

CULTURAL DIMENSIONS IN THE REPUBLIC OF MOLDOVA AND ROMANIA: COMPARATIVE STUDY

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Abstract. *In the context of globalization, interculturality is becoming increasingly relevant in modern societies, including those of the Republic of Moldova and Romania. The impact of globalisation on these two countries is reflected in their cultural interactions, highlighting the similar but also distinct intercultural dimensions that represent them. The Republic of Moldova and Romania, due to the history, customs and geographical location, have developed close cultural ties, but also have preserved their own cultural peculiarities. Globalisation has facilitated cultural exchanges between these two countries. Therefore, using the Hofstede Model as a research method, we can realize better the intercultural dimensions of the Republic of Moldova and Romania, which reflect global influences, their similarities and distinct cultural specificity, mirroring the complexity and diversity of societies in the age of globalization. In order to influence the interactions of the representatives of these countries on different levels and in diverse arias of a activity: economy, european integration, business, immigration and emigration studies in a positive for all stakeholders way, we consider it very usefull*

Key-words: Cultural dimensions, cultures, glocalization, Romania, Republic of Moldova, economy.

JEL CLASSIFICATION: F23, F02, Z13, R11.

INTRODUCTION.

The intercultural relations between the Republic of Moldova and Romania are a topic of utmost relevance for understanding the social and cultural dynamics of these two countries. In particular, these relationships are profoundly influenced by common history, values, similar language and geographical proximity. In this context, studying the intercultural dimensions of the two countries becomes essential to understand the interactions, convergences and cultural divergences that characterize them. It is also important to mention the phenomenon of globalization, which plays a key role in both countries. So, globalisation, through the lens of glocalisation, is a strategic approach that combines global standards with local adaptations. This phenomenon, which is becoming more and more visible nowadays, allows companies to access and manifest themselves in various markets, while adapting products and services to meet local preferences and needs. In this sense, countries such as the Republic of Moldova and Romania continue to manifest themselves in various markets, implementing strategies and following the rules of globalization, but at the same time maintaining the local specificity. Thus, this constantly spreading phenomenon of globalisation is actually essential in the business landscape, as it provides the opportunity for companies to develop and expand their reach in different markets, such as, accessing new consumer segments and increasing customer satisfaction through successful cross-cultural communication.

In order to achieve the main objective of this study that is the analysis and comparison of country profiles of representatives from Romania and the Republic of Moldova in terms of globalization and localization we used such methods used as analytical, deduction and induction, comparative method of Hofstede model of cultural dimensions.

The cooperation relationship between the Republic of Moldova and Romania has been formed over time, Romania, being a close strategic and cultural partner, it became a major investor in various sectors of the Moldovan economy. The process of collaboration between these two countries is also influenced and marked by the phenomenon of globalization, which has made its mark on all sectors such as economic, cultural, scientific, etc. Globalization is the acceleration of movements and exchanges (of human beings, goods and services, capital, technology or cultural practices) across the planet. One of the effects of globalization is that it promotes and increases the interactions between different regions and populations around the world, as in the case of Romania with the Republic of Moldova, which are geographically located nearby, and this is a major advantage for their collaboration.

At the same time, globalization is a phenomenon that consists of interdependence and communication between countries in order to achieve a global economy. This phenomenon, according to You Matter (2019) connects the world through a universal economic model: liberalism.

It is well known that globalization has influenced cultural, communication and political aspects in societies. Respectively, globalization undoubtedly has many positive aspects, bringing many facilities to countries. Among the positive aspects, we must point out that globalization has generated more jobs, social movements have managed to become recognized and accepted worldwide (women's rights, etc.), the infant mortality rate has been reduced, we learn about different cultures and we have favored regional integration for economic improvement in developing countries and it allows great technological and scientific advances to expand, and to improve the quality of life of human beings (Pérez, 2020).

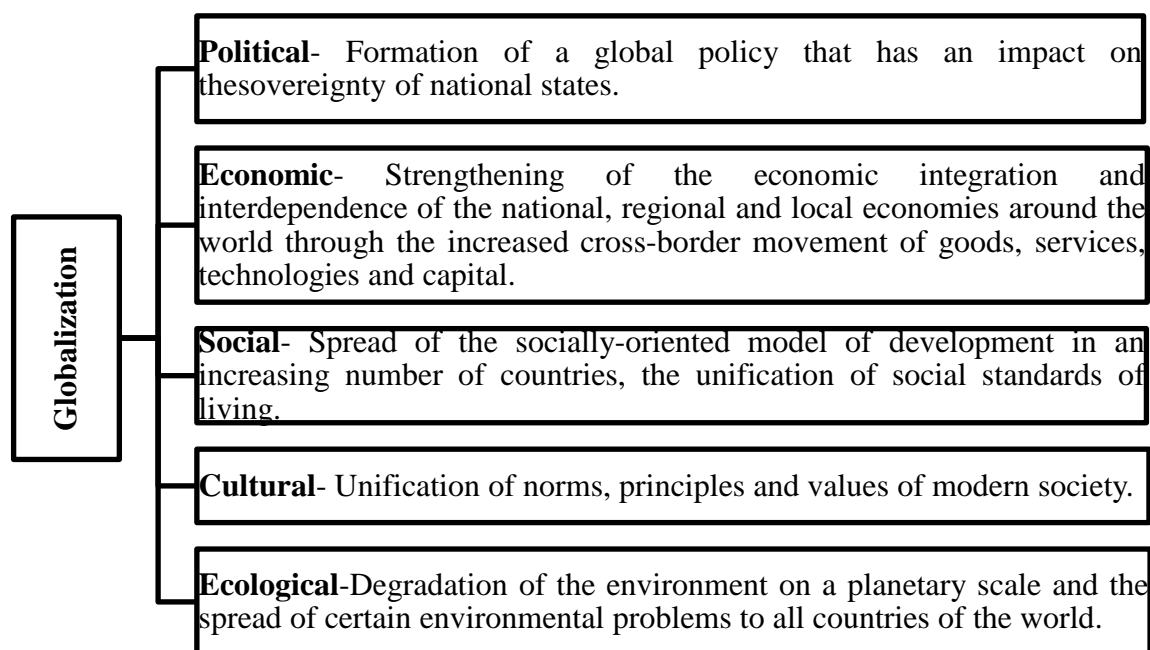


Figure 1. Forms of globalization

Source: Globalization process in the modern world challenging the national economy advancement and development (Chibuikem, 2022)

If we pay attention to globalization in the economy, according to the Committee for Development Policy (a subsidiary body of the United Nations) (2019), from an economic point of view, globalization can be defined as : „...the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers... and the rapid growing significance of information in all types of productive activities and marketization are the two major driving forces for economic globalization.”

Globalization has generated three revolutions: 1) Economic revolution: it is presented through the reduction of customs barriers, free trade; 2) Communicational revolution: it is related to the use and advance of new information technologies that allows the transference of images, video and data in real time at any part of the world. Thus, the whole world is connected; 3) Political revolution: this understands a multipolar order in the global and multicultural sphere where democracy is a power (You Matter,2019). That is why, these revolutions are very current nowadays, as they bring multiple advantages to countries and help people stay connected in any corner of the world.

In this context of globalization, the term glocalization also appears, which is a combination of the words "globalization" and "localization" (Postan, 2023). The term is used to describe a product or service that is developed and distributed globally, but is also, adjusted to suit the user or consumer in a local market. A global product, service, or something that everyone needs and can use, can be tailored to conform to local laws, consumer habits, or preferences. [9] Among the advantages of glocalization is noted: Remarkably increased market revenues and a significantly higher number of consumers; Customer loyalty, as adapting to local specificities contributes to building a relationship of trust and loyalty with consumers; Higher motivation and productivity, as adapting to local standards and expectations can increase employee satisfaction and motivation, making the production process much more productive; Flexibility and adaptability to market changes, as glocalisation allows organisations to be more agile and responsive to changes in the environment and consumer preferences, adapting quickly to new requirements (Fairman, 2023).

ROMANIA AND THE REPUBLIC OF MOLDOVA ECONOMIC RELATIONS

The cooperation between the Republic of Moldova and Romania includes various sectors, like the political, economic, cultural and social dimension. Therefore, several key aspects that contribute to the fruitful collaboration between Romania and the Republic of Moldova are noted.

First of all, political collaboration, which is marked by European Integration, as Romania supports the aspirations of the Republic of Moldova to join the European Union, providing diplomatic support and technical assistance. Besides providing support, Romania serves as a worthy example for the Republic of Moldova, through the values, actions and strategies implemented within this state. Bilateral agreements also play a key role, as the two countries have signed numerous bilateral agreements to strengthen cooperation in various areas, such as defence, security and public administration.

Another important aspect is economic cooperation between countries, marked by trade and investment. Romania is one of the largest trading partners of the Republic of Moldova. The countries work together on trade agreements to facilitate the flow of goods and services. Also, the strategic practices implemented by the Romanian state serve as an example for the Republic of Moldova, which works on improving the investment climate. At the same time, various joint infrastructure projects, such as the Iasi-Ungheni pipeline, aim to reduce the energy dependence of the Republic of Moldova on Russian Federation.

Cultural collaboration between Romania and the Republic of Moldova, also is marked by the values, traditions, customs and history of these countries, which are similar in many aspects, but still preserve the specifics of each country, and which is particularly valued by: language and education, as both countries share a common language and a common cultural heritage, leading to numerous educational exchange programs and cultural initiatives.

These exchanges of experience between representatives from Romania and the Republic of Moldova are a good way to exchange ideas, practices, which lead to new projects and successful collaborations. A great example being media collaboration, which includes joint television and radio programs that promote cultural ties and mutual understanding.

Also, we must not forget about social cooperation. If we pay attention to the migration and work of the representatives of the Republic of Moldova, we notice that many times Romania offers opportunities for Moldovan citizens to work and study, providing simplified procedures for obtaining Romanian citizenship for those of Romanian origin (Pirlog, 2021).

In this context, it is important to mention the NGOs, the Civil Society, because many NGOs work across borders to address common social issues, such as: human rights, human rights, environmental protection and healthcare.

So, in addition to all the positive aspects, there are also certain challenges and opportunities. For example, geopolitical tensions, marked by the geopolitical landscape of the region, especially in terms of Russian influence, represent a challenge for the collaboration between Romania and the Republic of Moldova. Another point is the economic disparities between the two countries, which nevertheless require specific policies to ensure mutually beneficial growth.

Thus, the cultural dimensions between the Republic of Moldova and Romania, although they share a common basis, with similar values, still present significant differences due to distinct historical and political contexts. Romania, with a more pronounced orientation towards Europe and modernization, contrasts with Moldova, which balances eastern and western influences in a unique manner. However, the Republic of Moldova continues to take the example of Romania, the positive influence on it being visible following all collaborations, bilateral agreements of economic nature between these countries (Pirlog, 2021)

Table 1. Main bilateral economic agreements between Romania and Republic of Moldova

Nr.	Agreement Name	The place and date of signature	Entry into force
	Agreement between the Government of the Republic of Moldova and the Government of Romania on the promotion and mutual protection of investments	Bucharest, 14.08.1992	15.06.1997
	Convention between the Government of the Republic of Moldova and the Government of Romania to avoid double taxation and prevent tax evasion on income and capital taxes	Chisinau, 11.02.1995	10.04.1996
	Agreement between the Government of the Republic of Moldova and the Government of Romania on economic, industrial and technical-scientific cooperation	Bucharest, 15.11.2005	17.05.2006
	Joint Declaration on the establishment of a Strategic Partnership between the Republic of Moldova and Romania for the European integration of the Republic of Moldova	Bucharest, 17.04.2010	17.04.2010

	Memorandum on promoting entrepreneurship and economic and corporate cooperation between the Ministry for the Business Environment, Commerce and Entrepreneurship and the Ministry of Economy and Infrastructure	Bucharest, 2.11.2018	2.11.2018
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Source: mfa.gov.md/ based on the list of bilateral treaties (2024)

The signing of various bilateral agreements between the Republic of Moldova and Romania plays a crucial role in strengthening economic, fiscal, and cooperation relations between the two countries. These agreements cover a wide range of areas, promoting mutual investments, avoiding double taxation, strengthening economic, industrial and technical-scientific cooperation and supporting the European integration of the Republic of Moldova.

The Agreement between the Government of the Republic of Moldova and the Government of Romania on the Promotion and Mutual Protection of Investment establishes a secure and stable environment for investors from both countries. This legal protection boosts investor confidence and encourages direct investments.

The Convention between the Government of the Republic of Moldova and the Government of Romania for the Avoidance of Double Taxation and the Prevention of Tax Evasion with respect to Taxes on Income and on Capital prevents double taxation, fostering a fair fiscal climate and facilitating cross-border economic activities.

The Agreement between the Government of the Republic of Moldova and the Government of Romania on Economic, Industrial, and Technical-Scientific Cooperation promotes collaboration in these fields, encouraging technology transfer, innovation, and industrial development through joint industrial and research projects.

The Joint Declaration on the Establishment of a Strategic Partnership between the Republic of Moldova and Romania for the European Integration of the Republic of Moldova signifies Romania's commitment to supporting Moldova's alignment with European standards and values, aiding its European integration.

The Memorandum on Promoting Entrepreneurship and Economic and Corporate Cooperation between the Ministry for the Business Environment, Commerce and Entrepreneurship and the Ministry of Economy and Infrastructure encourages entrepreneurship and economic cooperation. It supports the growth of small and medium-sized enterprises (SMEs) and fosters a favorable business environment.

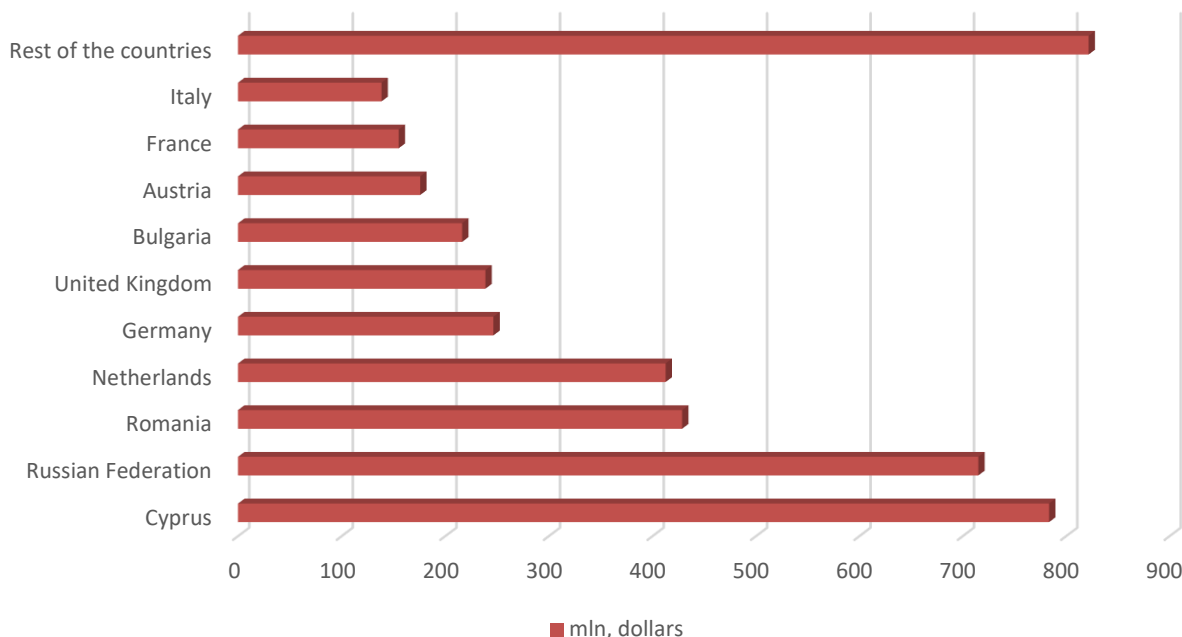


Figure 2. The major investments in the Republic of Moldova

Sursa: Agora.md (2023) / Analysis Romania support for the Republic of Moldova

Romania's foreign direct investments in the Republic of Moldova declined until 2016 when it reached 139 million dollars. At present, investments have an impressive growth and reach 430 million dollars (or 390 million euros), this is most due to the arrival of private capital and especially of private banks in Romania that have a strong presence in the Republic of Moldova. The increase in Romanian FDI from \$139 million in 2016 to \$430 million in 2023 is a testament to the strengthening economic ties between the two nations. This significant rise is primarily driven by the entry of private capital and the expansion of Romanian banks into Moldova, providing a robust framework for economic collaboration (Latiș, 2023).

From this figure we can see that Romania ranks 3rd among the largest investors of the Republic of Moldova. The contribution of foreign direct investment that Romania brings to the Republic of Moldova is 428.6 million dollars for 2023 year. That is why, Romanian investments are vital for Moldova's economy, not only in terms of capital influx but also through job creation and contributions to the local budget. These investments offer stability and growth, serving as a model for local entrepreneurs and fostering a competitive business environment. For example, the presence of Romanian banks in Moldova has enhanced the local financial sector's efficiency and resilience, providing essential financial services that support both individual and business growth.

At the same time, attracting Romanian investments in the Republic of Moldova and respecting the interests of Romanian investors is a real priority for the Government of Romania. Romanian investments in Moldova, besides offering jobs and contributing to the local budget, are also a model of good practices for local entrepreneurs.

The areas that attract the most Romanian investments in the Republic of Moldova are the trade industry, the light industry and the IT industry, due to their development and the presence of a skilled workforce. At the same time, areas such as agriculture, the energy industry and production remain sectors where Romanian investors are not present, but have great potential for investment (Latiș, 2023).

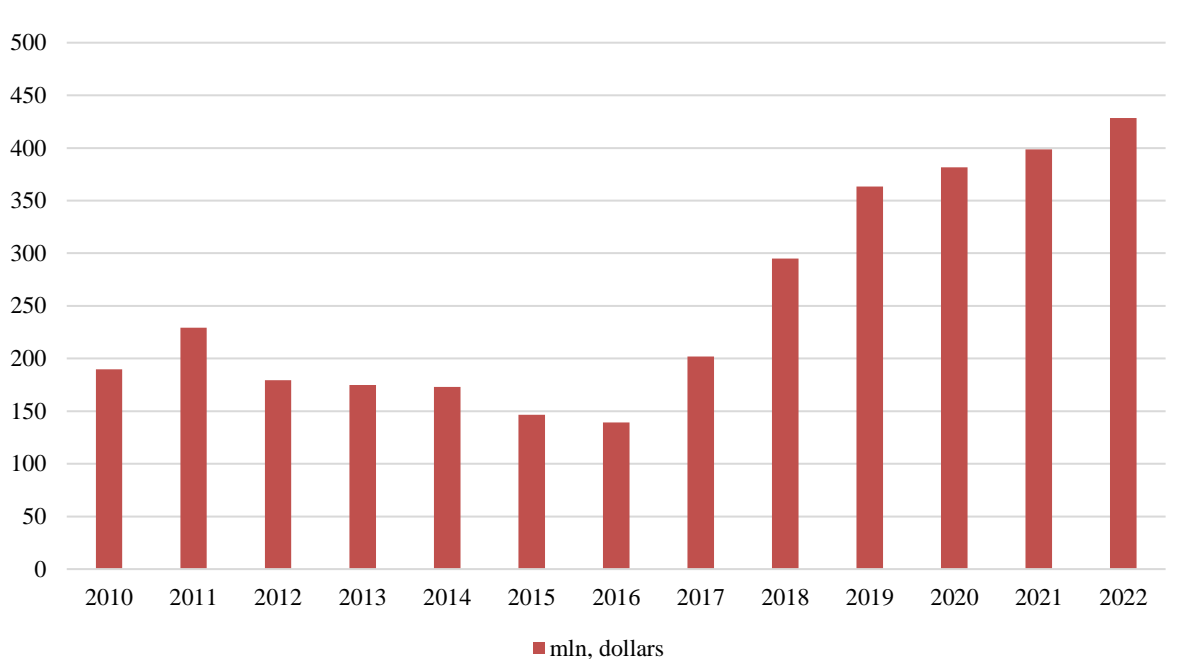


Figure 3. Foreign direct investment of Romania in the Republic of Moldova, millions of dollars

Source: Agora.md (Latiș,2023) / Foreign direct investment in the Republic of Moldova

The active role of the Romanian business community in the Republic of Moldova in deepening the bilateral economic partnership, which launched the invitation of companies to expand their businesses, jointly with Moldovan partners, including on third markets, taking advantage of the opportunities offered by the Romanian status of member of the European Union and by the free trade agreements concluded by the Republic of Moldova with the CIS states.

Romanian investments are predominantly concentrated in the trade, light industry, and IT sectors. These industries are attractive due to Moldova's skilled workforce and development potential.

Romania's investments in the trade sector help streamline supply chains and increase market efficiency in Moldova.

Investments in light manufacturing benefit from Moldova's competitive labor costs and access to broader markets.

The IT sector attracts Romanian investments due to the availability of skilled IT professionals and a growing demand for technological solutions.

The largest Romanian companies are Teraplast, the largest PVC processor, Betty Ice, the largest ice cream producer, Arabesque, one of the largest retailers of ice cream, which is the largest producer of ice cream, Prices For You, one of the largest retailers of clothing, Mos Ion, one of the largest producers of spices, Tuca, Zbarcea and Associates, among others, one of the most important law firms, Banca Transilvania, the second largest bank by assets are other examples of internationalization (Dediu, Panaete, 2019).

Attracting and supporting Romanian investments in the Republic of Moldova is a priority for the economy and well-being of the Republic of Moldova. This emphasis is evident in various governmental initiatives and support programs aimed at facilitating the entry and expansion of Romanian enterprises in Moldova.

Romanian companies see Moldova as an opportunity to expand their market in a neighboring country with significant growth potential. The proximity and common cultural links facilitate integration and functioning, making Moldova a strategic expansion of the Romanian market. The Romanian government and business institutions actively support investments in the Republic of Moldova through trade missions, investment and cooperative forums, bilateral agreements, providing essential resources and networks for successful investments.

COUNTRIES COMPARISON

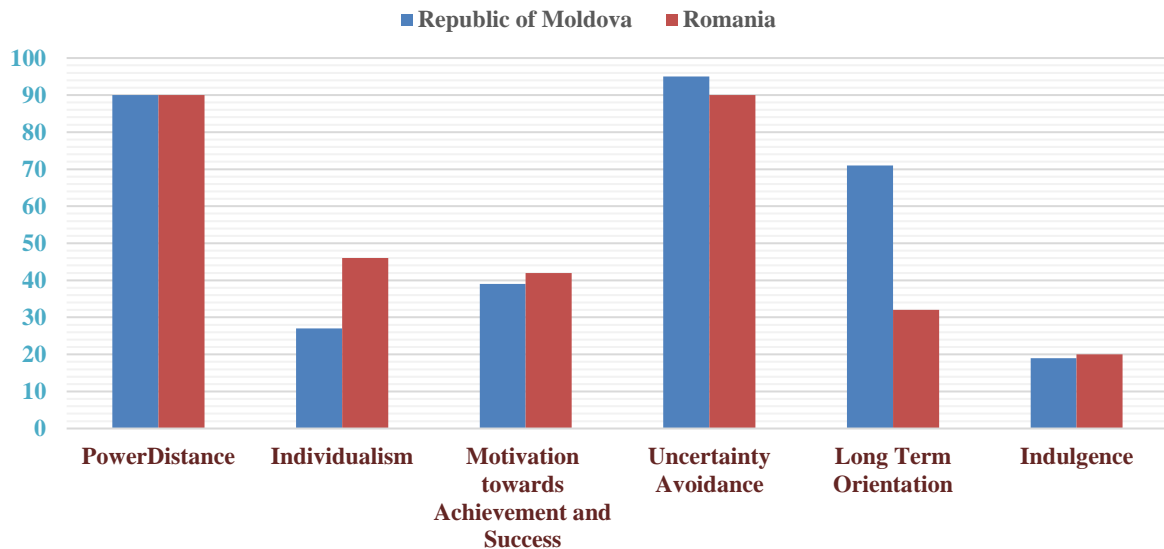


Figure 4. Country Comparison of the Republic of Moldova and Romania
Source: Author's research based on Hofstede insights country comparison tool (2024)

Based on the graph presented, we can deduce that The power distance index for Moldovan and Romanian representatives has an important play in their decision-making behavior, but also their collectivist nature makes them desire the decision of the group rather than that of the individual. They will report back to a higher power and discuss the negotiation as a group until a decision is reached. The level of tolerance for uncertainty and ambiguity the members of Moldovan and Romanian societies is very low. They have strict codes of behavior, laws, and guidelines during negotiations. Moldova is typically consensus-oriented rather than competitive. When dealing with a Moldovan negotiator, it is important to understand that the counterpart does not see the negotiation as competition. The companies from the Republic of Moldova have more precise and longer planning horizons compared to short-term cultured organizations from Romanian. It is important to consider during negotiations or other kinds of collaborations.

Table 2. Comparison of cultural dimensions in the Republic of Moldova and Romania

<i>Dimension</i>	<i>Republic of Moldova</i>	<i>Romania</i>
Power Distance	In the Republic of Moldova the power holders are very far away in society. The score of 90 indicates that the representatives who are from Moldova accept the hierarchical order, where each has a place and a mission, which does not require justification.	Romania people are used to accept the hierarchical order, where everyone knows their place well and dares to ask for something more, this being highlighted by the score of 90.
Individualism	In the Republic of Moldova is known as a collectivist culture. With a small score of 27, this society loyalty is very important and prevails over most other social rules, and what is offensive, it leads to shame, image migration and loss of prestige.	Romania is considered a collectivist society, with a score of 46. This is showed by the close long-term commitment to the member „group”. At the same time, in this society, loyalty is essential and goes beyond most other social rules and regulations. In Romania, people promote strong relationships where everyone takes responsibility for their colleagues in their group.
Motivation towards Achievement	With a score of 39, which is a relatively low score, it is highlighted that in the Republic of Moldova the company is led by a certain dose of modesty and fairness. Representatives of this society value equality, solidarity and loyalty in their professional lives.	Romania has the score of 42 on Motivation towards achievement and success and it is considered a relatively consensual society. Representatives of this society appreciate equality, solidarity and the quality of their professional lives. Conflicts are resolved through compromise and negotiation. Most often the emphasis is on „a work for live”.
Uncertainty Avoidance	The score of 95, demonstrates that, as a nation, it finds mechanisms to avoid ambiguity. Representatives from Republic of Moldova do not accept change and are afraid of risks, because they maintain rigid codes of belief and behavior and are intolerant of unusual behaviors and ideas.	The score of 90 indicates that representatives in Romania choose to avoid uncertainty, maintaining rigid codes. In this society time is money, and people have an inner desire to be busy and work hard, precision and punctuality being the norm.
Long Term Orientation	The high score of 71 indicates that its culture is pragmatic in nature, where people believe that the truth depends a lot on the situation, context and time.	Romania has a score of 32 at this size, which means that Romania has a normative culture, where people have a strong concern in establishing the Absolute truth;
Indulgence	The low score of 19 indicates that RM culture is characterized by great restraint. People have the perception that their actions are, or could be, limited by social rules and think that indulging is somewhat wrong.	With a very low score of 20, Romanian culture is one of restraint. They do not put much emphasis on their free time and control the satisfaction of their desires. People have the perception that their actions are restrained by social rules and feel that indulging is something wrong.

Source: Authors’ research based on Hofstede insights country comparison tool (2024)

CONCLUSION AND RECOMMENDATIONS

Analyzing the intercultural dimensions in the Republic of Moldova and Romania through the perspective of globalization and glocalization, we can draw the following conclusions:

1. Navigating through the complexity of the globalization phenomenon through the lens of glocalization we deduce the important role it plays for both the representatives from Romania and the Republic of Moldova. In-depth understanding of all the subtleties of the profile of each country, facilitates effective discussions and collaborations by promoting cultural sensitivity and strategic alignment to local objectives.
2. Adopting glocalisation enables global strategies to be developed at local contexts, maximising opportunities and minimising risks. In order to succeed in signing bilateral agreements, as in the case of Romania with the Republic of Moldova, it is essential to give priority to open communication, mutual respect and willingness to compromise. Therefore, by the example of negotiations between the representatives of these two countries, we can freely observe the specifics of culture, mentality and society. Namely that the representatives in Romania are very open, focused on the present moment and it is specific that they listen to the group's decision than that of the individual, and the representatives of the Republic of Moldova are oriented towards consensus rather than competition, based on a set of well-established values that always show responsibility and respect. Thus, following the analysis of the intercultural dimensions between Romania and the Republic of Moldova, we note that there are a lot of similarities between these two countries, which indicates that a possible collaboration and negotiation, that can be truly productive and bring fruitful, mutually beneficial results.
3. Overall, the collaboration between the Republic of Moldova and Romania is a multilateral and evolutionary relationship, with the aim of promoting stability, prosperity and common cultural values in the region. Romania being the 3rd place among investors, demonstrates that by adopting localization principles, representatives can create partnerships that take advantage of globalization, while respecting the unique needs and aspirations of both nations.

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