

**SUMMARY:  
ENTREPRENEURIAL BEHAVIOUR AND  
THE DIALECTIC OF CULTURE AND ECONOMY**

The variation of economic performance between different states and regions has inspired many scientists to propose - among others - cultural explanations. Of course institutional or economic explanations did not disappear altogether, but the cultural seems to be established firmly in economic and geographical analysis.

Despite the increased (and still increasing) interest in cultural explanations for economic phenomena there seems to be little interdisciplinary (or) coherent theorising. Instead each discipline in social science (economics included) seems to concentrate on its own position and assumptions. Especially geographical approaches have developed apart from the sociological and psychological mainstream.

Main approaches within psychology, sociology and economics can be summarised as (1) *cultural determinism*, (2) *economic determinism* and (3) *reciprocity*. Each of these approaches has existed since the second half of the eighteenth century, when classical economics and the modern interpretation of culture were founded by respectively Adam Smith and Giambattista Vico. Both had some ideas about relations between culture and economy, but these didn't develop further until the second half of the nineteenth century in the work of Marx, Simmel and Durkheim.

Marx and Engels founded historical materialism, in which the economic base shapes the - among others - cultural superstructure. Although this seems to be an economic deterministic position and many have interpreted it as such, Marx and Engels were in fact closer to the tradition of reciprocity. Both theoretical and empirical suggestions in their works pointed at cultural influences on the economy, especially on entrepreneurial behaviour. Simmel and Durkheim fit in the tradition of economic determinism; both pointed at the influence of the economy on social and cultural behaviour.

In the first half of the twentieth century Weber and Tawney developed theories about the cultural and religious influences on the rise of capitalism. Especially Weber and Marx influenced much of the theorising in the second half of the twentieth century.

This last period saw far more empirical research on the dialectic of culture and economy than earlier times, both in sociology and in psychology. In sociology Inglehart wrote almost the same book four times, emphasising that prosperity leads to post-materialism (which in its turn leads to decreasing economic growth). In psychology Hofstede published his dimensions of national culture, which would lead to an explosion of empirical work on the subject.

Influenced by psychological and sociological theories some economists like Schumpeter increasingly focused on the role of the entrepreneur. Entrepreneurship and its cultural backgrounds became important concepts in interdisciplinary research, while both institutional and neo-classical economists thought about the relation between institutions, culture and the economy.

Most of these theories from a sociological, psychological or interdisciplinary background seem to fit in a simple model: culture influences the economy through entrepreneurship and the institutional environment; the economy, especially prosperity, in its turn, influences cultural values.

Of great importance in the above-summarised approaches is their conceptual separation between the cultural and the economic. Possibly this is the result of the modern interpretation of culture as a system of values, beliefs, traditions, etc.. Culture originally had roughly the same meaning as agriculture: the way in which people coped with their physical environment, with nature and the possibilities and constraints it offered. This is the classical interpretation of culture.

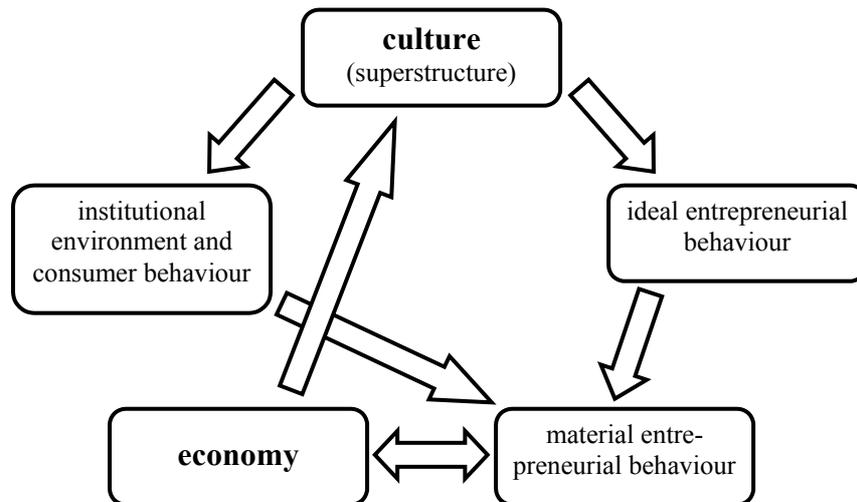
Geography has long been based on this classical concept of culture. In (theoretical) geography the central problem was the relation between man and environment, between culture (in the modern sense) and resource. In classical geography economy and culture are interwoven.

Modern geography however, has lost its roots. In the 1950's spatial analysis replaced classical geography and the concept of geometrical space replaced environment. Geography became some kind of social geometry, with little practical use. It didn't take long before different reactions led to new approaches. Most important of these were the (neo-) marxist approaches, which, through a geographical (re-) interpretation of Marx's historical materialism, reintroduced culture in the analysis. From these marxist approaches, influenced by post-modernism and new developments in other social sciences developed the new economic geography, which fully reinstated culture and by now seems to remember, that culture and economy are not two completely different aspects of society.

Basically geographical theorising fits in the same model as mentioned above, but it leads to a rephrasing of terms. The terms culture and economy are to be specified to have useful meaning. In the analysis culture is replaced by cultural values, and economy by prosperity and economic growth. The model has also been changed after theoretical criticism about entrepreneurial and consumer behaviour.

The model, as shown in the figure on the following page, now consists of at least six different relationships. Most important of these are (1) culture shapes ideal entrepreneurial behaviour (entrepreneurship), which (2) shapes material entrepreneurial behaviour (actual economic behaviour), (3) this process however takes place within the possibilities and constraints offered by the institutional environment, consumer behaviour and economic possibilities, of which (4) the first two are shaped by culture. Finally (5) material entrepreneurial behaviour influences economic growth, which (6) influences prosperity, which (7) influences cultural values.

Figure 8.1 model of cultural – economic system



Several relations in this model can be tested easily. On a national scale data is available about some cultural values, like individualism, masculinity, etc.; about the institutional environment (like economic freedom and openness) and about entrepreneurial behaviour (both ideal and material). Correlation with economic time-series (GDP and economic growth) should show the causal directions in the different relations. For most of the relations in the model, however little proof has been found. Only the economic influences on cultural values seem to survive this test.

A regional scale (in this case: COROP-regions in the Netherlands) offers both problems and advances. Most important of these advances is the limitation of differences in the institutional environment and the (possibly) smaller differences in consumer behaviour. At the regional level the relation between culture and entrepreneurial behaviour is less contaminated by these intermediary variables. A major problem is the lack of cultural data. At a regional scale no measures like Hofstede's exist. These however might be inferred from other cultural data, like political and religious affiliation, the position of women in regional society and the number of traffic accidents. A principal components analysis (factor analysis) results in four variables explaining differences in regional culture: COLR (collectivism), MASR (masculinity), ANCO (anti-conservatism) and INEQ (inequality; ONGL in Dutch text and tables). These cultural variables are correlated with data about new entrepreneurs and innovation.

Correlations between starting entrepreneurs and cultural variables are highly significant. Innovation seems not to be related to culture. Possibly these last results are influenced by the fact, that innovation is strongly influenced by the industrial sectoral structure of the economy, about which not enough data is available.

On a regional scale however, a relation between culture and entrepreneurial behaviour has been proven. New evidence has also been found for the cultural influence of prosperity (income) on cultural values. (A completely revised (and translated into

English) version of chapter 5 about regional culture and economy is added to this book as chapter 9.)

Both theoretical and empirical findings seem to fit best in a behavioural interpretation of historical materialism and dialectical materialistic onto-epistemology. In such an interpretation culture (as the ideal element of society) and economy (as the material element of society) are strongly interconnected. The active element, which enables change in both is the entrepreneur. By his actions the entrepreneur, who is shaped by the (ideal) culture, changes the (material) economy. This (last) change is reflected in the cultural element of society. This process is situated in an institutional, social and geographical environment, which sets its limits.

In this interpretation culture and economy are not completely different and separated aspects of society. They are strongly interwoven instead. Both are shaped out and consist of (individual) human behaviour, which is usually both economic and cultural at the same time.

The behavioural historical materialist approach is not a scientific theory in Popperian sense, but a model for further thought and research. It shows that the relation between the concepts of culture and economy possibly is more a problem of language, than of social science.

**BIJLAGE:  
SCORES OP DE CULTURELE DIMENSIES PER COROP-GEBIED**

COROP-gebied / COROP region	COLR	MASR	ANCO	ONGL *
1 Oost-Groningen	49	39	61	0
2 Delfzijl e.o.	38	21	25	11
3 Overig Groningen	43	23	67	35
4 Noord-Friesland	44	17	19	42
5 Zuidwest-Friesland	46	0	0	59
6 Zuidoost-Friesland	51	18	43	31
7 Noord-Drenthe	44	48	85	31
8 Zuidoost-Drenthe	54	42	59	15
9 Zuidwest-Drenthe	29	56	58	47
10 Noord-Overijssel	12	39	19	76
11 Zuidwest-Overijssel	80	20	43	54
12 Twente	57	30	9	66
13 Veluwe	0	46	36	95
14 Achterhoek	66	28	33	56
15 Arnhem/ Nijmegen	87	27	66	52
16 Zuidwest-Gelderland	28	52	61	63
17 Utrecht	42	30	73	90
18 Kop van Noord-Holland	68	33	64	77
19 Alkmaar e.o.	79	15	67	72
20 IJmond	78	19	67	63
21 Aggl. Haarlem	71	12	86	79
22 Zaanstreek	72	13	96	46
23 Groot-Amsterdam	75	11	100	62
24 Het Gooi en Vechtstreek	50	16	71	93
25 Aggl. Leiden en Bollenstreek	49	25	62	94
26 Agglomeratie 's-Gravenhage	58	32	93	80
27 Delft en Westland	55	27	46	100
28 Oost-Zuid-Holland	31	27	50	92
29 Groot-Rijnmond	38	28	74	54
30 Zuidoost-Zuid-Holland	8	33	58	68
31 Zeeuwsch-Vlaanderen	51	100	83	54
32 Overig Zeeland	3	62	63	72
33 West-Noord-Brabant	86	48	52	72
34 Midden-Noord-Brabant	77	43	34	73
35 Noordoost-Noord-Brabant	95	42	28	75
36 Zuidoost-Noord-Brabant	92	47	40	73
37 Noord-Limburg	100	61	29	81
38 Midden-Limburg	98	64	42	71
39 Zuid-Limburg	100	55	43	51
40 Flevoland	38	21	67	81

\* ONGL = INEQ