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Comparison of Hungarian and Vietnamese Cultural Differences in Classic Behavioural Economics Experiments

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ABSTRACT

Nowadays behavioural economics is widely studied and referenced. Well-known classic experiments (e.g. prospect theory) have provided many results which prove that we are human, but most of these studies did not deal with the background and origin of these problems. In this paper we use classic experiments on one sample each of Hungarian and Vietnamese students. The respondents are not just geographically distant, but their cultures differ greatly. Cultural differences can be described through cultural comparisons (e.g. the Hofstede, GLOBE, and Schwartz studies) which explain the main differences between our two studied samples. But each actor has a different personality, and the way we handle risky situations colours our decisions. Due to this fact, we applied the DOSPERT Scale to each respondent, measuring their personal risk-taking levels. Our main research question focuses on how cultural background and personal risk level matter in economic decisions. Based on the relevant state of the art, we have added to classic experiments the DOSPERT Scale and extended it with cultural dimensions using Hofstede's theory; the impact of gender differences was also observed. Altogether seven hypotheses were defined and tested using an online survey in order to compare cultural differences between Vietnamese and Hungarian samples (n=190). We found significant differences between the two samples; we can therefore conclude that the final decision is in many cases associated significantly with participants' cultural background.

> *"Finally, there is an exciting challenge ahead for scholars engaged in fundamental rather than applied research on how cultural values vary across space and time, and how these should be operationalized and measured."*
> (Tung and Verbeke, 2010)

KEY WORDS

Behavioural economics, experiment, cultural differences, Vietnam, Hungary

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