

A Survey of Cultural Values: Is a Universally Ethical Financial System Possible?

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Abstract: This research analyses world cultures and the values they prioritise, to assess what a hypothetical global ethical financial system could look like. Using data from studies including the World Values Survey, Chinese Value Survey, and a World Economic Forum study, the top five values from each culture are collated and compared. The research concludes that whilst there are currently few overlaps in values between cultures, this is liable to change. More cross-cultural dialogue should be encouraged, and further research conducted on what values people want from a financial system in particular.

Are Values Universal?

The debate over the universality of values has raged for years, especially with regards to the existence of ‘Asian values’ versus Western values, as propagated by the former Prime Ministers of Singapore and Malaysia, Lee Kuan Yew and Dr. Mahathir Mohamad respectively. Samuel Huntington’s famous ‘clash of civilisations’ thesis also raises caution regarding fundamental differences between cultures. However, there are also advocates for the idea of universality, including former Chinese Premier Wen Jiabao, and Francis Fukuyama in his ‘end of history’ discussion. This debate has implications for the financial system and the values that underlie it, especially at this critical juncture. Taking stock of the current values across cultures is important if we are to reconceptualise the financial system to make it more ethical. A new system, assuming it also has the global spread of the current one, should be informed by common values as much as possible for legitimacy and validity. Thus, a ‘universally ethical financial system’ refers to having a financial system based on worldwide shared values. The ‘financial system’ here includes everything from flows of capital to transnational trade,

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and the rules and regulations by which those flows are governed. There is evidence from a World Economic Forum study that people the world over want to see a change in values in how the global financial system is managed.

This research has two main aims: firstly, to consolidate the current values that are important across cultures and what ethical frameworks they are motivated by; and secondly, to analyse the implications of this on the possibility of a universally ethical financial system. It will begin with clarifying what is meant by the broad terms ‘value’ and ‘culture’, and will then proceed to survey the values across the cultural categories before ending with a discussion of implications.

The research shows that despite some overlaps in values such as religiosity, tolerance, equality and freedom, the prospects for a universally ethical financial system are slim due to the ontological differences underpinning these values. In other words, the different conceptions about how we live and relate to each other as people, which thus influences what values we prioritise.

What are ‘Values’ and ‘Cultures’?

Debating what determines a ‘value’ and what constitutes a ‘culture’ is outside the scope of the current research. For the purposes of this essay, a ‘value’ is a shared belief or principle. In this case, it can have a causal link to behaviour, but can also be a desired outcome and not necessarily what is accomplished. Values influence the priorities and choices of individuals and groups, but cannot always be traced from behaviour. They provide a certain disposition for action, but cannot act as a predictor for action. A ‘culture’ can be defined as the ‘collective programming of the mind that distinguishes the members of one category of people from those of another’ (as described by Hofstede and Bond). By this definition, then, cultures are intentionally inherently distinct from one another, and are often made up of a number of values.

The cultural groups in this research are a combination of regional and religious. This is because with the proliferation of regions many values are being discussed and researched within these geographical boundaries, such as within the European Union or the African Union. Many of these regions happen to also coincide with religious differences. The categories are: Chinese; African; Latin American; European; Middle Eastern and North American.

How to Research Values?

This research uses surveys conducted on values. In particular, the World Values Survey (WVS). This is a survey that has been conducted since 1981 and covers around 90% of the world's population, highlighting what people want from life and what they believe in. The Chinese Value Survey also is used. The survey was developed by Michael Bond in response to the seeming lack of applicability of the Western surveys (such as the popular Rokeach survey) to the Chinese setting. The World Economic Forum study on global values is included, as well as the Latinobarometer and Eurobarometer. Before the WVS in the 1980s, there was little systematic attempt to survey people around the globe on their values, and thus all the research included here is fairly recent.

When surveying individuals about their beliefs and values, especially if the aim is to aggregate the results to create a cultural opinion, there are many issues of biases from the form of questioning. For instance, if participants are asked to rank values from a pre-given list, this is constraining an individual's subjectivity from the outset. There is a question of who determines that list to begin with. In addition, if the values are too abstract and vague then different interpretations influence the result. For example, whether one interprets 'equality' as equality of opportunity, outcome, gender or racial, impacts the response. The surveys included here all use slightly different methodologies. Their comparability may be questioned, but they have been used here because together they represent the most comprehensive research on values available.

The Results

Chinese

The overarching message of Chinese Confucian ethics is an emphasis on humanism, with a focus on the centrality of family and community. As such, according to a Chinese Values Survey, the top five values are as follows:

1. Filial piety
2. Hard work
3. Tolerance
4. Harmony
5. Humility

There is an emphasis on the collective rather than individualism. The pursuit of virtue, as opposed to the Western pursuit of truth, is central to so-called Eastern values.

European

According to Eurobarometer, the five most important values to Europeans are (in descending order):

1. Peace
2. Respect for nature and the environment
3. Social equality and solidarity
4. Freedom of opinion
5. Tolerance and openness to others

These values are seen as being more European than universal, coming, for example, from a particular history of conflict, and a Europe specific sensitivity towards environmental issues. There is a strong inclination to preserve and promote these Eurocentric values.

African

It can appear somewhat farcical to try and determine ‘African’ values across the most heterogeneous continent in the world, containing fifty-four countries, over a billion people, and literally thousands of ethnicities and languages. However, 2012 was designated by the African Union to be the ‘Year of Shared Values’, and a list was drawn up in consultation with community leaders, members of the public and religious leaders to determine what values are important across all of Africa. These have been identified and categorized in the following table, and for the purposes of this research the individual level is the most important:

At the individual level	At the state or regional level
1. Basic rights to life, identity and opportunity	1. Sovereignty and the interdependence of states
2. Basic Freedoms (Expression and worship)	2. Adherence to the rule of law
3. Tolerance	3. Democracy and Representation of the popular will
4. Participation in governance	4. Care for the weakest
5. Solidarity with each other in times of joy and in times of sadness	5. Self reliance (economic and social)
6. Dignity and Respect	6. Justice
7. Justice	7. Law and order
8. Sense of Fairness	8. Equity and equality
9. Equality of persons (Gender, race, sex etc)	9. National determination
10. Respect for age	10. Solidarity of states (brother’s keeper)
11. Integrity	11. Stability of environment
12. Community spiritedness	12. Security
13. Self determination	

Source: African Shared Values, African Union Department of Political Affairs
<http://www.africansharedvalues.org/en/content/page/share-our-values>

Middle Eastern

The Middle East is a complicated region, as are the others specified here. A major survey conducted in 2002 by Zogby International asked thousands of Arabs what values are important to them, and what they would like to see passed down to their children. They stated the following were the most important values:

1. Self-respect
2. Personal responsibility
3. Health and hygiene
4. Respect for elders
5. Working towards a better life

Latin American

These results are taken from the Latinobarometer, which, like the Middle Eastern survey, asked people what values they would like to see passed onto the next generation. In descending order, the results showed:

1. Good manners
2. Obedience
3. Tolerance and respect
4. Religious beliefs
5. The importance of economizing

The importance of obedience remains strong in Latin America whilst declining around the world.

North American

In this case, North America refers to just Canada and the USA, excluding Mexico. According to the German Marshall Fund of the US, North Americans value:

1. Religion
2. Individualism
3. Risk-taking
4. Self-reliance
5. Egalitarianism

EKOS Research Associates states that the gap between Canadian and US values is widening.

South Asian

When discussing 'Asian values', this does not usually refer to South Asian states, including India, Pakistan and Bangladesh. These states differ to

their East and South-East Asian counterparts largely in their colonial histories and cultural practices. The values, however, arguably are quite similar. South Asian culture values:

1. Family
2. Education
3. Sacrifice
4. Respect
5. Marriage

South Asian society is described as a collectivist society, with a large emphasis on the importance of familial relations. This is shown to be true of the younger generation too with 76% of this group stating it is important their family thinks they are doing well.

The following table summarises the five most important values in the different cultural groupings provided above:

Chinese	European	African	Middle Eastern	Latin American	North American	South Asian
Filial piety	Peace	Freedom of expression and worship	Self-respect	Religion	Religion	Family
Hard work	Respect for nature	Right to life	Personal responsibility	Obedience	Individualism	Education
Tolerance	Equality and solidarity	Solidarity	Respect for elders	Good manners	Risk-taking	Sacrifice
Harmony	Freedom of opinion	Tolerance	Health and hygiene	Tolerance and respect	Self-reliance	Respect
Humility	Tolerance and openness	Participation	Working towards a better life	Economising	Equality	Marriage

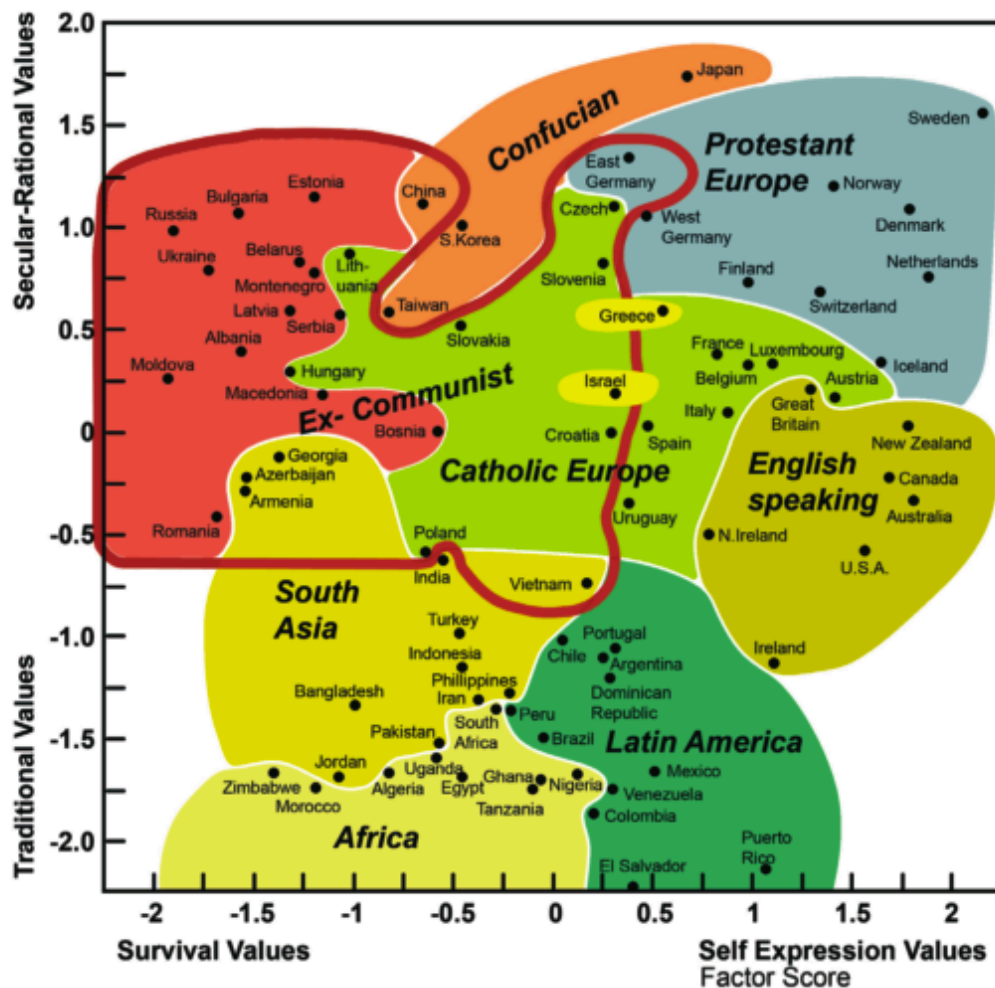
Table 1: Overview of cultural values

This table highlights that whilst there are some cross-cultural values, such as tolerance, there is not a single value that is important in every culture identified here.

Why Do Different Cultures Have Different Values?

This question may seem facetious, but since the current global financial system is governed by a belief in a rational human nature, it may be a surprise to note that some cultures value the community or family more than themselves.

The World Values Survey suggest that the differences in values can be accounted for on two major axes, they are: the traditional/secular-rational and survival/self-expression.



Source: World Values Survey, p. 7

http://www.worldvaluessurvey.org/wvs/articles/folder_published/article_base_110/files/WVSbrochure6-2008_11.pdf

The traditional/secular-rational divide is largely correlated with how religious a society is. A traditional society can be expected to value family, authority, and reject ideas such as divorce and abortion. The survival/self-expression divide is largely related to moving from being materially insecure to secure, and thus there is greater emphasis on tolerance of minorities, freedom of expression and participation in civic life. Whilst the graphic and description are an attractive way to group states and cultures, it does not necessarily fully explain the results presented in Table 1. Tolerance is a value in four of the seven cultures researched, and some of those societies are in so-called ‘survival’ mode still, such as African and Latin American states. Meanwhile, the relatively prosperous North America and Middle East do not value tolerance to the same extent (though equality could be seen as a proxy). The WVS overview is an interesting explanation, but it is a parsimonious

account, informed by the flawed modernization theory, and should be used in conjunction with other, more nuanced, explanations.

For instance, Chinese values are informed by Confucianism, which emphasizes humanity, righteousness, propriety, wisdom and faithfulness. These assumptions all infuse the values and behaviours of the Chinese, and whilst being secular they do not sit well within the WVS graph, as they also emphasise family and relationships as a central part of life. In a broader sense, much of East and South Asia, as well as Africa and Latin America, could be said to have a communitarian approach to life, such that moral values are realized in relation to others, by being part of a social setting. This is in contrast to the neo-classical belief in autonomy, individualism and rationality that informs much of the west. This fundamental ontological difference is perhaps a better, more subtle starting point than the traditional/secular-rational distinction the WVS makes, as it gets to the heart of the differences driving cultural values, that is, how we live as people and relate to one another.

As well as the differences driven by this fundamental ontological distinction, it is interesting to note the similarities between cultures. Tolerance, equality, freedom and religion are all seen across a number of cultures. Does this paradoxically mean that despite the ontological differences there is some universality in values? Whilst this could be one explanation, it is not necessarily the case, as this is also explicable by the fact that different words and ideas have differing forms depending on the culture in which they are used, such that 'equality' in the North American sense refers to opportunity, the 'American Dream', whilst elsewhere it could refer to outcome. In addition, there is a widespread lack of belief in universality of values. The World Economic Forum found that only 54% of the global population believe that universal values exist. This could prove problematic in reconstructing a financial system, as there appears to be very little belief in common ground to work from.

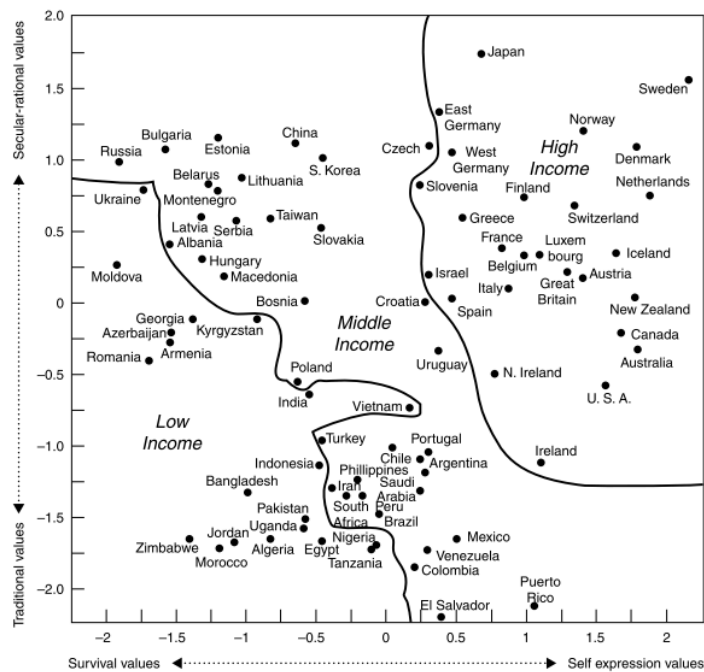
Is a Universally Ethical Financial System Possible?

Given all of the above, is it possible to map what a universally acceptable, ethical financial system would look like? Certainly not. This does not mean that the pursuit is futile, however.

There is a major assumption underlying this survey, that is, that cultural values are a structure in which thoughts and behaviours are shaped and enacted. This assumption has two major issues. Firstly, a survey such as this does not necessarily take into account the changes in cultural values that can occur. These changes are said to stem from a range of factors, such as if people spend extended time outside their home countries, age, income level, and whilst there may be some convergence and agreement on values today,

this is not static and is liable to change. With the large movements of people between states, having exposure to different cultures and values, we can expect to see fewer distinctions as the world becomes more of a melting pot. Secondly, the survey does not recognise the agentic capacity involved. If one subscribes to a version of culture as being part of a ‘toolkit’, which can be deliberated upon and used at will, then the discussion becomes far more complicated. These assumptions do not signal a death knell for the argument presented here, but by considering them future research could try to create a more dynamic view of values than is outlined above.

Moreover, if we can determine what changes values, this opens a new discussion of whether we can influence values to perhaps make them more universal. If people follow certain rules and norms based on a bounded rationality of what they see as appropriate, if this ‘logic of appropriateness’ changes, we can expect to see their actions change too. This also begs the question of whether changing a culture’s ‘logic of appropriateness’ is ethically desirable or not, and which set of values one should be aligned to if this is indeed possible. There is a great deal of converging trends globally, such as urbanization, democratization, and industrialization. These ‘-ations’ may lead to the simultaneous emergence of similar values, without a conscious influential process being necessary. For instance, if we are to subscribe to the WVS idea that as populations become more economically developed they move from materialist to post-materialist concerns, from preoccupation with survival to self-expression, then perhaps an ethical financial system will be possible without imposition from any one culture. This is illustrated below:



Source: Inglehart in Moaddell, p. 29

Similar to the ontological explanation of differences in cultural values, change and convergence is severely limited by the basic beliefs about how we live. In the communitarian experience, the beliefs that bind rationality are passed on through the generations, and as such change is a slow, incremental process. The WEF study supports the view that most people learn values from their family and education. The liberal view is far more optimistic however, as individuals are free to pursue their own interests within the social contract they are involved with, and thus change can come from many individuals who choose to pursue happiness with new, innovative ideas. Neither approach is completely correct. There is always a structure and agency relationship that constrains and enables, but being born into one philosophical viewpoint or another certainly makes a difference as to what one conceives is possible.

As well as the abstract notions of potential change in values, there is concrete optimism to be had in the World Economic Forum study ‘Values for the Post-Crisis Economy’, which aims to garner opinions regarding what ethics and values the global economic system should be governed by. They surveyed populations in ten countries. Out of a shortlist of four options of value sets[†], all ten countries chose ‘honesty, integrity and transparency’ to be the most important value set, with an average of 39% of all who were polled giving that answer. Whilst this is by no means an extensive survey on par with the World Values Survey, it does indicate that there may be more room for convergence between cultures in agreeing on values to guide the financial system than there is in general.

Given this possibility, there is one more note of caution. In the event a universally ethical financial system is to arise, the definition given of a ‘value’, states that behaviour and actions cannot be predicted and determined by looking at the value hierarchy of a culture. This is due to a number of converging factors when individuals make decisions, such as the current context, fear of unpredictable consequences, pressure from other parties and so on. Thus, even if there emerged a universal set of values across cultures, this universal set will not necessarily determine the shape of a global financial system.

Conclusions

The quest for a universally ethical financial system should still persevere. The discussion of what such a system will look like is important for reimagining the current parameters, and more surveys like the World Economic Forum should be conducted to prompt this further. Moreover, this

[†] These four options were: the impact of actions on the well-being of others; preserving the environment; respecting others’ rights, dignity, views; honesty, integrity and transparency.

author's opinion, like values themselves, is likely to differ from others. There are few similarities between values across cultures, but this situation may change. Perhaps an important first step in the discussion on possible global values is to bridge the divide between elite and popular opinion. In a recent survey of Americans, 59% said that money in politics divides the country, and 62% think that elected officials represent the values of the wealthy. 63% think that big corporations have too much power. A survey of Chinese values in 2006 that asked questions of the elites and the masses separately found a large disparity between their answers. Perhaps a helpful step is to ensure representative processes so that democracy is strengthened, and the values of the ruling elite actually represent those of the people. In this way, cultures can start to recognize their similarities and have more frank discussions about how these values can be realized in a universally ethical financial system. The world appears to be demanding such a system.

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