THE SOCIO-CULTURAL ASPECTS OF MANAGEMENT CONTROL SYSTEM IN CHINESE BUSINESS FIRM

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Abstract

This paper attempts to outline the achievement of the studies of socio-cultural aspects in Management Control System with specific reference to the Chinese business firm. A critical review is done to highlight the weaknesses of the study and potential future theoretical developments in the area. Rather than relying upon the Hofstede's positivistic psychological cultural dimensions in analysing the area, a more anthropological view of culture is used to obtain richer understanding of the correlation between culture, society and organisational control.   Finally, the paper also points out an alternative perspective in studying this area, i.e. the perspective of ethnicity. It is argued that such a perspective may offer a richer analysis of the socio-cultural aspects.

Keywords: Chinese Business Firm, Management Control System

INTRODUCTION

The study of socio-cultural aspects of management control system (hereafter MCS) has been seen as one of the most recent important developments in the area. This type of studies is gaining increasing prominence both for the business and academic communities in light of the increasing globalisation which brings about opportunities and necessities for companies to establish international operations and to design and use their companies'

MCS according to the socio-cultural conditions of the local countries (Harrison and McKinnon 1999).

This area of study has been done since more than 15 years ago. Nevertheless, it seems that the theoretical development in this area is relatively insignificant. This paper is aimed at reviewing the current achievement of socio-cultural studies of MCS with a specific reference to the Overseas Chinese business firms. In doing so, the rest of this paper will be divided into three parts. The first part will discuss briefly the current state of this area of study. A critical review will be made on the exclusive adoption of Hofstede's typology in socio-cultural studies of MCS. The second part, the main thesis of this paper, will discuss specifically the current achievement of this study in the context of MCS in Overseas Chinese business. A brief review upon the Confucianism and how it influences the MCS will also be done. Finally, the third section will discuss the possibility of developing this area of research in the future.

CURRENT STATE OF SOCIO-CULTURAL STUDIES IN MCS

A review upon 20 cross-cultural studies in MCS published in English-language journals over the past 15 years has been conducted by Harrison and McKinnon (1999, 486-487). Virtually, those studies have been informed almost exclusively by the work of Hofstede that is basically informed by psychology rather than sociology/anthropology. Hofstede (1980) conducted a questionnaire-based study of cross-national cultural differences in employee attitudes in the 40 world-wide subsidiaries of a multinational company. This study has identified four psychology-based cultural dimensions/values: power distance, individualism, uncertainty avoidance and masculinity. Ranking of the countries based upon the scores of those dimensions then is made, and the result is related to the broader dichotomy between Eastern and Western way of thinking.

According to Hofstede (1980, 13), culture is defined as collective programming of the mind which operates at the national level whereas for groups within society the term subculture is used. Culture operates in the mind of individuals through the so-called mental programming which are physically determined by states of brain cells. Nevertheless, one can not directly observes it. Hence, the mental programming is inferred through the person's behaviour, words or deeds assuming that the program is stable (p. 14). In order to make it observable and measurable, the mental program is operationalised by the four cultural values/dimensions. The values are said to have intensity (values as the desired) and direction (values as the desirable) so that questionnaires can be used to empirically observe and verify them. Therefore, based upon the four standardised dimensions/values, cultures can be meaningfully ordered and compared across different countries. This initial work then was developed further in his later studies where a new dimension, Confucian dynamism, is added (Hofstede 1984).

Hofstede's methodology then is adopted by researchers in MCS area. The variations of the MCS studies are merely in the objects under study (different countries), the sample size, and cultural values. The cultural values developed include hierarchical dependence, rank, paternalism, power distance, uncertainty avoidance, consensus building, trust, harmony, co-operation, individualism, masculinity, Confucian dynamism, and collectivism (Harrison and McKinnon 1999). They are all considered as standardised forms of culture relevant to MCS and the research is to test whether those variables exist and, if yes, how and to what extent their significance and influences in the MCS practices in different countries. Thus, it has been assumed that culture operates on the national level and, hence, the examination of national characteristics of MCS is seen as an appropriate way to understand the socio-cultural aspects of MCS.

This has produced several weaknesses which reduce their usefulness in obtaining in-depth understanding of the phenomena as well as developing the theoretical framework of MCS. Firstly, the predefined cultural dimensions/values assume that they have fixed, universal, and stable meaning across

societies that can be empirically verified by positivistic method (i.e. survey questionnaire and experiment). The complexity of culture has been reduced to preconception of individuals' psychological values. This obviously ignores the fact that culture has diversified meanings with emic and etic views, socially embedded and constructed, open to external and internal influences, and is continuously changing and reproduced. Harrison and McKinnon (1999, 492) argued that this simplistic view of culture has neglected "…the greater depth, richness and complexity of culture and cultural diversity which those dimensions cannot capture". For example, what is considered as power distance may be interpreted and manifested differently in different societies in their social interactions.

Secondly, those studies tend to see that culture has one-to-one, cross-sectional correspondence with actions. Obviously, this ignores the fact that the manifestation of cultural elements, i.e. values, beliefs and norms in daily practical aspects of life are historically intertwined with, and shape as well as are shaped by social, political, and economic circumstances (Eller 1999). Different cultural elements in different societies may produce similar manifestations and similar cultural elements in different societies may produce totally different manifestations due to socio-political environments. Consequently, reliance upon culture as a sole determining variable of MCS may produce inconclusive results. In this sense, culture needs to be treated as cognitive and normative factors intertwined with another social aspects of a society rather than as a regulatory system.

Thirdly, by focusing on the national boundaries in examining culture, those studies assume that national context can exhibit similarities in the functioning of MCS (Bhimani 1999). This view is obviously ignores the fact that one country may have many ethnic groups which have different cultures. The notion of national culture may be applied to relatively culturally homogenous countries but not to multicultural countries. Therefore, what is called national culture may be a myth and so does the national similarity of MCS practices.

Therefore, it can be concluded that the general current achievement of

this area of study is still in its infancy. The results can be described as, at best, inconclusive and incomplete, and have not produced yet an in-depth understanding of the connection between MCS practices and socio-cultural environment. Although the adoption of similar cultural dimensions is seen as enabling the researchers to locate, explain and predict social regularities and patterns and their effects on MCS design, their focus is very narrow and this has limited the ability of those studies to examine and explain the dynamic processes of the interplay between culture and MCS, and the spatial and temporal contexts of those processes and actions.

MCS IN THE CONTEXT OF OVERSEAS CHINESE BUSINESS FIRMS

The achievements of Hofstede-oriented MCS studies in the Chinese context are very limited. Some of them attempt to examine the similarities of MCS preferences within national boundaries (Chow et al. 1999), and the relationship between accounting performance measures and job tension and satisfaction (Harrison 1993). There are only two studies relevant to the purpose of this paper, i.e. Harrison et al. (1994) and Merchant et al. (1995). However, some studies from another fields have produced a more in-depth understanding of the natures of Chinese capitalism and the influence of Confucianism in this matter. Although those studies are not intended to examine specifically the MCS of Chinese business firms, they provide a brief outline of its manifestation in the firms' MCS where a theoretical framework can be built in the future. This section will discuss the combination of those literatures to obtain a general understanding of this matter and its theoretical implication.

Chinese capitalism has been widely acknowledged as having distinct business and managerial ways of thinking different from the Western capitalism (Redding and Whitley 1990; Redding 1993; Tam 1990). It is said that the Overseas Chinese organisational structures and inter-firm relationships are outside the normal conceptual boundaries of the bureaucratic model of

Western formal organisation, but appear to be economically successful. Hence, a different way of analytical measures to examine the implication of such values in their economic activities needs to be developed. Obviously, the characteristics of Chinese business throughout the world can not be seen as totally uniform. Some variations exist due to the local socio-political and cultural context of particular countries. In this sense, some characteristics may be more salient than the others in different countries/societies and different times, and some are modified to various degrees by incorporating local values. Nevertheless, to some extent there is a coherent spirit assuming consistency of beliefs, way of thinking and behaviours among the overseas Chinese (Redding 1993, 11). This serves as a basic tenet of their ethic that renews and perpetuates this sort of economic culture. Hence, it has been argued that the so-called distinct Chinese capitalism does exist and is de-scribable, and the outline of its determinants can be drawn without necessarily rejecting its specific forms in different societies (ibid, p. 12).

CONFUCIANISM AND CHINESE BUSINESS FIRMS

Confucianism is a philosophy concerned with social, moral and govern-mental problems. For Confucianism the world is governed by tao which means way or moral law, and understanding tao would lead to the realisation of social order and harmony (Suryadinata 1974). There are two interrelated concepts here: the vertical and horisontal orders. The concept of filial piety (hsiao) represents the vertical order between family members (e.g. husband and wife, parents and children, and elder and younger brothers) and the broader society such as masters and servants, rulers and people, and so on. All of them are the names of social relationships and individuals bearing these names have responsibilities and duties that must be fulfilled accordingly. The tie between oneself and his family is regarded as the closest of all relationships, and hence, if one is unable to fulfil his responsibility to his family, he will less able to do so toward outsiders. This philosophy gives rise to the strong family collectivism among the Chinese families (Redding 1993). Family is seen as

the basic survival unit and hence, family should be largely self-sufficient and the members have the obligation to protect and enhance the family resources on which they in turn are highly dependent. The welfare of individuals is seen as the family's responsibility rather than that of the state's.

The horisontal order from Confucian perspective is that the self is embedded in relationships in a society, inextricable from them, and not thought of as independent of such attachments (Redding 1993). The person 'invests' in a group, and the investment, which he can not afford to lose, becomes his 'face'. Although face is a universal concept and every society to some extent values this concept, the importance of it for the Chinese society is much greater. This will result in the limited and bounded trust among particular groups. People trust their families, friends and acquaintances to the degree that mutual dependence has been established and face invested in them. With anybody else they make no assumptions about their goodwill. The limited and bounded trust then leads to the formation of Chinese networking called guanxi which serves as a mechanism to protect the families' resources. The trust is limited to the partners in the bond that works on the basis of personal obligations, the maintenance of reputation and face. Consequently, the Chinese tend to work at creating trust before making business transactions. This may be done through the use of intermediary connections known to both, or by assessing the other's position in a reputable clan. Outside these network is the society at large with which are maintained polite but guarded and somewhat distant relations.

The Confucianism penetrates the overseas Chinese society via a combination of formal school education (e.g. for countries like Singapore, Taiwan, and Hongkong that adopt Confucian values in their education system), parental education in overseas Chinese families throughout the world, and long period of harsh historical experiences. Some of the harsh experiences are, for example, various political reasons, war and famine during the 9th, 13th, and 14th centuries leading to the massive Chinese migration. In the new places, the Chinese also received resentful and hostile responses, e.g. repression from local authorities and native people. This has reinforced some of the

values, e.g. the strong guanxi network as a defensive form of solidarity and co-operativeness, money consciousness, pragmatism, and self/family welfare reliance.

The influence of Confucian values have led to a typical Chinese business style called paternalism (Redding 1993). There are three main features of paternalism: the idea that power can not really exist unless it is connected to ownership, a distinct style of autocratic leadership, and personalism. Paternalism refers to the assumption that a company is a family property and hence, its management is regarded as the same as regulating a family. It comes from the concept of hsiao (filial piety) viewing that employers has the responsibility for taking care of the welfare of the employees, fitting people into the right slots, stewardship of resources, helping the inefficient, providing security for the older ones, and being understanding. On the other hand, the employees should have strong, unquestioning obedience to their employers. Nevertheless, this does not mean that the employees have firm-specific loyalty. The employees do have strong motivation to work very seriously due to the Confucian values but they have an objective to set their own business once they are prepared. Working in a company is an opportunity for them to learn many things before they start their own business (Tam 1990). There is an old Chinese proverb saying that "it is better to be a rooster's beak than a cow's tail" (Hamilton and Biggart 1988, s85).

Furthermore, the Chinese firms duplicate family structure; the head of the household is the head of the firm, family members are the core of the employees, and sons are the ones who will inherit the firm (Hamilton and Biggart 1988). If the firm prospers, the family will reinvests the profit in branch establishments or more likely in an unrelated but commercially promising business ventures. Different family members run different enterprises, and at the death of the head of the family assets are divided by allocating separate enterprises to the surviving sons. The Chinese inheritance system is based upon patrilineage and equal inheritance among all sons. The eldest son has seniority but no privilege in regard to family's property. In this way, the assets of a Chinese family is considered divisible, control of the assets is always

considered as family business, and decisions should be made in light of long term family interests.

The Chinese culture sees that ownership can not be separated from management if one wants to obtain power and legitimacy in a company. Power derives from ownership which, in turn, is vested in family rather than individual. This also leads to autocratic rather than participative style of leadership within Chinese companies. Furthermore, personalism is salient in the typical Chinese organisations. Personal relationships and feelings about other people are likely to come before more objectively defined concerns such as organisational efficiencies, or neutral assessment of abilities. In other words, who you know is more important than, or at least as important as, what you know. Paternalism becomes a significant consideration in making various decisions, such as firing or not firing someone, reward determination, and organisational discipline and control. In this sense, personalism is different from the Western understanding of nepotism. By using family members to run the critical functions of the organisation, organisational efficiency in terms of identification with goals, motivation, and confidentiality of information can be greatly enhanced (Low 1995).

Given the trend of globalisation, the practices of Chinese business firms involved in transnational business activities have been evolved and adjust themselves to the new environment. Nevertheless, this does not mean that the Confucian values have been abandoned. Instead, the values have been modified and used to obtain competitive advantages of the firms and ensure their viability. Family ownership and management are used to exercise strict control and intra-group co-ordination among foreign affiliates (Yeung 1999). By doing so, the Chinese firms are able to minimise the disadvantaged effects of their relative inexperience in international business through benefiting from the guanxi relationships with the firms abroad. For the Chinese, competition and guanxi organisation go hand-in-hand making difficult for foreign companies whose corporate forms of organisation separate one firm from another to compete with them.

MANAGEMENT CONTROL

Management control in Chinese-owned companies are influenced not only by their culture but also by another factors such as the educational background of the owners, company's stage of economic development, and the use of external consultants in the companies (Merchant et al. 1995). If the owners have Western educational background or use consultants who receive Western training, then the Confucian influences may be less and the control system will be more similar to Western companies. Nevertheless, to some extent, the cultural influences are still salient and shape the tendency of its management control system.

Generally, management control of Chinese family business relies largely upon the personalised authority of the owners in the organisation. Consequently, vertical ties of obligation that have an emotional content are an important component of the organisational design (Redding and Whitley 1990). The upward flow of loyalty and conformity is exchanged for the downward flow of protection, and this serves to stabilise the structure and damp down the resentment of subordination which otherwise is institutionalised in industrial relations structures (e.g. trade union).

A study conducted in 1976 by Pugh and Hickson (1976, quoted in Redding 1993) shows that the organisational features of Chinese family business tends to have greater centralisation but lower role specialisation, standardisation, configuration and size (in terms of employees) than Western companies. The greater centralisation means that more decisions made at the top in the Chinese cases. It is considered precarious to delegate, the more critical the function the less likely it would be delegated (Tam 1990). This tendency also leads to the lower emphasis on the use of responsibility centres (Harrison et al 1994). Role specialisation indicates the extent to which an organisation has specified precisely what people are to do (job description). The Chinese companies tend to diffuse and shift the managerial responsibilities, and keep them deliberately open to change and reinterpretation by the owners. Standardisation refers to the regularisation of procedures and

indicates the tendency to rely on either a more objective, neutral bureaucratic system or a more personalistic system. The study reveals that the Chinese companies tend to rely upon a less standardised and more personalistic system. Configuration refers to the composition people in the organisation who are directly related to the staff function as opposed to the line function. The Chinese companies tend to reduce the frills/fat of the organisation by giving the priority to the employment of the workers who help directly in producing profit. Another possible cause of the lower degree of configuration index in the Chinese companies is the suspicion of professionals where the expert power can undermine the power of patronage/the owners.

In planning and control activities, compared with Western companies, the Chinese companies tend to put smaller emphasis on quantitative techniques and greater priority on the long term aspects rather than short term aspects (Harrison et al. 1994). This reflects the differences of the way of thinking between Western and Eastern (Harrison et al. 1994; Redding 1993). The Western thinking tends to believe in the existence of and is stimulated to search for universal truth based upon Newtonian law of causation. Consequently, the Western way of thinking tends to be more analytical that puts emphasis upon quantitative approach. On the other hand, Eastern/Confucian tends to reject the assumption of such truth and focus on the particularity of a context. In this sense, its way of thinking is more synthetic and holistic viewing that human truth is only partial so that one truth does not exclude its opposite. Hence, the focus of the Confucian thinking is more toward the harmony of all truths (derived from the tao concept of harmony) that lead to a more qualitative way of thinking. In addition, the focus on long term aspects may be also due to the fact that the owners are also the managers so that they give more priority on the long-term viability of their companies which often can not be expressed quantitatively rather than pursuing short-term rewards which may be done by pure managers who do not own the companies.

According to Redding (1993), the Chinese family business tend to emphasise upon and formalise production control and personnel control

rather than the other functions such as marketing, finance, and purchasing. Those less formal controlled functions tend to use more personal involvement of senior executives so that the need for structuring the work of subordinates is little. The emphasis on production control indicates that the core activity of the organisation is a matter for intense managerial concentration as described previously in the discussion of the level of configuration. In the personnel function, appraisal of performance and recruitment are relatively accorded high importance. Nevertheless, the more sophisticated personnel functions of selection and development are given lower priority. The Chinese pragmatism stemming from the paternalism and low emphasis on profession-alism is at play here, refusing to spend money unless absolutely necessary, and concentrating on the discipline of making it above all else.

The trust-based network, guanxi, plays an important role given the lack of formal control system in the other functions. Rather than building a large organisation which several functions such as marketing, production, account-ing, and so on, the Chinese organisations tend to be small focusing upon one function described as molecular/atomistic organisation and remain in a single industry segment (Tam 1990; Redding and Whitley 1990). There are of course exceptions of large Chinese conglomerates, but if the Confucian values are still dominant they tend to become increasingly unstable as the central co-ordinating impetus of paternalism is diluted. Those small indepen-dent companies then interact with each other to co-ordinate and control their human and material resources based upon kinship ties. In this sense, the understanding of how economic actions take place can be obtained by examining both the internal organisation activities and the workings of the networked molecular structures. A factory may well use one distribution system in the form of another independent company for decades, rather than develop its own marketing function. The network of independent companies functions as the equivalent to the large, integrated bureaucracy in terms of economic co-ordination and control. This acquisition and allocation of eco-nomic resources are performed cohesively in an informal and personalistic network. Guanxi works effectively in the environment in which there is a great

concern of the overseas Chinese with survival, family welfare, and mistrust. This reflects the Confucian value of friendship ties and acts as the basis to reduce the uncertainty in economic transactions.

THE STRENGTHS AND WEAKNESSES

Such typical characteristics of Chinese business have produced several strengths and weaknesses (Redding 1993). The Confucian vertical order philosophy has produced several organisational strengths: identity with goals of boss and organisation, compliance by subordinates via work diligence and perseverance, and organisational stability. Because the overseas Chinese society has a powerful norms about vertical order, this makes it relatively easy for the organisation to establish obedience, discipline and stable hierarchies. They are already there and do not need to be injected. Therefore, the employers and employees tend to be similar in terms of their values, behaviour, needs, and aspirations. There is no psychological division between owners/management and workers which is often found in the Western companies.

This also lead to the efficiency in exercising control. More formal, bureaucratic internal control system may be redundant and its costs are considered as justifiable. The employees will tend to do as they are told, they will not answer back, and they do not need to be controlled to the same extent as in many other cultures. The control system of the Chinese business is also characterised by intensity and reliability of management commitment. Because the management themselves are the owners, they work very much in their own interest, and their sense of responsibility and dedication can become intense. It is common for a Chinese owner to bring his young son/daughter to visit the factory or office room. The young son/daughter can absorb much information, a lot of it confidential, from the visit or from family mealtime conversations. He/she will behave with great respect and deference towards the sense of family continuity, and the need to perpetuate and

enhance the family name or reputation. Such people will be influenced to work hard by both external obligations and internal motivation, and prepared to put in long hours, to worry about business problems, to think creatively about opportunities, and to exert pressure on others to perform.

The application of the guanxi concept has produced low transaction costs in economic exchanges and a relatively coherent socio-economic group. The practices of guanxi has been invaluable acting as an immediate gate opener and defensive protection to survive discrimination in host country (Low 1995; Yeung 1999). Thus, kowledge of cultural beliefs and values, speaking the language and conforming to business practices clearly forge links more speedily and effectively. Many transactions which in other society will require contracts, lawyers, guarantees, investigations, and delays, are among the overseas Chinese dealt with reliably and quickly by telephone, handshake, or a cup of tea. This does not mean that legal properties are entirely missing but they are not prerequisites to agreement, and for the majority of transactions they can be ignored.

After discussing the strengths of the Chinese family business, we now turn to their possible weaknesses. The personalism may lead to nepotism and cliques/factions within the organisation. Nobody outside the owning group can generate from himself truly legitimate authority. This has become the handicap to the middle and senior management made up of competent professionals. The owner can intervene the work of the professionals and the boundary between responsible involvement and meddling may become blurred. The middle and lower level of management are also likely to replicate on a smaller scale the paternalism and personalism in which they are embedded. Favoritism is likely to be widespread and cliques/factions may be formed. This situation, obviously, may not be conducive for talented employees who want to pursue their careers. Furthermore, the view that company is a family belonging may result in unnecessary confidentiality. Ownership of the company's problems and their solutions can not easily be transferred outside family membership as information about problems is considered as secret and closely guarded. Hence, the solutions are also less likely to be optimal.

The reliance upon informal, personal control is also a source of weakness. The lack of a more objective performance measures cause the employees to receive little feedback which directly influences their own role performance. Instead, there is a need for them to please the boss and try to move in the direction they think he is also moving, although he may adjust his position from time to time. Consequently, good performers can become demotivated as they find that they are treated the same as the less dedicated or less capable colleagues. The system is not able to discriminate between the good and the bad since it is not open and objective enough in the eyes of them. Maintaining a good position requires constant interpersonal work to keep the boss aware of one's loyalty, but not one's real performance compared to others'. Consequently, employees tend to protect their positions against criticism and to stay with doing things which are not risky. In this sense, innovations and initiatives from the employees are difficult to develop and flourish.

Finally, all of the above weaknesses of the Chinese family-owned companies may inhibit their capacity of to grow and become large scale organisation since it inevitably needs a more decentralised delegation of authority which is opposed to the idea of family business. This is concerned with the question of how far a centralised control and decision making process can be exercised effectively given the growth process of an organisation.

CONCLUSION: FUTURE THEORETICAL DEVELOPMENT OF MCS

The discussion of the natures of Chinese capitalism in this chapter has revealed that culture and economics are inseparable, and an adequate understanding of culture may be helpful in explaining the existence of particular MCS practices. However, it must be stressed that the understanding of this phenomenon is still very general. More in-depth studies are needed to further explain both the connection between Confucianism and particular elements of MCS. This may lead to the specific examination and development of

Confucian-based MCS technologies.

In addition, culture solely is not enough to explain all aspects of MCS since another factors like social and political do also matter. In fact, Confucianism has been reworked and adapted accordingly to various regimes of power and control (states) and the local economic and social developments in which the overseas Chinese is located (Ong 1999). In other words, the form of Confucianism practised by overseas Chinese can be said as hybrid according to the particular social context of the community. More in-depth studies examining the influence of local social and political contexts of the Chinese community, i.e. the ethnicity of the local Chinese on the MCS practices, are needed. The MCS practices of Hong Kong Chinese, Taiwanese, Thai Chinese, and Indonesian Chinese, for example, are not uniform and each of them has distinct characteristics which can not be isolated from the local conditions. In the first two cases, the influence of government in shaping the Chinese business is minimal and indirect, whereas in the ASEAN countries it is often a hostile and malign force to be co-opted where possible (Redding and Whitley 1990). Moreover, it is likely that to some extent the Confucianism has been mixed with the local cultures producing a specific form of Confucian values in different countries. The use of anthropological literatures combined with a more interpretive research method (e.g. ethnography) may help promote the theoretical development in this area in the future (Harrison and McKinnon 1999; Whitley 1999).

Certainly, this does not mean that ethnicity is the only ideal perspective in this matter since a way of seeing is also a way of unseeing. The MCS practices are not only shaped by ethnicity dimension but also by a wide variety of factors such as market structures, globalisation, economic developments and deregulation, and so on. The focus on ethnicity is obviously unable to capture the whole issues relevant to MCS. However, the adoption of this perspective may provide a more holistic understanding of this matter rather than focusing merely on cultural aspect. In a plural, post-colonial society, ethnicity dimension may be significant and an in-depth examination on it may provide a sound basis to explain significantly salient factors

characterising the system (Fenton 1999). By regarding culture as a resource available to serve the present and future interest, ethnicity abandons the assumption that culture and its manifestations in the MCS are past-oriented, static, ritualistic and isolated with simplistic correspondence between them. Ethnicity, in this sense, may move the understanding of cultural aspect of MCS from natural and almost physical to problematic and variably bounded system as a nexus of social, cultural, political, and economic interests with future-oriented goals of various parties involved.

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