts. The exercises include visiting pages covering various theories of economic development; reviewing online international financial news media; researching governmental and non-governmental data repositories; and browsing resources on ethics, careers, and other useful information sites.

Resources. This page features links to various sources of socioeconomic information and perspectives, ranging from conservative perspectives of the *Economist*, to more radical organizations such as the anti-globalist site for the Ruckus Society. These links are to encourage free-ranging and

independent research into particular areas of interest, while expanding exposure to a diversity of viewpoints.

References: This page provides a bibliography for materials used in developing the course content, allowing a selection of references for the student to dig deeper into course topics. It also allows the instructor to make reference to a source of information relating to any of the course discussion topics, especially in some of the more controversial and sensitive subject areas, providing for a more dispassionate and depersonalized foundation.

Career: This page provides links to career sites specific to international positions as well are more general employment resources. Apart from student employment purposes, the career page helps place the course concepts within an immediate context of world events as it relates to current employment positions, but also provides a longer-range and personal relevancy of how the course lessons might relate to overall career development goals.

Further Research

As in both Breadth and Depth modules, once again the need is underscored for continued research into the impact of culture, not only on the historic development of socioeconomic systems, but also the implications of culture for further evolution of our globalizing international interrelations and interpenetrations. Given the increasing recognition of the subject relevancy, and its critical importance to resolving potentially cataclysmic conflicts, educators—especially in business curricula—should be researching, comparing, and integrating theoretical socioeconomic foundations with current events, and seeking efficacious avenues for incorporating those foundations within pedagogical applications for course design and delivery.

Appendix A

Course Bibliography

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Appendix B

Course Homepage

http://wwmr.org/econ/

HOME

ANTIOCH UNIVERSITY
SANTA BARBARA

Winter 2002

Global Economics
MGT361

Instructor: Steven R. Van Hook, M.A.

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Syllabus
Assigned Readings & Exercises

Economics Resources

Career Links

Course References
Course Instructor

Application References

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