

CHAPTER SIX

The structural roots of values

An anthropological interpretation of Hofstede's value dimensions

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This chapter explores the relation between Hofstede's value dimensions and traditional social organization in 11 Asian countries. It demonstrates that the value configuration of these countries depends on the level of traditional structural complexity and — related to that — on the degree of cultural homogeneity. More complexity and more homogeneity means higher uncertainty avoidance and lower power distance. The negative correlation between uncertainty avoidance and power distance distinguishes Asia from the Western world, where these values correlate positively.

Introduction

However radically or rapidly cultural change and social transformation take place, new ways of life, at least partially, reflect the older patterns in which they are rooted. Modern development never marks a complete break with the past, but is an evolutionary process, both continuing and transforming what has been there before. If we want to understand differences in development, we should know more about differences in the local and national preconditions.

Even though this view might be undisputed, it nevertheless opens up many areas of controversy and debate. Of the many questions that immediately arise, we mention those that will play a crucial role in the following pages: How strong is the influence of the past on the process of modernization or 'development'? What is the relationship between values and social structures in the process of change? And how much cultural leveling and homogenization may reasonably be expected from future globalization?

In the following, we explore these questions by referring to previous research of ours. We begin with the culture-structure relationship. One of the merits of Hofstede's (2001) study is to have shown that even in such a mod-

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ern and transnational 'place' as the IBM enterprise, there can be detected deeply rooted national cultural differences. At least this is how Hofstede interprets his 'work related attitudes': as differences in the collective programming of the mind "that have very old historical roots (some, for example, going back as far as the Roman Empire)" (Hofstede, 2001: 11). Some of the values are able to explain normative preferences and individual behavior, but they need further exploration. Values are not suspended like clouds over some types of social landscapes, but are better compared to captive balloons: flexible, but secured to the ground.

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In this chapter we present an exploratory analysis of the connection between traditional social structures and values. The data we use stem from a new research instrument, the culture indicators of the *Atlas of Pre-Colonial Societies*¹ (Müller et al., 1999, in the following pages shortened to ATLAS). Based on field research from the first half of the 20th century, past conditions are recorded, namely the forms of social organization of some 2000 ethnic groups in Africa and Asia. From this, data for 87 countries were obtained by aggregating population-weighted ethnological data. These are the ethnological indicators that can be linked to quantitative value analyses. Unfortunately, both of these data sets overlap only partially, which makes the interpretation of empirical results somewhat challenging. Further, the data differs in that the ethnographic data have not measured individuals' opinions, as in most value studies, but the institutional arrangements of ethnic societies before the start of modern development. The aggregated ethnological indicators then were correlated with Hofstede's value dimensions, which mirror the mental profiles of the IBM personnel in each country. While the individuals' answers always represent the time of the survey (around 1970), the ethnological information stems from the first half of the 20th century and, thus, predominantly describes pre-colonial conditions.

We would like to emphasize that the concept of *development* points here to two different fields of significance: on the one hand, to the long-term historical and cultural development of, say, the last 10,000 years (social evolution) and on the other hand, to modern developments such as industrialization, economic growth and the improvement in the living conditions of national populations.² The concept is introduced in the next section, together

¹ German title: "Atlas vorkolonialer Gesellschaften: Kulturelles Erbe und Sozialstrukturen der Staaten Afrikas, Asiens und Melanesiens".

² In modern development, economic progress and social progress are not necessarily in accordance, as is shown in the *Human Development Index (HDI)* of the *United Nations Development Programme (UNDP)*. For empirical research, see especially Firebaugh and Beck (1994) and Easterly (1997).

[124] with the second core concept of this analysis: cultural homogeneity. After this follows a summary of our findings about the connection of traditional societal organization and modern socio-economic development in the *non-Western world*³. Based on this, the non-western countries of the Hofstede study will be characterized with the help of structural (ethno-sociological) criteria, and conclusions will be reached according to their representative characteristics. Those variables that proved to be predictors of modern development are related to Hofstede's value dimensions. From this, it becomes clear that the value structures in Asian countries are closely connected with their historic-evolutionary positions. In the third section we will return to the complete sample of Hofstede's study and show that a structurally geared approach can contribute to the interpretation of the interrelations of value configurations.

Structural dimensions in the non-Western world

Socio-political differentiation and cultural homogeneity

The ATLAS contains a variety of coded traits of traditional social structure. The category central to our question is structural complexity. It is measured as development level in three areas: intensity of agricultural production (agriculture with plow or horticulture); the population size of ethnic groups; the level of socio-political differentiation. The *Index for socio-political differentiation (SPD)* measures the levels of political centralization and social stratification, the mean size of local communities and the existence of a written language.⁴ Social evolution, i.e. the increase of structural complexity, is characterized by the iterative development of these indicator variables.

Structural complexity not only includes endogenous characteristics, but also encompasses the power potential of societies in their intersocietal competition for resources. The greater the structural complexity, the greater the

³ The sample includes countries where elements of European population were not partly or totally predominant during colonial rule. This excludes, besides Europe and Russia, the European settler colonies (in North America, Australia and New Zealand). In Central and South America the population element from Europe was not in all cases the dominant one, but western thinking and behavior patterns were. The sample covers 87 countries of Africa, Asia and Melanesia.

⁴ The SPD index is the sum of four ranked variables: *mean size of local communities; jurisdictional hierarchy beyond local community; class stratification; written language* (Murdock, 1967; Müller et al., 1999). Besides this the ATLAS offers a vast amount of information in other fields such as types of kinship organization (mainly rules of descent, of inheritance, of marriage), sexual division of labor, household composition, etc. The data set and details regarding the index construction can be found at www.ethno.unizh.ch/cultural-indicators.

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chance of winning against competing units and of grasping an increasing share of foreign resources (and vice versa). Along with the level of structural complexity, the *forms* of the elementary societal institutions (regarding production, distribution, securing subsistence, socialization etc.) and of individual life-worlds also change.

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As a second concept we introduced the cultural homogeneity of the countries examined. *Cultural homogeneity* (or heterogeneity, with a negative sign) refers to internal cleavages of a society, such as different ethno-linguistic units or religions coexisting within a country. Ethnic homogeneity has been defined in various ways (e.g. Rae & Taylor, 1970; Morrison & Stevenson, 1972; Lijphart & Crepaz, 1991). In our research project, homogeneity is measured with respect to ethnic, linguistic and religious cleavages. All three indicators are measured directly at national level, following the same logic; they measure the proportion (percentage) of people representing (i) the largest spoken language group, (ii) the largest religious group (not sects) and (iii) the largest ethnic group.⁵

In the existing literature, cultural homogeneity (or, negatively, *fractionalization*) appears mostly as a predictor in econometric growth models (cf. Alesina et al., 2002).⁶ In this connection we are mainly interested in the historical reasons for the substantial differences in homogeneity in the world of states of today. Basically, we can say that the structural complexity and population size of ethnic units have risen in parallel during social evolution. The centers (kingdoms) that have developed in the historical process have been superimposed on, and have then integrated, the local societies. In the long term this led to ethno-linguistic homogeneity, along with social differentiation of ethnic societies. Therefore we expect that homogeneity has increased with growing differentiation. Figure 1 confirms the view that the past has an impact on the present.

Even the sometimes absurd colonial borders have not been able to really alter this correlation of socio-political differentiation (SPD) and cultural homogeneity (HOMO), which is highly significant ($r = .72$, $p < 1\%$) and becomes clear even within the sub-Saharan context ($r = .39$, $p < 1\%$). Most African and

⁵ 'Largest ethnic group' is identical with the variable 'size of population' mentioned above.

⁶ Our index of cultural homogeneity correlates highly (negatively) with the indicators for fractionalization developed by others. Taylor and Hudson's (1972) index of ethno-linguistic fractionalization (ELF), constructed with data for 1960, correlates with the combined ethnic and linguistic dimensions of our index $r = -.94$. Our three-dimensional index correlates with a combination of the three fractionalization dimensions provided by Alesina et al. (2002) with data for the 1980/90s $r = -.84$. Differences in coding are mainly found in the Melanesian countries.

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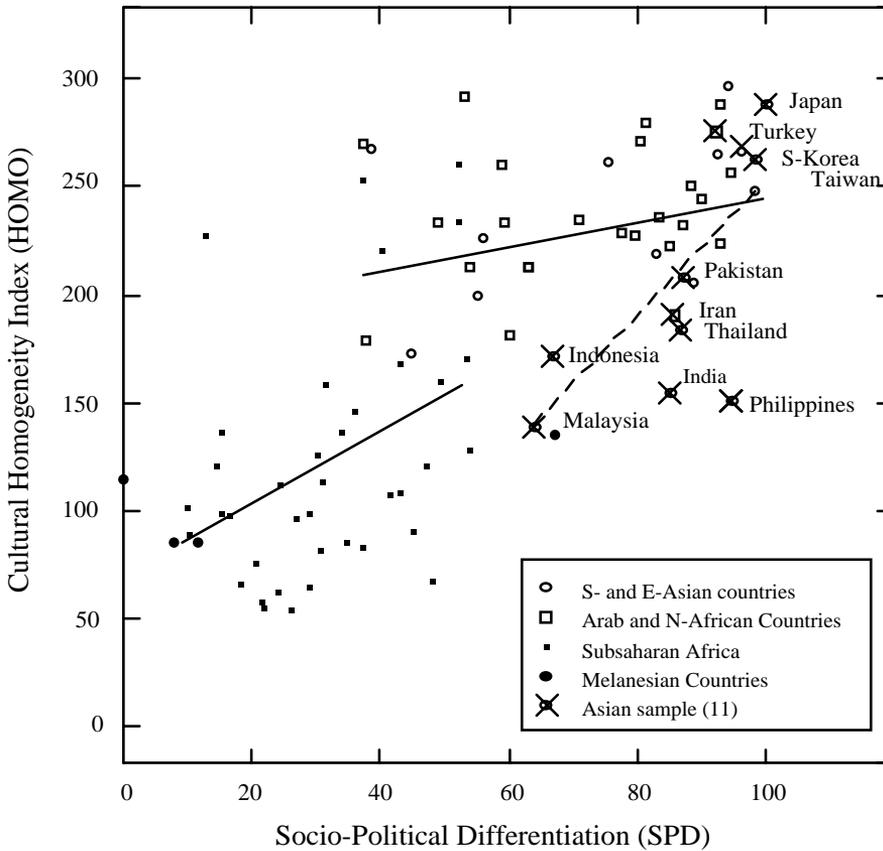


Figure 1: *Cultural homogeneity of present-day nation states as a function of the socio-political differentiation of traditional societies: The case of the non-Western world*

Melanesian countries are found in the lower half of the scale, for SPD as well as for homogeneity. Exceptions are countries like Rwanda, Burundi, Swaziland and Lesotho. They link an extensive homogeneity with a medium structural complexity. At the opposite extreme to the African world, we can find countries from North Africa, from West Asia and from South and East Asia. They are mostly found in the upper half of both scales. While the Arabian world seems culturally more homogeneous, the South and East Asian world is structurally more complex.

Here we would like to point out that structural complexity and cultural homogeneity were especially significant in explaining the different development performances of non-Western countries in our findings: The higher

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SPD and homogeneity were, the more favorable the conditions for catching up. This is consistent with another observation from Figure 1. If we examine the countries of the IBM study for their cultural homogeneity and traditional structural complexity, a remarkable bias is found. IBM investments are situated without exception in the uppermost third of traditional structural complexity scale and in the upper half of the homogeneity scale (where we would find the city states of Hong Kong and Singapore as well, although they were not considered in our study). Given the significant correlation between structural complexity, homogeneity and economic development, this distribution does not come as a surprise.

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In conclusion, we can say that the ethno-linguistic and religious homogeneity of the non-Western countries of today is determined by the structural differentiation of pre-national societies. This explains why the conditions in different regions of the world differ greatly. The specially highlighted countries are those that figure in both, our sample of the non-Western world, as well as in Hofstede's study. These 11 Asian countries are the focus of our analysis in the third section.⁷

Structural complexity, cultural homogeneity, and development

As mentioned before, our concept of development is not only concerned with the long-term evolution of societies, but also with the modern process of economic growth and the improvement of living conditions. As early as 1984, Lenski and Nolan demonstrated empirically in an influential article that there is a close connection between the historic-evolutionary position and modern socio-economic development of non-European countries. According to their ecological-evolutionary theory, environmental conditions determine the type of traditional subsistence economy (agri- vs. horticulture) and these in turn determine the social structures and, thus, the chances of development in the post-colonial period (in the 1960 and '70s).⁸ Using a number of socio-economic variables, they demonstrated that horticulture has an adverse effect on development.

We can confirm Lenski and Nolan's finding inasmuch as in our study, with a longer period of observation (1965-95), more valid indicators, and more rigid statistical controls, the *subsistence economy* in fact has an influ-

⁷ Not included are the three regions (Middle East, East Africa, West Africa) from Hofstede (2001) that cannot be specifically allocated to a country, as well as South Africa as a historic special case. For our study we could not ethnographically code and classify Israel, Hong Kong and Singapore, because of their immigration history.

⁸ Compare Lenski (1984), Nolan and Lenski (1996), Crenshaw (1992, 1993).

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ence on modern socio-economic development: The more dominant plow cultivation and other indicators of agro-technical efficiency, the higher the rate of economic development (Müller, 1996; Ziltener & Müller, 2003). However, it can be ascertained empirically that traditional *structural complexity* is an even more important factor for economic development in the post-colonial phase: Countries with a complex social organization were able to raise their per capita income significantly faster than others between 1965 and 1995. These results proved to be completely robust in different model specifications controlled for a wide range of other factors (e.g. ecology, oil exports, trade, aid dependency, political regimes etc.). Both the immediate economic aspect and the social side of the developmental process are influenced by this historical-cultural inheritance. For instance, life expectancy in countries of the non-Western world depends positively on the pre-colonial level of structural complexity in the 60s as well as in the 90s of the past century.

How to account for these findings? It appears that traditional structural complexity is advantageous in two ways, regarding (macro-social) development dynamics of *societal institutions* and (micro-social) *moral-mental discipline*. When the institutions of the pre-colonial societies had already developed the principles of *state* organization — government, bureaucracy, taxation, a regular army, territorial infrastructure, culture of the written word etc. — then the prerequisites for *nation building*, for creating institutional frameworks and for economic growth were more favorable than in those cases where the central institutions rested upon kinship systems and differences of gender and generations. If pre-colonial mechanisms of governance and legitimating already existed, then they only needed to be modernized in the course of the nation building process.

The increase in political hierarchy as well as the intensification of agriculture resulted in an augmentation of the level of *discipline*. Cross-cultural research shows that the general prolongation of work time for productive and reproductive activity forced men into involving themselves more in agricultural work (Minge-Klevana, 1980; Boserup, 1982). Parallel to this an extensive transformation of the individual's social world took place. Key characteristics of this are the integration of women into patriarchal social structures, the subordination of the population majority (women *and* men) to aristocratic classes in expanding tributary societies, introducing a more authoritarian child education, and the establishment of a moral order of deferred (even post-mortal) gratification pattern (Levinson, 1980; 1990).⁹

⁹ Compare Putterman (2000: 6ff), who examined the influence of 'pre-modern level of development' on economic development in a comparable period for 48 developing countries: "One way those legacies may have affected growth is through their impact on conceptions and prac-

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Besides high traditional structural complexity, cultural homogeneity is an advantage for development. Per capita income as well as life expectancy in countries of the non-Western world depend (positively) on their cultural homogeneity. This goes for the 1960s as well as the 1990s; in fact, the significance of this seems to increase over this period (Müller *et al.*, 2002), a finding confirmed by econometric research. Easterly and Levine (1997) have shown in their influential study that a higher degree of ethno-linguistic fractionalization results in lower economic growth (cf. Sachs & Warner, 1997; Brock & Durlauf, 2001: 44ff). Usually cultural homogeneity is connected to a higher level of internal conflicts, but also to an institutional development deficiency. Mauro (1995) established a negative correlation between the efficiency of institutions and ethnic heterogeneity. La Porta *et al.* (1999) found that ethnic-linguistic fractionalization was, apart from other factors, a (negative) determinant for the quality of government. In sum, the results of empirical-quantitative research point unequivocally to a positive effect of cultural homogeneity and traditional structural complexity on modern socio-economic development.

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Ethnic culture, value configuration in corporations and national culture

Firstly, we can state that Hofstede makes a methodological assumption that is also made in a similar way by ethnologists. Hofstede interprets the different attitudes that were found within the IBM staff of different countries as expressions of different national cultures. Because the IBM personnel are actually recruited in different geographic surroundings, it is reasonable to assume that the various interview answers mirror different social surroundings. This is similar to the ethnological research reports: Although only a few people living at a small place were observed and interviewed, the results are interpreted as characteristics of a much larger ethnic group, i.e., representativeness is claimed. The presumption is that the observance at the local point of examination mirrors characteristics of a not clearly specified ethnic environment.

An important difference, however, should not be overlooked. In cross-

tices of productive activity. (...) The peoples of agrarian societies that had adapted to the drudgery of intensive farming may have become more conditioned to (and, in the language of economics, more willing to supply) long, arduous hours of work than would less intensive farmers or pastoralists. They may have more sharply distinguished between work and leisure time, their values and expectations may have become better adapted to specialized and hierarchical economic interactions, and they may have perceptually separated their economic and non-economic social interactions in ways more closely resembling those of people in industrial societies”.

[130] cultural analysis the scale of findings of any dimension is surely much greater than in cross-national comparison of the IBM staff or of Schwartz's (1995) surveys in different national settings. With the personnel of singularly operating corporate groups or of educational institutes, one can only find what is compatible with the goals of these organizations. There will hardly be any values present that are incompatible with the competitive constraints or the institutional goals of different organizations. So, because the forms of societal adaptation in the natural and social environment are more varied and broader than those in a multi-national corporate group in the capitalist world system (or members within educational institutions which are, worldwide, very similar), value dimensions will basically be very different in varying institutional frame works and are likely to show very different results. Clearly, normative and cognitive patterns — comparable to the pre-state (tribal) societies — are difficult to find in a multinational or at a university campus.

Relating Hofstede's value dimensions to structural complexity

Knowing the limits of a small study of only 11 countries — those included in both our sample and Hofstede's — we would like to emphasize the exploratory character of the following paragraphs, considering the lack of previous research on the connection between evolutionary structure and values. Therefore, in the first step, bivariate correlations are presented, connecting the two explanatory concepts of our analysis (traditional structural complexity and cultural homogeneity) with the four value dimensions of Hofstede. The results are presented in Table 1 for 11 Asian countries.

This bivariate analysis shows significant correlations with two of the four value dimensions of Hofstede, power distance (PDI) and uncertainty avoidance (UAI). No correlation is found with the indices for individualism and masculinity. UAI, on the other hand, reveals the strongest connections with our structural variables, so this shall be discussed first, followed by PDI. After this, the third section leads us back to the complete sample of the Hofstede study, showing that a structurally geared approach can contribute to interpreting the interrelation of value dimensions.

First dimension: uncertainty avoidance (UAI)

Structural complexity and Uncertainty Avoidance

The indicators for structural complexity deal with societies which existed long before capitalist companies became rooted in what developed into post-colonial nation states, and so they are the truly independent variables in any

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Table 1: *The correlations between Hofstede's values dimensions (4), indicators of traditional structural complexity (3) and cultural homogeneity*

	PDI	UAV	IND	MAS	Plow	SPD	Size	Homo
PDI	1.00							
UAI	-0.80**	1.00						
IND	0.03	0.00	1.00					
MAS	-0.02	0.27	0.66*	1.00				
Plow	-0.42	0.73*	-0.25	0.13	1.00			
SPD	-0.61*	0.67*	0.25	0.26	0.62*	1.00		
Size	-0.61*	0.88*	0.14	0.16	0.71*	0.63*	1.00	
Homo	-0.75**	0.95**	0.02	0.23	0.65*	0.67*	0.96	1.00

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** p < 1%; * p < 5%; N = 11.

PDI = Power Distance Index (Hofstede, 2001)

UAI = Uncertainty Avoidance Index (Hofstede, 2001)

IND = Individualism (Hofstede, 2001)

MAS = Masculinity (Hofstede, 2001)

Plow = Traditional agriculture with plow (Müller et al., 1999)

SPD = Socio-political differentiation (Müller et al., 1999)

Size = Size of the largest ethnic unit, % of total population (Müller et al., 1999)

HOMO = Ethnic, linguistic, and religious homogeneity (Müller et al., 1999)

model explaining the normative preferences of IBM staff in the 1970s. Therefore, high correlations of SPD and UAI are interpreted in causal terms, reflecting historically earlier social conditions. These can continue to exist for large proportions of the population when, for example, subsistence still has to be provided within family solidarity because state-run social insurance is missing, or when the state does not exert a monopoly of power and disputes are therefore still solved within and between families. Since such value systems maintain their functionality in the large informal sectors of developing countries and provide a sense of cultural difference and identity, they shape the interactions in formal institutions as well (Etounga-Manguelle, 2000). They can continue even under widely established modern conditions, provided they are compatible with the functional demands of a nation state, a monetarized economy and an urban social structure. Therefore, IBM personnel can express values rooted in traditional and informal social structures, even though, personally, they work in a highly formalized social context.

In Table 1 above the concept of traditional structural complexity is represented by three groups of indicators: (i) the traditional pattern of agriculture that is based on plow and draught animal; (ii) the SPD index that measures social and political differentiation of earlier local societies, and (iii) the estimated population size of the ethnic societies in 1960. All three indicators cor-

relate highly with the UAI.

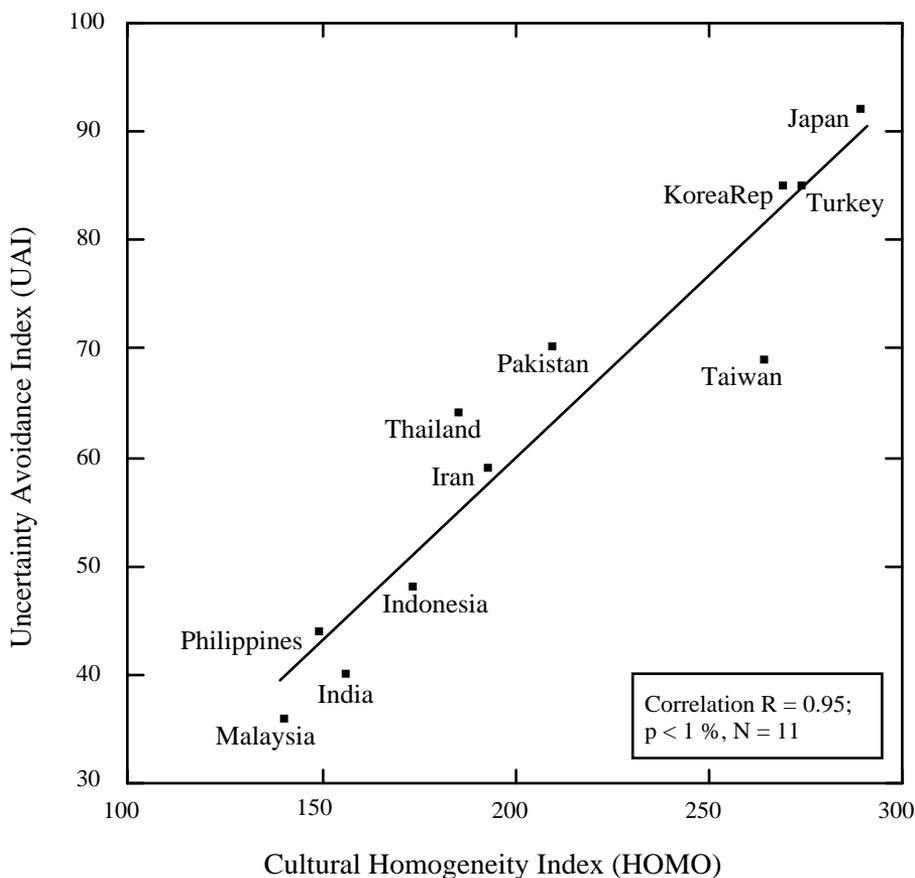
[132] Our findings — that IBM personnel (1970) more strongly accentuate uncertainty avoidance the more pronounced the structural complexity of traditional local societies has been — might be surprising at first. The UAI index measures “[t]he extent to which the members of a culture feel threatened by uncertain or unknown situations” (Hofstede, 2001: 161), or “the extent to which a culture programs and its members feel either uncomfortable or comfortable in unstructured situations” (ibid. S. xix).¹⁰ This stronger aversion to open situations in societies with greater structural complexity in the past is understood when one examines the evolutionary context. The intensification of agriculture, social hierarchy and political centralization increased in the course of social evolution parallel to the growing population density, to longer hours of work and stronger behavior controls within authoritarian political norms (Sheils, 1972; Minge-Klevana, 1980; Chick, 1997). The great agrarian religions of Asia were able to assert their claim in the course of political centralization and expansion against shamanistic and other local religions. They established systems of meaning, which through religion legitimized and stabilized the growing strain and social disparity. When trying to grasp the psychological quality of these symbolic worlds, the agrarian religions (Hinduism, Buddhism, Shintoism, etc.) rightly demand our attention. We suspect that the higher uncertainty avoidance in societies with a traditionally higher structural complexity can be ascribed to the growing workload¹¹ under increasingly hierarchic conditions and a growing density of regulation. Under these conditions the ritualization of social communication and daily actions gains prevalence, regardless of the specific denomination of the written religions. The seeming paradox is that the fear of unstructured situations seems greatest when the chance to ever be in such a situation is the smallest: in culturally homogeneous societies. The opposite applies to societies with high cultural differentiation on local level.

Uncertainty avoidance also correlates with geographic latitudes, but Hofstede (2001: 179) maintains “latitude cannot be considered a fundamental cause”. In fact, latitudes just point to ecological factors such as tropical forests, tsetse flies, etc., which are directly relevant for the traditional subsistence technology, in particular the possibility of plow-based agriculture.

¹⁰ An abstraction from three dominant factor variables: (i) the need of employment stability; (ii) high rule orientation; and (iii) high nervous tension at work (Hofstede, 2001: 150).

¹¹ Only in the course of industrialization and with the use of abiotic energy is it possible to combine growing production of goods with decreasing hours of work. Value adjustments quickly arise, or even race ahead of the economic growth rate process via diffusion.

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Figure 2: *Uncertainty avoidance as a function of cultural homogeneity and, indirectly, of traditional structural complexity*

This, and not latitudes as such, explains why high structural complexity was more difficult to establish in tropical woodlands than in more moderate latitudes.¹²

¹² The argument gets additional support from Hofstede’s finding that “[s]tronger uncertainty avoidance is negatively related to geographic latitude, like PDI, but only for the wealthier countries; the poorer countries show a positive relationship” (2001: 179). Since ours is a poor country sample, higher PDI and UAI values are more frequent in higher latitudes, i.e. in the subtropical areas more than in the inner tropics. This is consistent with our view that plow agriculture and structural complexity are proxi-determinants of PDI and UAI.

Cultural homogeneity and Uncertainty Avoidance

[134] The homogeneity index is composed of indicators of ethnic, linguistic and religious homogeneity. The correlation of uncertainty avoidance and cultural homogeneity is, with $r = .95$, the highest (Table 1). We would like to point out that, unlike structural complexity, these variables characterize nation states of today and not pre-colonial societies. The time of this survey corresponds to 1960 and the value dimension to around 1970.

The causal connection behind this correlation is difficult to interpret, but two channels of impact are feasible. Firstly, a high grade of cultural heterogeneity can impede the development of a, or erode an existing, culture of uncertainty avoidance. A great store of cultural mutuality is essential for sophisticated regulations of social situations, for which Japan is a telling example. Furthermore, uncertainty avoidance and cultural homogeneity mutually stabilize each other. Societies that favor uncertainty avoidance are more likely to reject immigration (Hofstede, 2001: 180), especially from cultures that seem 'different'. Societies with heavily increasing cultural heterogeneity are challenged to reduce their preference for highly structured situations. These are *modern* processes that are accentuated with the influence of globalization. Here we are especially interested in the structural roots of values. As has been shown, today cultural homogeneity is closely interwoven with the evolutionary position regarding structural complexity (Figure 1) and therefore an interpretation within a larger historical frame comes to mind, as already pointed out. According to this, the correlation of cultural homogeneity and uncertainty avoidance indicates trajectories of increasing complexity, in the past as well as in the present.¹³

Second dimension: Power Distance (PDI)

The second value dimension correlating with our structural variables is power distance. Hofstede (2001: xix) defines power distance as "the extent to which the less powerful members of organizations and institutions accept

¹³ Unfortunately, variations of lower homogeneity (high heterogeneity) are not ascertainable with our indicator. Whereas high values are unambiguous, lower values can indicate two different situations: (i) a complex cultural composition in the local context as in certain parts of the former Ottoman empire or under modern urban conditions, or (ii) the fractionalization of a country in traditionally clearly separated cultural regions, e.g. Vietnam. High uncertainty avoidance at the individual level could be expected in countries with relatively low cultural homogeneity *if* the different ethno-linguistic and religious elements live in relatively discrete groups. However, the high correlation between cultural homogeneity and uncertainty avoidance shows that the imprecise quality of the indicator in the Asian countries examined carries little weight and has not to be considered further.



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and expect that power is distributed unequally". The index does not refer to societal disparities, for example the legitimacy of class differences, but refers to *interpersonal* power relations. One is reminded of Max Weber's famous differentiation of charismatic and bureaucratic power: While PDI calls forth the expectation and respect of personal authority (actually the legitimacy of 'charismatic' use of power), UAI represents an attitude of what we think of as a cultural adaptation to institutionalized hierarchy (actually legitimacy of 'rational' use of power).

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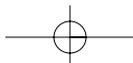
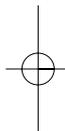
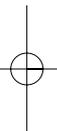
In the light of this interpretation, both value dimensions, UAI and PDI, are complementary and should correlate negatively. In the course of history, the more the personal use of power is replaced, or at least disguised, by an institutionalized use of power — the more the kings and monasteries have marginalized the local chiefs and shamans — the weaker should power distance be today and the more strongly formed should uncertainty avoidance be. Because the cultural homogeneity of the nation states of today depends on how far this evolutionary process could proceed in the pre-colonial societies, we can also expect a negative correlation of PDI and homogeneity. As seen in Table 1, this is indeed the case for the examined countries of Asia. UAI and PDI stand in an inverse relationship to all structural variables and are very significantly associated with each other ($r = -.80$; $p > 1\%$).

Here the question arises, how far such an interpretation can be generalized. Until now our argument has been very general and without impeding ancillary conditions and should therefore be applicable to all societies. In the following section, we will reopen the examination and check if it is possible to interpret the data according to the 'Asian paradigm'.

PDI and UAI in the Western and non-Western World

First, we will compare the pattern common to the Asian countries to Hofstede's complete sample. Our starting point is Hofstede (2001: 150ff), who found in his total sample only a weak significant relation between uncertainty avoidance and power distance, whereas in his subsample of European countries he found a very significant positive correlation. In his total sample the connection is not significant because of a few Asian and African countries which occupy the 'PDI high and UAI low' quadrant.

These findings can easily be replicated and confirmed. However, it seems that value configurations in the Western and non-Western world differ much more radically than a reading of Hofstede might suggest. The crucial point here is not a few anomalous cases in Asia, which push down the positive correlation in the European subsample, but rather that the Asian countries show — when compared to Europe and the Western countries in



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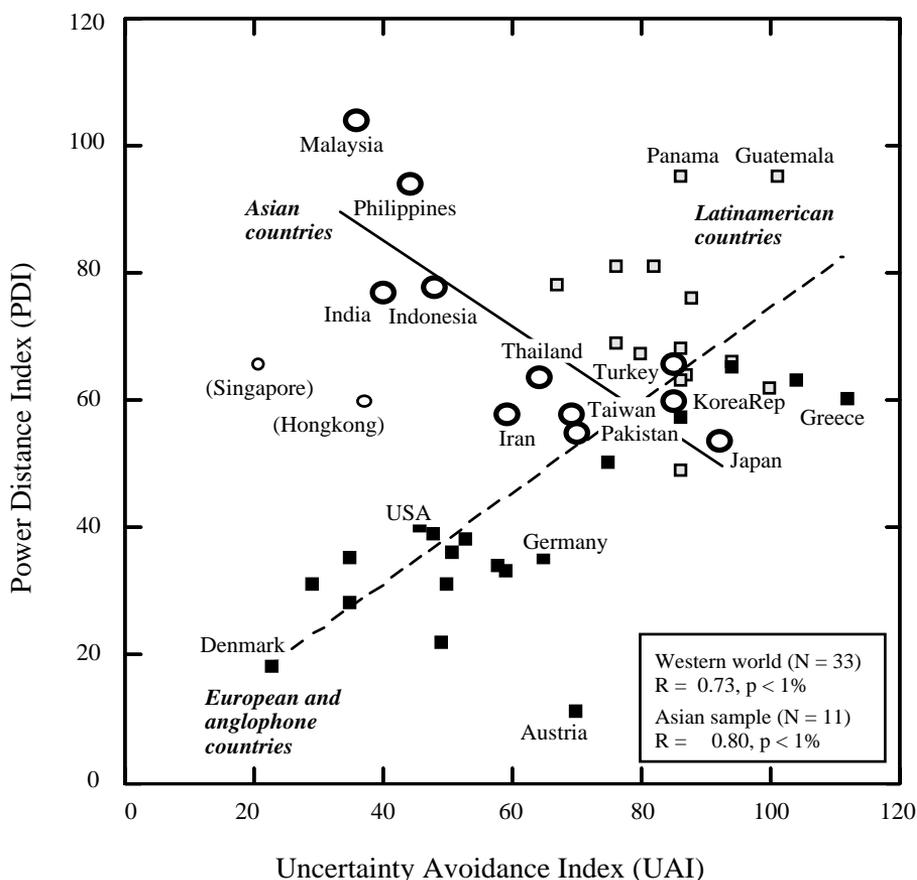


Figure 3: *Power distance and uncertainty avoidance in Asia and the Western world*

general — a contrary pattern (Figure 3). The negative correlation among the 11 Asian countries ($r = .80$) is not less striking than the positive correlation among the 17 European countries ($r = .78$) or the 33 Western countries ($r = .73$). Both major regions stretch over a wide range of the UAI scale, but they differ fundamentally on power distance. A few (Latin) European countries overlap with a few Asian countries in the medium PDI area. For the rest, the Asian countries are found in the upper and the European countries in the lower PDI area, when compared with values of uncertainty avoidance.

Finally, it is notable that the Latin American countries, with their high values of PDI and UAI, form their own cluster. Admittedly, this group of

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countries could be counted as part of the European complex, especially when compared with the values here discussed. The Latin European countries, such as Italy, Spain, Portugal and France are exactly between the Anglo-Germanic and the Latin American countries and at the intersection of the Asian and Western group of countries. Further evidence for the common value sphere can be seen when Latin America is included in the European subsample, after which the correlation of PDI-UAI decreases only minimally, but increases in significance. For this reason, in the following we differentiate only between a general Western pattern with a positive correlation and an Asian pattern with a negative correlation of UAI and PDI.

[137]

What can be said of such a dichotomy of the world (excluding Africa)? We assume that in the different value configurations of the examined countries, especially in both inverse correlations, two fundamentally different types of logic are manifested. Both have the reduction of PDI in the course of development in common. But while in Asian countries decreasing PDI is associated with higher uncertainty avoidance, in Western countries decreasing PDI values are connected with decreasing uncertainty avoidance. In the latter, this dynamic is — unlike the Asian paradigm — to be interpreted as caused by increasing cultural heterogeneity in the course of the social and economic development of Western countries. The regression line, reaching from Panama and Guatemala at the upper end, via the Latin countries of Europe to the Northwestern European and Scandinavian countries (including the USA) at the lower end,¹⁴ corresponds with a development gradient, but also with a process of increasing mobility, urbanization and differentiation of social roles. The heterogeneity of societies and individuals' life-worlds has contributed substantially to increasing the ability to process cognitive dissonances in the course of development. What people with high uncertainty avoidance can experience as a terrifying loss of security, can, with reduced uncertainty avoidance, be experienced as cultural enrichment and urbane quality of life.

The difference between a long-term evolutionary and a modern phase of development seems to be crucial for the interpretation of the Asian and Western paradigms. Earlier, we argued that when the principle of kinship-based societal organization is pushed aside by the state principle, there is a decrease of (personally defined) power distance, while uncertainty avoidance starts to suffuse an increasingly hierarchically structured daily life. This process reaches its limit with large agrarian societies, whose aristocratic power is legitimized and stabilized by one of the great literal religions. In the course of

¹⁴ Correlation of the human development index with PDI is $r = -.60$ ($p < 1\%$) and $r = -.45$ ($p = 1\%$) with UAI.

[138] modern, European-influenced development, there seems to be a change of value configurations. While de-legitimatization of personal power continues (further reduction of PDI), the dislike of ambiguous situations decreases (reduction of UAI). Both these value displacements are caused by structural changes in modern societies.

How the future development of value changes will look cannot be answered coherently within our analysis. Regarding PDI, the data used leads us to surmise that the personal (charismatic) form of power relation continues to lose acceptance with people in societies with higher structural complexity as well as with increasing modern development. With UAI, meanwhile, there are two theses that oppose each other.

The first thesis construes today's difference between the Asian and the Western world as an expression of non-simultaneity in evolutionary development. According to this thesis of *convergence*, all countries should drift towards the direction of the lower left quadrant. With today's conditions of globalization, we can expect countries like Malaysia or the Philippines to steer directly to a configuration with low PDI and low UAI from the positions they have today. In doing this, they would leave the historic trajectory of the Asian countries.

The thesis opposed to this construes the differences of today as an expression of deeply rooted world views which are unlikely to be eroded by increasing income, new designs of society or normative preferences. According to this, every cultural region may keep their value preferences in the course of economic development. In Figure 3, for example, Japan is not expected to drift towards the European paradigm, but to keep its high UAI value, even at a further reduction of power distance. As long as countries with corresponding traditions keep on operating economically successfully, institutions that show higher uncertainty avoidance should keep their role model in the Asian area. This would corroborate the thesis of the development of a non-Western Asian modernity (Tu, 1996). In the same vein, a country like Greece would always define itself as European, based on its history and identity, and in this way follow the cultural models of successful Western European states. Though by doing so, it would be confronted with an especially intense cultural change.

Conclusion

Our aim was to provide an exploratory analysis of the interrelation of value dimensions and traditional social structures. Based on a new set of data, we demonstrated for 11 Asian countries that two of four value dimensions from Hofstede's IBM study depend heavily on the structural complexity of tradi-

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tional societies and, as a consequence, the cultural homogeneity of the modern nation state. Structural complexity is operationalized in terms of traditional socio-political differentiation, intensity of traditional agriculture, and size of the pre-colonial cultural groups. The larger the traditional cultural units of a country, and the larger the proportion of people stemming from societies with pre-colonial state organization and plow cultivation, the more is uncertainty avoidance (UAI) supported and power distance (PDI) rejected by the IBM-staff in these countries — regardless of the level of economic development. This can be explained by the long-term co-evolution of structural complexity, cultural homogeneity and normative orientations.

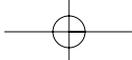
[139]

These findings shed new light on the correlations between PDI and UAI. Hofstede (2001: 63), controlling for income level, finds that the correlations are positive in the wealthier subgroup and non-existent in the poorer subgroup. In contrast, we detected an Asian and a Western pattern, with rich Asian countries overlapping the Western group and poor Western countries overlapping the Asian group. It appears that higher levels of structural development in the Asia paradigm not only are connected with decreasing PDI (as in the West), but also with increasing UAI. In Asia, development tends toward ‘national cultures’ (Hofstede 2001: 13-14) that *strengthen* ritualized and extrinsic mechanisms and methods, on institutional and individual level, regulating social behavior.

The Western world follows another logic. Although we do not possess data for the traditional structural complexity of these societies (on our scale they would probably figure very high in general), Figure 3 showed a significant modernization-induced combined reduction of power distance *and* uncertainty avoidance. This specific Western pattern has been interpreted not only in terms of rising levels of income per-capita,¹⁵ but even more so of increasing cultural heterogeneity in the range of everyday life. In order to confirm or falsify the thesis of a value convergence, further and comparatively structured analysis is needed. The benefit, even the necessity, of a differentiated analysis according to world regions, as pioneered by Hofstede, has been made more evident by our analysis.

Our statistical analysis serves mainly to make clear the plausibility of a structural and historical approach to the interpretation of ‘national cultures’.

¹⁵ Increasing income influences ‘individualism’, another of Hofstede’s values. Individualism probably shows the least historic depth and depends the most directly on the level of consumption. In Asia there seems to be no connection or interrelation between individualism and traditional structural complexity. The positive correlation of individualism and income (Hofstede, 2001: 252) is interpreted as an adaptation of values to the more urban and more open conditions of life in richer countries, independent of cultural regions.



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[140] The eurocentric certainty that the world should coalesce with the Western lifestyle is put into perspective through the possible development of a multi-linear and a more open evolution — which is a paradigm that could help give Africa more leeway. Our findings indicate why non-Western value configurations can be compatible in modern societies with companies operating worldwide; the loss of legitimacy of personal (charismatic) power is, in Asia, not accompanied by a parallel reduction of uncertainty avoidance. High values in this second dimension may seem to be a sign of traditionalism and therefore of backwardness, but high uncertainty avoidance can also affirm an order that disencumbers individuals of the collective pressure to individualize.

