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The Cultural Boundaries of Rationality Economic Behavior in Europe and Central Asia

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ABSTRACT

Traditionally, rational behavior in economics is understood when an individual makes decisions from a self-interested and utility-maximizing perspective. The aim of this paper is to investigate the role of cultural norms in defining the boundaries of rational economic behavior, through the lens of Europe and Central Asia. This paper argues that there is no such thing as a universal rational economic behavior, but rather behavior is always defined by domains of culturally specific value systems and social expectations, and the collective social sense of obligation or commitment. As a result of the aims of this scope, the study has chosen a comparative approach, applying a multi-disciplinary perspective that is inclusive of economics and cultural studies. This paper addresses the implications that divergent norms and attitudes toward family and entrepreneurship have on economic behaviors and the economic decisions central to them. The study uses survey data and ties it to economics and culture. Findings show that individuals in Europe appreciate independence and autonomy more and those in Central Asia prefer tradition and social position. The research demonstrates that both of these regions are achievement oriented, so the major difference should not be based on whether or not individuals prefer economic achievement. The research suggests that the way economic outcomes and choices are valued is based on culture, and thus there may be rational economic behavior that is culturally specific rather than behavior that is based on economic rationality and lends itself to a single, universal standard.While many of the norms in European societies regard rational behavior to be associated with individualism, personal financial achievement, own decisions, and forward-thinking, Central Asian societies regard rational behavior to be associated with collective and family economic commitments. By focusing on divergent European and Central Asian notions of rational behavior, the paper argues that the economic decisions and choices that individuals make are a result of culturally specific and normative institutional frameworks that go beyond the economic or material incentives.

INTRODUCTION

The discussions concerning economic rationalization have been dominated by the view that individuals make completely objective cost beneficial and self interest decisions. Since the classical view of economics, rational behavior has been identified with maximization of profit and self-serving behavior. However, such assumptions become more and more problematic when economic behavior is analyzed

within the context of different cultures. What seems rational for one society may be perceived socially irresponsible or even irrational for another. Economic behavior is not created in a cultural vacuum; it is the result of the behavior of the society and the values that have been created and the society's perceptions of its traditions and perceived trust and success.

This phenomenon is most noticeable in the comparison of the European and Central Asian societies. While both have regions that are part of the global economy, they have a tendency to operate economic life within completely different social frameworks."This phenomenon is most noticeable when analyzing structural differences between European and Central Asian market models. Comparative sociological surveys, such as the World Values Survey, indicate distinct regional trends in economic priorities. Data suggests that many Western European frameworks heavily emphasize individualist market mechanisms and regulatory liberalism. Conversely, research on Central Asian economic transitions often highlights the measurable role of informal social networks and community-centric resource allocation. Rather than viewing these practices as market inefficiencies, institutional economists identify them as rational, culturally embedded risk-mitigation strategies within those specific regulatory environments.".In these examples, decision making that favors the community over personal preference may actually be justified socially. In cases such as financially supporting extended relatives, relying on personal connections in business, or even family stability at the expense of one's own business opportunities, the decision may not be perceived as economically inefficient but rather as rationally correct in the surrounding culture.

The contrast emphasizes an important question: How much should the economic decisions be attributed to cultural frameworks as opposed to the so called universal rationality? The aim of this paper is to analyze the "rational" economic behavior in the European and Central Asian languages and to emphasize that rationality is a social construct.Ultimately, these divergent systems challenge the core assumptions of classical economic modeling. The goal of this comparative analysis is not merely to document regional differences, but to critique the structural limitations of a one-size-fits-all definition of rationality. In doing so, this paper provides a more precise vocabulary for understanding economic transitions in regions where social cohesion is valued as highly as capital accumulation.

This research allows for a more nuanced understanding of Europe and Central Asia by moving beyond simply describing the regions as culturally homogeneous.Data from comparative socio-economic frameworks confirm that Western European market dynamics are fundamentally built on individual autonomy and formalized legal contracts (Greif, 1994; Klasing, 2013; Cline & Williamson, 2017). In contrast, quantitative social network analyses of Central Asian economies highlight that informal kinship groups and clan structures handle a substantial portion of risk sharing and labor cooperation. This creates a difference in Western and non-Western societies' structuring of rationality. Neither side, however, is more rational. Through an integration of economic and sociological theories, it will be shown that rationality cannot be fully appreciated by Western concepts alone. The first task is to analyze how rationality is explained in both classical and behavioral economic theory. The focus will then shift to the cultural theories of Max Weber and Geert Hofstede. Following that, the paper will provide an overview of

economic behaviors such as family finance, entrepreneurship, labor migration, and informal economic activities in both Europe and Central Asia. It is the intention of the author to provide a more descriptive account of economic rationality and explain why it is a limit of pure, empirically based economic theory.

This research expresses the understanding that economic systems and the cultural environments they operate in at different stages. In this interconnected world, the idea of universally rational behaviour governs international business and public policy. This research illustrates the importance of exploring different societies' ideas of rationality in the field of economics as well as in the understanding of the values that govern people's behaviour.

This research project is organized into several key sections to provide a comprehensive analysis of economic rationality across different cultural frameworks. Following this introduction, the Literature Review examines existing academic work on Central Asian and European economic transitions, contrasting informal social networks with Western market dynamics. The Hypotheses section then establishes the core theoretical predictions regarding how cultural values shape economic behavior. Next, the Data and Methods sections detail the specific qualitative and quantitative metrics used to analyze these regional economies. The Results section presents the empirical findings of this comparative study, which are subsequently interpreted in the Discussion section. Finally, the Conclusion summarizes the main insights and highlights the broader implications for international business policy.

LITERATURE REVIEW

The concept of economic rationality has occupied a central position in economic theory for centuries. Fundamentally, economic rationality refers to a decision-making framework where actors consistently make choices aligned with their stable preferences to maximize a specific objective function. Classical economists generally assumed that individuals act in ways that maximize their personal utility and pursue their own interests through calculated decision-making. Within this framework, rational behavior is viewed as universal because all individuals are expected to evaluate costs and benefits and choose the option that produces the greatest personal advantage. This understanding became one of the foundational assumptions of modern neoclassical economics. Formally developed in Samuelson’s (1947) framework of constrained utility maximization, this rational actor model strongly influenced subsequent theories of markets and consumer behavior. It was later extended by Becker (1976) to explain broader social dimensions and labor allocation, under a unified rational framework.

The roots of this perspective can be traced to Adam Smith, whose work emphasized self-interest as a driving force behind economic activity. Although Smith recognized the importance of moral sentiments in social life, later interpretations of classical economics increasingly focused on the assumption that individuals behave as utility-maximizing actors. During the twentieth century, rational choice theory further developed these ideas by portraying economic actors as individuals who make decisions according to stable preferences and objective calculations (Samuelson, 1947; Becker, 1976). Rationality does not

depend too much on sociocultural factors. People from any culture can be expected to reason about the pros and cons of an issue the same way. Therefore, rational decision-making can be assumed to be global.

Despite its influence, the classical understanding of rationality has been subject to significant criticism. One of the earliest and most influential critiques was developed by Herbert Simon through the concept of bounded rationality (Samuelson, 1947; Becker, 1976). Simon argued that individuals rarely possess complete information and unlimited cognitive abilities. Consequently, economic actors do not maximize outcomes in the idealized manner suggested by classical theory. As a result, these economic actors do not behave as described by the classical theories, where outcomes are maximized. Instead, these economic actors often employ satisficing behaviours. This tends to occur when economic actors have limited time and information. These actors will make a satisfactory choice, rather than the optically best decision.Simon's work challenged the assumption that economic decisions are always the result of perfect calculation and introduced a more realistic understanding of human decision-making.

Behavioral economists further expanded this critique. Daniel Kahneman and Amos Tversky demonstrated that economic decisions are frequently shaped by cognitive biases and psychological tendencies. According to their Prospect Theory, people assess results against a reference point and preferentially value losses more than comparable gains (Kahneman & Tversky, 1979). Their research revealed that individuals often make choices that diverge from the predictions of rational choice models. For example, people may overvalue potential losses, rely on mental shortcuts, or make inconsistent decisions depending on how information is presented. While behavioral economics does not entirely reject the concept of rationality, it demonstrates that human behavior is more complex than traditional economic models assume. Importantly, however, these critiques remain largely focused on the individual decision-maker rather than on the broader cultural environment in which decisions occur.

A different challenge to classical economics emerged from sociology and economic anthropology. Rather than questioning whether individuals think rationally, these scholars questioned whether rationality itself can be understood independently of society. One of the most influential contributions came from Max Weber. In *The Protestant Ethic and the Spirit of Capitalism*, Weber argued that economic systems are deeply connected to cultural values and religious beliefs. According to Weber, the development of capitalism in Western Europe was not solely the result of technological or economic factors but was also influenced by Protestant ideas concerning discipline and personal responsibility. Weber's analysis suggested that economic behavior cannot be separated from the cultural context in which it develops. However, Weber's thesis is still highly contested. There are scholars who believe that in comparison to cultural or religious values, political structures, historical conditions, and institutions are more significant factors that influence economic development (Acemoglu et al.,2001).

The relationship between economic systems and social structures was explored further by Karl Polanyi in *The Great Transformation*. Polanyi rejected the idea that markets operate independently of society. Instead, he argued that economic activity is embedded within social institutions and cultural norms.

According to Polanyi, pre-industrial societies did not organize economic life around market principles alone. Polanyi's work reframes the belief that behavioral economics can be studied apart from social structures, and cultural contexts. Polanyi suggests that rational economic behavior is dependent on the social relations that accompany economic behavior (Polanyi,1944).

Building on Polanyi's ideas, Mark Granovetter introduced the concept of embeddedness in economic sociology. In his influential article, Granovetter criticized both economists and sociologists for oversimplifying economic behavior (Granovetter, 1985). He argued that economic decisions are neither completely independent nor entirely determined by social structures. Instead, they are embedded within networks of personal relationships. Trust, reputation, kinship, and social connections influence economic outcomes in ways that cannot be explained solely through calculations of profit and utility. Granovetter's framework is particularly relevant for understanding societies in which informal networks continue to play a significant role in economic life. Granovetter's notion of embeddedness can notably apply to Central Asia as economic decisions are primarily influenced by kinship and community ties and informal structures. People often make decisions within larger social relations, as they do not rely on formal structures of the market. Central Asia becomes a significant area to assess the role of social and cultural structures on rational economic behavior.

While previous researchers focused on the social foundations of economic behavior, Geert Hofstede provided a framework for comparing cultures systematically. Hofstede's research identified several cultural dimensions, including individualism versus collectivism, uncertainty avoidance, power distance, and long-term orientation. Among these dimensions, individualism and collectivism are particularly relevant to the study of economic rationality. In highly individualistic societies, individuals are encouraged to prioritize personal goals and autonomy. In collectivist societies, decision-making often reflects obligations to family, community, or social groups. Hofstede's work suggests that economic behavior cannot be fully understood without considering the cultural values that shape individual preferences and expectations,and we also need to consider the fact that his work is still heavily debated in this field.

The distinction between individualistic and collectivist orientations has important implications for comparisons between Europe and Central Asia. Research on Western European societies frequently highlights the importance of formal institutions, legal contracts, market competition, and individual entrepreneurship (North, 1990; Hall & Soskice, 2001). Economic success is often measured through personal achievement, productivity, and financial performance (North, 1990; Hall & Soskice, 2001). In contrast, research on Central Asian societies emphasizes kinship, informal economic networks, and community-based support as important organizing factors in economic life (Kandiyoti et al.,2001).

Within such systems, decisions that maximize individual benefits are generally considered rational because they align with dominant social values and institutional arrangements.

Central Asian studies retain a focus on kinship, informal economic networks, and community-based support as organizing factors for post-Soviet economic life. After the Soviet Union collapsed, informal networks based on Soviet-era blat (Ledeneva, 1998) were documented as having persisted and adapted rather than vanished under the market reforms (Rasanayagam, 2011). For example, Kandiyoti (1999) critiqued the post-Soviet Central Asian household survey studies and argued that formal measures of poverty failed to account for the informal reciprocal obligations that households relied on to survive the economic collapse. In later works, she (Kandiyoti, 2002) attempted to trace the region's postsocialist trajectory and the subsequent need to revise postsocialist theory. Likewise, Werner (1998, 2000) documented gift exchange and feasting in rural Kazakhstan as effective and socially accepted mechanisms for securing household financial safety, as well as informal payments and "gifts" to state officials. Formal corruption existed in a socially accepted form. Also, Trevisani (2010) demonstrated that, after the breakup of the collective farms, rural elites in Khorezm, Uzbekistan, had the power to negotiate land based on rural kinship relations. Clan and kinship ties were also demonstrated as being incorporated into the post-Soviet social order by Ilkhamov (2007) and Schatz (2004).

The contrast between European and Central Asian economic behavior highlights a broader debate concerning the meaning of rationality itself. Classical economic theories often assume that rationality is universal and can be measured according to objective criteria such as efficiency, profit maximization, or utility optimization. Sociological and cultural approaches challenge this assumption by suggesting that the goals individuals pursue are shaped by social values and cultural expectations. If individuals define success differently across societies, then the criteria used to evaluate rational behavior may also differ.Existing literature therefore reveals an important tension between universalist and culturally embedded understandings of economic action.

Classical and behavioral economists focus primarily on the mechanisms through which individuals make decisions: rational choice theory models actors as utility-maximizers operating under stable preferences (Becker, 1976; Coleman, 1990), while behavioral economics complicates this picture by showing that real decision-making departs systematically from strict rationality under uncertainty (Kahneman & Tversky, 1979; Thaler, 2015). Sociologists and cultural theorists instead focus on the social environments that shape those decisions. Granovetter's (1985) concept of embeddedness argues that economic action is always embedded in ongoing social relations rather than occurring among atomized individuals, building on Polanyi's (1944) earlier claim that markets themselves are socially and institutionally constituted rather than natural. Cross-cultural psychology and values research, meanwhile, has shown that individualism and collectivism operate as measurable, patterned dimensions of cultural variation that shape economic and social behavior differently across societies (Hofstede, 1980; Inglehart & Baker, 2000). While substantial research has therefore been conducted on rational choice theory, behavioral economics, embeddedness, and cultural values separately, fewer studies have integrated these perspectives into a comparative analysis of European and Central Asian economic behavior specifically. Furthermore, many studies continue to evaluate non-Western economic practices according to standards developed within Western market economies, potentially overlooking the social functions that these practices perform.

This study contributes to the literature by bringing together economic and cultural perspectives on rationality. Rather than treating European market-oriented behavior and Central Asian community-oriented behavior as opposites, the research examines how both systems represent culturally meaningful responses to specific social and institutional conditions. By comparing these frameworks directly, the study aims to demonstrate that rationality is not merely an economic calculation but also a social construct shaped by history and collective values.

HYPOTHESIS

The reviewed literature reveals that the primary contention in the study of economic rationality is not related to the existence of reasoned decisions by individuals but rather the existence of a universal standard to evaluate such decisions, as opposed to culturally defined standards. Classical and behavioral economic theories assess rationality in terms of the efficiency of decisions. Conversely, sociological and cultural approaches suggest that the goals that individuals wish to achieve are the result of social norms and social values. Therefore, decisions that may appear economically inefficient from one culture may be viewed as completely rational from another.

Rationality in this study is considered to be culturally embedded instead of universally definable. The study contends that people do not merely respond to economic incentives in a vacuum. Rather, people respond to incentives in the context of the cultural expectations and social responsibilities of the society in which they live. Possible control variables include demographic characteristics such as age, gender, level of education, financial literacy, level of employment, size of household, residence in an urban or rural area, level of religiosity, relationship to a bank, trust in institutions, level of economic development and stability of a country.

The following hypotheses are proposed:
H1. Comparing Europe and Central Asia, we see that the main factors that people use when they assess rational economic behavior are grounded more in culturally defined systems of values than in people's ability to make rational economic decisions.

H2a. In European societies, behaviors likely to enhance efficiency, financial self-sufficiency, and market performance are generally correlated with the predominating culturally approved and established institutions.

H2b. In Central Asian societies, behaviors likely to strengthen mutual relationships and trust, even at the economic cost, are considered rational.

H3. Economic incentives coupled with culturally defined systems of values influence the nature of economic and financial decisions. Identical economic situations may promote different rational economic choices throughout Europe and in the Central Asian region without suggesting irrational behavior.

This study aims to determine whether normative principles of rational economic behavior differ by culture, rather than which region exhibits more rational behavior.

The findings of this research will therefore help determine whether the concept of rationality should be treated as universal or as culturally dependent. If the hypotheses are supported, they will suggest that the same economic decision can be interpreted differently depending on the cultural environment in which it is made. This does not mean that one decision is more rational than another. Rather, it suggests that rationality itself is shaped by the values and social relationships that influence how individuals make economic choices.Ultimately, this study argues that economic behavior cannot be fully understood without considering its cultural context. The boundaries of rationality are therefore not fixed. They are shaped by the societies in which individuals live and make decisions.

DATA AND METHODOLOGY

This study uses a comparative research design to explore how cultural norms shape the way rational economic behavior is understood in Europe and Central Asia. Rather than assessing the economic performance of specific countries, the research focuses on comparing cultural interpretations of rationality across the two regions. For this reason, the study is based on secondary quantitative data drawn from international surveys and academic literature. These sources offer useful information on cultural values, social attitudes, levels of institutional trust, and informal social relationships, which makes it possible to approach the research question from different angles.

Data collection became one of the most important stages of the methodology, as it had a direct impact on the final structure of the research. At the beginning, the aim was to find equivalent datasets for both Europe and Central Asia that included the same variables related to personal values and economic decision-making. However, during the search process, it became clear that there was a significant difference in the availability of comparable data between the two regions.

In the case of Europe, finding suitable data was relatively simple. A number of well-established international databases offer standardized cross-national surveys on cultural values and social attitudes. After considering the available options, the European Social Survey (ESS) was chosen because it provides consistent methodology and detailed questions about individual values. The selected variables include the importance of making independent decisions, individual freedom, respect for traditions and customs, and personal achievement. These indicators were chosen because they closely relate to the theoretical ideas discussed in the literature review, especially the contrast between individualistic and collectivist value orientations.

The issue with the data is primarily the lack of micro-level data that is comparable across countries in Central Asia. Unlike in Europe, where the European Social Survey (ESS) exists, there is no unified cross-national survey in Central Asia to track data on cultural values and economic attitudes. The survey

therefore uses the most adequate data while noting that the data will have coverage and measurement gaps for different countries.For this reason, the Central Asian part of the study is based on a comparative analysis of several secondary data sources rather than one single dataset. Evidence was gathered from reliable institutions and academic studies that explore different aspects of social values and economic behavior in the region. These sources include publications by the World Bank, Transparency International, regional research organizations, and peer-reviewed academic studies on informal institutions, public trust, community relations, and cultural norms. While these materials use different methods and do not repeat the exact same survey questions found in the European data, they still address similar cultural themes. Therefore, they provide useful evidence for comparing how cultural norms may shape understandings of rational economic behavior in Europe and Central Asia.

The choice of variables was guided mainly by the theoretical framework, rather than by data availability alone. Each indicator included in the analysis was selected because it reflected one of the concepts discussed in the literature review. Measures of individual autonomy and independent decision-making were used to represent individualistic orientations, which are often linked to classical theories of rationality. Indicators related to traditions and customs were included because sociological and anthropological research identifies these as key features of collectivist societies. For Central Asia, additional evidence on institutional trust, and community-based economic practices was incorporated because these themes repeatedly appeared in the regional literature as important factors shaping economic decision-making.

Instead of treating each dataset separately, the analysis compares broader cultural patterns across the two regions. The aim is not to produce identical statistical measurements, but to assess whether different sources of evidence point to similar conclusions about the relationship between culture and rational economic behavior. Descriptive statistics and institutional evidence are interpreted alongside the theoretical perspectives introduced in the literature review, including rational choice theory, bounded rationality, embeddedness theory, and cross-cultural value theory. This approach makes it possible to interpret the statistical findings within their wider social and institutional context, rather than in isolation.

Several limitations need to be recognized. One of the main limitations is the unequal availability of standardized survey data, which means that Europe and Central Asia cannot always be compared through exactly the same variables. The sources used in the study also come from different institutions and, in some cases, refer to different survey years. As a result, direct statistical comparison is limited. However, the aim of this research is not to conduct a strict econometric analysis based on two fully identical datasets. Instead, the study focuses on whether different forms of evidence consistently suggest that cultural norms influence how rational economic behavior is understood.

The methodological difficulties faced during the research also point to a wider problem in comparative studies of Central Asia. European countries are widely covered in international value surveys, while comparable data for Central Asia are much more limited. Because of this imbalance, the study required a

more flexible methodological strategy, combining several credible sources rather than depending on one standardized dataset. Although this made the process of data collection and source evaluation more demanding, it also helped create a wider empirical basis for comparison. By bringing together evidence from multiple reliable sources within the same theoretical framework, the study aims to offer a balanced and academically sound comparison of Europe and Central Asia, while remaining clear about the limitations of the available data.

This analysis examines the role of cultural values in constructing perceptions of rational economic behavior. It focuses on a set of questions regarding individual autonomy, respect for traditions, and a willingness to succeed. I have employed questions from the European Social Survey (ESS) regarding the level of importance respondents place on "making their own decisions and being free" and "following traditions and customs" as well as "being successful and having people recognize their achievements." These questions capture the embedded and individualistic dimensions of social value systems and may impact the Economy. I have selected these questions from the Central Asian Survey based on analogy and the ability to compare the analysis of the two regions in spite of the dissimilarity in Survey design. I will use descriptive statistics to analyze the data elicited and summarize the respondent's regional orientation. I will then assess if the differences in the level of autonomy, traditionalism, and achievement in the various regions correspond with the premises highlighted in the literature I reviewed.

RESULTS

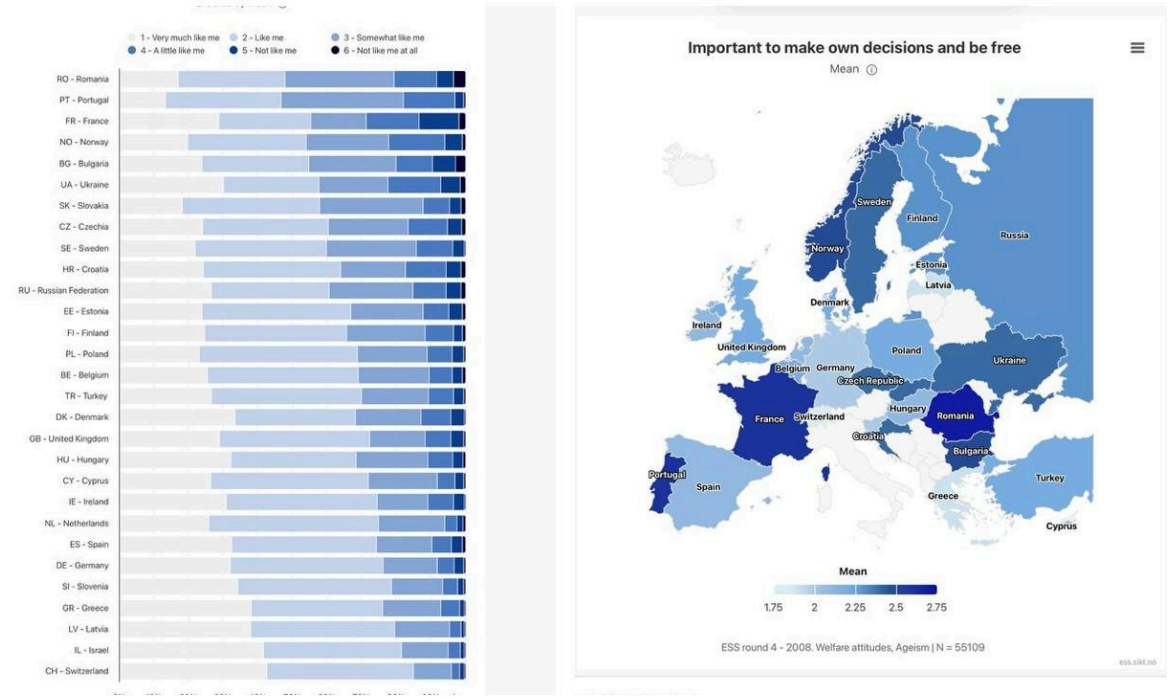
The analysis starts to show how cultural values influence economic decision making in different ways in Europe and Central Asia. This analysis shows that economic factors that influence choices vary between regions and not that some people are rational and others are irrational. The assessment looked at three dimensions: the value of personal autonomy and freedom, the value of the preservation of rituals and customs, and the value of personal success and honor. Considered together, these measures can help us think about how economic rationality or irrationality can be attributed to cultural context beyond economic utility.

The first dimension assessed the attitude of respondents to having the autonomy to make their own choices and the freedom to do so. By the European Social Survey measures, the sample shown in this analysis indicated a preference for personal autonomy across most European countries. In this case roughly 70% of the European respondents chose the options that indicated the value of independence and freedom. The autonomy value was measured the most strongly in Sweden, Norway, France and Finland, with the least measured in Central and Southern Europe. This variation shows that Europe cannot be examined from a single cultural value lens. The findings do support the assumption that personal autonomy is a strong construct of value systems in Europe.

Figure 1 illustrates the differences in the importance attached to personal autonomy and freedom across the European and Central Asian samples.

Figure 1. Importance of making one's own decisions and being free

ESS Round 4 (2008), Welfare attitudes, Ageism. Left: country response distributions; right: country means.



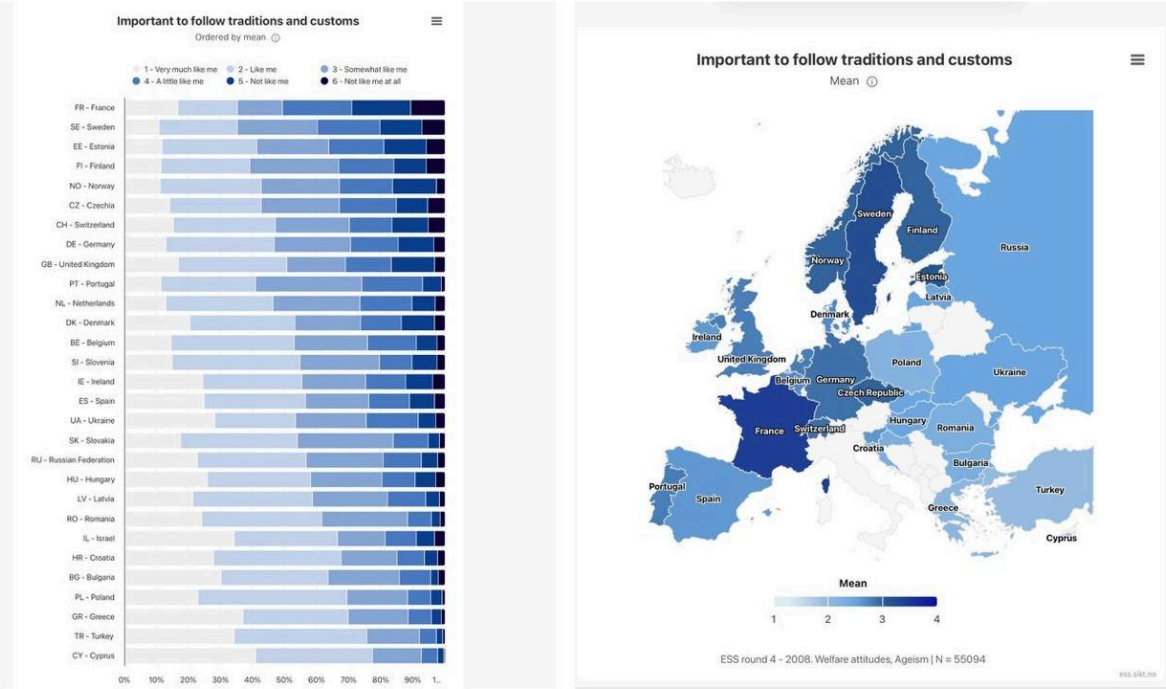
Evidence from Central Asia tends to focus less on individual autonomy. From the Central Asian example, roughly 48% of the sample selected a response to indicate that being independent and self-decision making was significant, and the rest of the sample placed themselves in the middle of the scale. This is not necessarily an indication of insignificant values of Central Asian independence. It could be that individual autonomy is balanced with greater obligations toward family and community. An example of this is an individual valuing personal success, while also being committed to the financial needs of the household. In this case, a decision of economic cost to the individual could be justified when considering the social obligations of the household.

There is a good deal of difference among the various European countries in the emphasis placed on customs and traditions. Attachment to tradition is stronger in the South and East of Europe, and weaker in Nordic countries. This difference shows that Europe cannot be summarized with one and the same cultural model. However, the European data as a group, show greater importance on individual autonomy compared with traditional obligations. In the Central Asian case, about 68% of the respondents evaluated the importance of tradition and custom, a value which is stronger than that of the European sample.

Figure 2 presents the reported importance of following traditions and customs across the countries and regional samples considered in the study.

Figure 2. Importance of following traditions and customs

ESS Round 4 (2008), Welfare attitudes, Ageism. Left: country response distributions; right: country means.

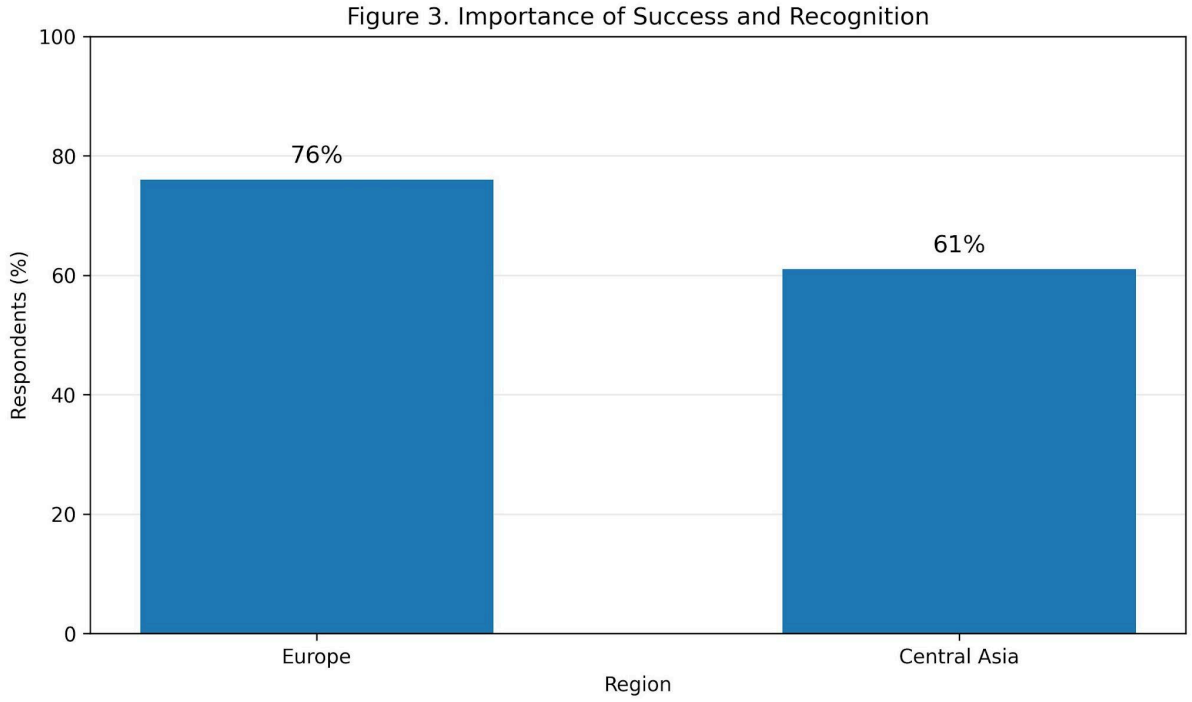


This difference is especially relevant to the main argument of the study. When people are entrenched in networks of family/community obligations, the objective of an economic decision can be more than the maximization of individual material accomplishment. Financial aid for family members, for example, maintaining household equilibrium, bearing family expenditures, or utilizing trusted personal bonds in economic endeavors could be appropriate and rational adjustments to the society or environment in which people operate. While some of these options may seem expensive from a narrow, personal-utility standpoint, from a more extensive utility perspective that incorporates social inclusion, mutual aid, family security, and reputation, the same choice can yield a different assessment of rationality. Hence, the findings corroborate the theoretical discrepancy between the maximization of individual utility and the culturally embedded notion of what is worthy.

The third variable reveals a pattern more similar across both regions. Around 76% of the European sample and 61% of the Central Asian sample considered success and recognition to be important. The European percentage is slightly more than the Central Asian percentage. The discrepancy is much smaller compared to autonomy and traditions. This indicates that achievement orientation cannot be an exclusively individualistic value. People in both regions can consider success to be important. However, the social value attached to that success will differ. Within a more individualistic paradigm, achievement may mean personal independence, the ability to progress in one's career, and financial independence.

Within a more socially embedded paradigm, achieving success may mean being able to support one's family, achieving greater security for one's household, and having greater status in the community.

Figure 3. Importance of Success and Recognition



Source: percentages reported in the manuscript, Results section (p. 10). Europe ≈ 76%; Central Asia ≈ 61%.

The evidence is more complex than a Europe-Central Asia split. The largest gaps occur in the dimensions of autonomy and traditionalism, while achievement orientation demonstrates more variance among the regions. This finding is significant in that it suggests that, at least in part, proxy measures for cultures differ, not determine, whether people attempt to achieve wealth and prosperity. The measures may instead determine how wealth and economic behavior are assessed as correct and appropriate. It is not necessarily more rational to choose to maximize income at the expense of relatives than to choose to support relatives at the expense of income. The decisions may reflect disparate preferences and perceptions of what will best fulfill individual desires.

The results for the countries also alert us not to view either region as internally homogeneous. There were substantial discrepancies among the European countries with respect to the importance of traditions and autonomy. There is significant variation in the ESS data for the traditions variable. Respondents from some of the Northern European countries had, on average, less attachment to traditions than respondents from some of the Eastern and Southern European countries. The autonomy variable does not show a

uniform pattern across European countries either. This variation supports the idea that cultural values should not be considered fixed for entire regions.

This is also true for Central Asia. Although the regional evidence shows a greater focus on social and traditional obligations, the countries of Central Asia have been through different political, economic, and institutional changes since the break-up of the Soviet Union. Income levels, urbanization, trust in institutions, global market engagement, and access to the formal financial system may impact attitudes of the people as well as cultural values. Regional patterns should be seen as how people's cultural values guide their economic behavior rather than proof that cultural values are the only things that account for the differences.

The results support part of H1, which states that culturally based systems of values affect how we evaluate rational economic behavior. Having different levels of autonomy and different levels of importance placed upon traditions is consistent with the findings of this study. European participants scored higher on autonomy, while Central Asian participants scored higher on obligation to the social order and tradition. Because the analysis is primarily descriptive, the results do not support H1 completely. Having statistically significant evidence is the only way to say there is a gap or differences.

The data partly supports H2a and H2b. Results from Europe point to relatively more preferences for autonomy and values related to the achievement domain. Still, some level of variation remains across countries in Europe. The evidence from Central Asia shows more importance is accorded to social obligations, traditions and H2b's focus on social relations and networks. Still, the evidence doesn't allow either hypothesis to be fully evaluated.
These results provide some evidence for hypothesis 3 (H3). While the preferences for autonomy and traditionalism differ, similar preferences for achievement orientation likely coexist with different social priorities. The different social priorities may be related to different social goals, which in the case of this study, would likely involve different means to achieve financial success. At this stage, the descriptive analysis does not allow for the demonstration of economic incentives and cultural values intermingling and producing various economic choices. To assess this component of H3, the analysis would require the adequate statistical control and specific individual-level behavioral economic data.

To further test these hypotheses, the next best step would be to conduct a regression analysis on individual-level data. Regression analysis would provide insights about the relationship of cultural orientation and economic attitude while controlling for various demographic and socioeconomic factors including age, gender, education, and income, as well as size and residence of the household. Since in the present study data from various sources are merged, and thus do not offer fully comparable individual-level observations across Europe and Central Asia, this type of analysis cannot be performed with the present data. Other data, particularly data containing individual-level observations that are comparable across Europe and Central Asia, and that have been constructed with better standardization, would be adequate for performing regression analysis in the context of this study.

In general, the results suggest a culturally relative understanding of economic rationality. The evidence does not suggest that European respondents are more rational or that Central Asian respondents are less rational. Rather, the results show that respondents in the two regions place different relative importance on autonomy, tradition, and achievement. These results are consistent with the argument in the paper. Rationality may involve the exercise of choice. The values that shape the meaningful and desirable outcomes may be culturally and socially determined. Therefore, the empirical results provide some support for the argument that the limits of rational economic conduct are not absolutely universal, but may be constrained by the cultures in which economic decisions are made.

CONCLUSION

Value Orientations in Europe and Central Asia were compared to determine if rational economic behavior can be understood outside of cultural context. The results did not indicate a single universal standard of economic rationality. Among the Europeans participants, an emphasis on individual autonomy and the right to make their own decisions was more present, and for the Central Asian participants, an emphasis on obligations and traditions was more present. In both, there was an emphasis on achievement, indicating the differences were not absolute.

The results supported the argument that in different cultures, people can accomplish the same economic goals, but in different ways. In different cultures, rational decisions may be different. In different cultures, rational decisions may be supporting one's family or keeping social commitments and may also include the value of adhering to traditions, and fulfilling one's social obligations.

This study did not value one region over the other in terms of rational economics, but showed that economics rationality can be bound by cultural values. Although the given data limits the scope of how much direct statistical comparison can be done, what was observed does support the hypotheses and creates a foundation for this type of empirical study. More research can be done by adding more, standardized cross-national datasets. Adding improved individual-level economics behavior data collection can be done in both regions and using more standardized statistical models can bolster the findings. To fully understand economic behavior, one must understand the incentives a person has and the cultural values people are thinking with when action is taken.

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