Preface

Culture is an integrative hermeneutic system that encompasses language, custom, norms, morals, laws, values and beliefs. Culture constitutes economic actors and defines the boundaries to the legitimate pursuit of self-regarding interests.

The economic analysis of the early institutionalists, such as Veblen and Commons, emphasized the importance of culture in determining the economic behaviour of individuals. However, the dominance of the neoclassical model in economics in the last century has meant that these links between the cultural and economic environments have not been given the attention they deserve.

This book aims to address the gap in the economic literature that exists on the relationship between culture and the labour market. It attempts to define, from an economic perspective, the meaning of culture and the nature of its possible effects on economic processes and outcomes. It also examines possible approaches to the economic analysis of cultural effects, at both a theoretical and empirical level. Several studies of these cultural effects are conducted.

The work is organized into two main parts. The first part (comprising Chapters Two to Four) is largely concerned with the theoretical issues associated with an economic analysis of culture. These chapters serve to highlight the complex nature of cultural studies as well as the theoretical controversies associated with the argument that culture is an important and independent source of economic behaviour. The material in these chapters also provides the framework for subsequent empirical analysis.

The second part of the book (comprising Chapters Five to Eight) provides a number of detailed empirical studies of different parts of the cultural environment. Data from the 1987 and 1992 International Social Science Survey Programs are used to examine community beliefs on a range of important labour market issues, such as occupational wage differentials, earnings inequality and minimum wage controls. The focus of the chapters is on the differences in the cultural environment of a
large number of countries indicated by these data and on the significance of these differences for the international wage structure.

This study is part of a larger program of research that has been in progress since the mid 1990s. Papers relating to this program and reflected in the contents of this book have been published in the *Australian Journal of Labour Economics*, the *Journal of Economic Issues*, the *Review of Social Economy* and the *International Journal of Social Economics*.

A number of people greatly assisted in the completion of this book. First and foremost I would like to thank Professor John Creedy for his constant encouragement of my efforts and his advice on all the aspects of my work. I would also like to thank Professor Jonathan Kelley for providing me access to the International Social Science Survey Program (ISSSP) data, which continues to be of enormous value to my research on the effects of culture. Jonathan Kelley also provided some guidance on the huge task of coding the ISSSP data to enable the international comparisons that are attempted in this book.

The assistance given to me by the Economics Department at Curtin University of Technology must also be acknowledged. The provision of leave at critical times of my research and the opportunity to discuss my work in Departmental seminars greatly assisted the completion of this book. My colleagues at Curtin are also a constant source of advice and encouragement. I would especially like to pay tribute to the efforts of Dr Duangkamon Chotikapanich, who selflessly gives her time to help with issues relating to econometric analysis. Associate Phillip O’Hara also continually supports my endeavours — especially those directed towards an understanding of institutional economics.

This book is dedicated to my husband, Paul, to our sons Tomas and Liam, to Baby Grace, and to my parents, Patrick and Desma Brophy.