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ORIGINAL ARTICLE

THE MODERATING EFFECT OF IMMIGRATION ON THE EFFECT OF CULTURAL DYNAMICS ON INFLATION

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Abstract
This paper investigates the impact of cultural factors on inflation and the moderating role of migration through microeconomic theories. The study aims to examine how cultural economic behaviors affect inflation dynamics using data from 66 countries between 2004 and 2023, based on Hofstede's cultural dimensions. The analysis incorporates Hofstede's subcontinental classification, World Bank inflation data, and migration rates. Cardinal utility theory explains consumer preference systems linked to cultural values and purchasing decisions. Theories of risk and uncertainty are explored in terms of the influence of uncertainty avoidance on inflation expectations and economic decision-making. Additionally, the bandwagon effect is considered, examining consumer adaptation to cultural norms and their economic outcomes. New institutional economics evaluates the role of migration in shaping consumer preferences and altering market dynamics. Empirical findings from Structural Equation Modeling (SEM) using AMOS 24 reveal that masculine cultures are associated with higher inflation rates, while migration plays a significant negative moderating role in this relationship. Similarly, the interaction between migration and the uncertainty avoidance culture significantly moderates the impact of uncertainty avoidance on inflation in a negative direction. The results highlight the importance for policymakers to effectively integrate cultural economic factors and migration in their strategies and offer new perspectives on related microeconomic theories.

Keywords
Cultural Dimensions, Migration, Inflation, Microeconomics, New Institutional Economics.
Paper Type: Research.

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1. INTRODUCTION

Culture not only determines the value system and social structure of a society but also provides a cognitive framework that directly influences individuals' economic decision-making processes. Microeconomic variables such as consumer preferences, risk perception, and time preference are shaped by cultural values; the processes of utility maximization undertaken by individuals are reconstructed through cultural codes (Becker, 1976; Bowles, 1998). From the perspective of cardinal utility theory, the marginal utility individuals derive from consumption is influenced not only by economic factors such as price and income, but also by the normative values imposed by the culture to which they belong.

Inflation, while being a variable that influences consumer behavior and directs the demand for goods and services at the microeconomic level, is also associated with perceptions of cultural uncertainty and levels of risk aversion (Lonner et al., 1980; Harrison & Huntington, 2000). In cultures characterized by high uncertainty avoidance, individuals are more sensitive to price stability and tend to develop alternative strategies in response to inflation (Knight, 1921; Kahneman & Tversky, 1979). At this point, theories of decision-making under risk and uncertainty are of critical importance for understanding how cultural structures shape economic behaviors.

On the other hand, the phenomenon of migration can be viewed not only as a demographic or social transformation but also as an institutional variable that brings about microeconomic-level consequences such as information asymmetries, the transformation of consumer preferences, and dynamic interactions within market structures (North, 1990; Alesina et al., 1999). The value systems of migrants from diverse cultural backgrounds interact with the established norms of host societies, potentially leading to a restructuring of economic behavior. This interaction not only reshapes individuals' attitudes toward inflation and their consumption strategies but also prompts the search for new institutional equilibriums (Acemoglu & Robinson, 2012; Greif, 1994).

In this context, this study aims to evaluate the impact of cultural values on inflation within the framework of the moderating role of migration. Microeconomic behavior models—particularly utility maximization, the bandwagon effect (Leibenstein, 1950), conspicuous consumption (Veblen, 1899), and mechanisms such as cultural learning—allow for the analysis of differences in inflation perceptions between migrant individuals and the settled population. Thus, the regulatory effect of migration on economically driven behaviors shaped by cultural codes generates microeconomic outcomes at the individual level, while also potentially being reflected in macroeconomic indicators.

Accordingly, this study approaches the relationship between cultural factors and economic indicators from the perspective of microeconomic behavior models and aims to systematically reveal the moderating role of migration in this relationship. The findings offer significant contributions not only for understanding the interaction between culture and the economy in the academic literature but also for assessing the potential impacts of migration policies on economic stability.

In line with this objective, the following sections of the study first elaborate on the microeconomic foundations of culture and migration, presenting a theoretical framework particularly grounded in consumer theory, decision-making under risk and uncertainty, the bandwagon effect, and the perspective of new institutional economics. The second section details the datasets, variables, and methodology employed in the study, outlining the analytical strategy that relates Hofstede's (2001) cultural dimensions, World Bank inflation data, and migration rates. The third section presents the results of the empirical analysis, discussing the direct impact of the cultural dimension of masculinity-femininity on inflation, the significant interaction between uncertainty avoidance and migration, and how these dynamics are reflected in decision-making behavior at the micro level. Finally, the conclusion interprets the findings in terms of their implications for both the theoretical microeconomic framework and policy-making, offering a multilayered assessment that considers the impact of cultural factors and

migration on economic indicators.

2. LITERATURE REVIEW

Migration is not merely a spatial movement; it is a multidimensional economic process in which individuals make decisions aimed at maximizing utility (Batista & Wiese, 2010). Within the framework of cardinal utility theory, migration decisions can be considered the result of rational choices made by individuals comparing their current and potential levels of well-being. In this context, migration—whether internal or international—is shaped by micro-level motivations such as economic expectations, the pursuit of social status, uncertainty avoidance, and cultural adaptation (De Haas et al., 2019).

The economic dimension of migration emerges when individuals, seeking to compensate for imbalances in labor supply and demand through market mechanisms, are motivated by expectations such as higher wages, employment security, and improved quality of life (Borjas, 1994). In this regard, individuals' decision-making processes under conditions of risk and uncertainty become decisive; cost-benefit analyses comparing future gains with present costs form the basis of the migration decision. The integration process, when evaluated in terms of consumer behavior and cultural adaptation, is closely associated with individuals' ability to adapt to new market conditions (Alba & Nee, 2003).

The participation of migrants in the labor market may exert supply-side pressure, potentially affecting local wage levels; at the same time, it brings about economic externalities such as the emergence of new consumer profiles, entrepreneurial activities, and the expansion of the tax base (Borjas, 1995). However, this process may also trigger the bandwagon effect due to divergent cultural norms, potentially weakening social cohesion. In microeconomic terms, this reflects a restructuring of individual preferences as people are influenced by the behavior of others.

Migration driven by socio-cultural motivations is shaped not only by economic interests but also by behavioral factors such as access to educational opportunities, the desire to engage with different value systems, and the accumulation of social capital (Schiller et al., 1992). At this point, the integration of migrants into the established market system—both as consumers and producers—holds significant relevance for microeconomic analysis.

As a result, migration flows between 2004 and 2023 have led to lasting transformations not only in labor markets and consumption patterns but also in institutional structures and societal norms. These transformations reveal that migration decisions are shaped not solely by individual utility maximization, but also by cultural codes and institutional arrangements. In this sense, migration emerges as a multilayered phenomenon that intersects microeconomic decision theories and the perspective of new institutional economics.

Neoclassical economic theory provides a framework for explaining migration decisions based on income maximization and cost-benefit analysis (Todaro, 1969; Harris & Todaro, 1970). According to this approach, migration is a rational choice made by individuals to reduce the disparity in the marginal value of labor across different regions. From the perspective of utility theory (Marshall, 1890), individuals migrate not only in pursuit of increased income but also to maximize their expected utility in uncertain environments (Sjaastad, 1962; Borjas, 1989). In this process, factors such as individual risk preferences (Arrow, 1996) and time preferences explain the micro-level heterogeneity of migration decisions.

The decision-making process of migrants also overlaps with the literature on decision-making under risk and uncertainty. Factors such as the level of cultural acceptance in the destination country, the stability of the labor market, and expectations regarding future income influence the decision-making process through both objective risks and perceived uncertainties (Knight, 1921). The cardinal utility approach, in particular, suggests that migrants act by assessing and weighing these risks. Indeed, migration decisions are influenced not only by real wage differentials but also by cultural adaptation costs and the level of social capital (Borjas, 1989).

The migration flows toward Western Europe following the accession of new member states to the

European Union in 2004 can be analyzed within this theoretical framework (Burrell, 2016; Dustmann & Frattini, 2014). However, this process has been shaped not only by income maximization but also by behavioral motivations such as the pursuit of social status, the transformation of consumption patterns, and the bandwagon effect. The bandwagon effect is a micro-behavioral framework that explains how individuals make migration decisions by observing the behavior of others, turning these decisions into sequential flows of information (Banerjee, 1992).

The Push-Pull Migration Theory provides a comprehensive framework that explains individuals' migration decisions based on push and pull factors (Lee, 1966). This approach considers not only economic reasons but also social and political motivations. From a microeconomic perspective, the weight individuals assign to these factors reflects their relative importance within the individual's utility function. The perceived level of risk determines the marginal effects on migration decisions, while prospect theory (Kahneman & Tversky, 1979) suggests that individuals may postpone or expedite migration decisions based on their tendency to avoid losses.

Following the 2008 global financial crisis, rising insecurity and unemployment made push factors more dominant, while welfare systems and labor demand in destination countries acted as pull factors (De Haas et al., 2019). According to consumer theory, migrants during this period aimed not only to secure higher incomes but also to access more stable consumption opportunities.

Institutional and structural approaches evaluate migration not only within the framework of individual, social, and political preferences but also from the perspective of new institutional economics. According to this approach, individuals make decisions based not only on market price signals but also on the rights, services, and normative structures provided by institutions (North, 1990). Government policies, immigration laws, and societal acceptance constitute institutional parameters that determine the opportunity cost of migration (Castles & Miller, 2003).

Structural theory, which emphasizes the inherent inequalities of the capitalist system, suggests that migration is more closely linked to systemic imperatives than to individual choices (Sassen, 1990). Structural inequalities are also associated with factors such as gender, ethnicity, and class. In this framework, migrants often find themselves compelled to work in low-status, low-wage jobs (Portes, 1995). At the micro level, this situation highlights the limitations of consumer choice and utility maximization theories, as individuals' preferences are shaped within structural constraints.

Between 2014 and 2020, economic collapse, political repression, hyperinflation, social unrest, and lack of access to basic needs in certain countries triggered substantial migration flows to neighboring regions. In addition to these dynamics, the escalation of gang violence and the expansion of drug trafficking in Central America intensified regional security challenges, laying the groundwork for further population movements. This process has led to significant demographic changes at the regional level and has generated economic, cultural, and social impacts.

The Theory of Forced Migration explains situations in which individuals are compelled to migrate due to circumstances beyond their control—such as war, political oppression, natural disasters, or human rights violations (Castles, 2003; Zolberg et al., 1989). These types of migration are shaped not by rational choices based on cost-benefit analyses, but rather by the fundamental instinct for survival. However, from a microeconomic perspective, the economic impacts of forced migration extend beyond the displaced individuals themselves, affecting the consumption preferences, labor market equilibrium, and social welfare functions of host societies as well. In this context, decision-making under risk (Knight, 1921; Arrow, 1971) becomes crucial for understanding how migrants act to maximize basic utilities such as safety, health, and shelter.

The wave of forced migration from the Middle East and North Africa to Europe during the Arab Spring (2011–2015) illustrates how individuals, operating in environments of uncertainty and limited information, engage in risk assessments that lead to migration chains via bandwagon effects (Betts & Collier, 2017). In such information cascades, utility functions are shaped not only by income expectations but also by the fear of social disintegration, the desire for safety, and the capacity for adaptation (Banerjee, 1992).

Between 2020 and 2023, the COVID-19 pandemic caused significant disruptions in global migration patterns, leading to imbalances in labor supply and the redefinition of mobility under the concept of digital migration (IOM, 2021). In this context, micro-level utility maximization was not solely tied to physical relocation but also to the ability of online labor to transcend geographic boundaries and engage in competitive markets. In this new paradigm of remote work, the parameters of individual utility curves—particularly uncertainty and time preference—have been reshaped.

The Human Security Approach acknowledges that individuals act within multidimensional sets of utility, which include not only economic, but also social, environmental, and political security levels (UNDP, 1994; Alkire, 2003). This approach provides an appropriate framework for assessing the choices individuals face under risk from a microeconomic perspective. In the case of the Ukraine-Russia War, millions of individuals' decisions to migrate can be explained not by classical rational utility theories, but rather through thresholds of basic utility that involve survival instincts. In this regard, the economics of human security focuses on the struggle of individuals to exceed their minimum utility levels.

Environmental Migration Theory links the causes of migration not only to social and political factors, but also to environmental uncertainties and resource scarcity related to ecosystems (Black et al., 2011; McLeman & Smit, 2006). When viewed at the micro level, the decline in agricultural income expectations triggers shifts in individuals' consumer preferences, which in turn drive migration decisions. Climate change, sudden disasters, and resource scarcity alter individuals' perceptions of marginal utility, prompting them to seek new paths to utility maximization (Hugo, 1996). Particularly, increased time pressure due to environmental threats causes migration decisions to be shaped by both planned and reactive behaviors.

In this context, forced, environmental, and post-pandemic migration forms should be addressed not only in terms of external pressures but also through individuals' cultural contexts, the boundaries of microeconomic rationality, their perceptions of utility, and their risk assessment strategies. Migration decisions should be redefined not only through labor supply or wage disparities, but also through elements such as personal security, belonging, and access to basic needs. Therefore, the regulatory role of these factors on migration tendencies can be better understood through the mutual interaction of economic processes and cultural norms.

Culture is a system of shared values, norms, beliefs, traditions, language, art, rituals, and other symbolic elements within a society (Kluckhohn, 1962). These cultural elements shape how individuals act, think, and interact within social structures (Hofstede, 1990). Culture is a powerful factor that influences both the macro-level structures of society and the micro-level daily lives of individuals. Social culture is one of the fundamental components that forms a society's collective identity and sense of belonging. Through these cultural structures, individuals take on social roles, form social relationships, and integrate into social life. Culture also provides a framework that determines how individuals act within social structures and interact with society.

According to Parsons' (1970) General Systems Theory, social action consists of processes individuals engage in to meet their needs or achieve specific goals. In this theory, actions are organized at three levels: the cultural system, the personality system, and the social system. These actions guide individuals' behaviors and allow for the restructuring of the social system. Shared personality traits and values create harmony and continuity among group members (Parsons, 1970). This theory allows for the interpretation of individuals' social actions within a cultural context.

Culture is also a reflection of the experiences and traditions passed down through generations within a society. In this context, cultural heritage is considered a dynamic part of social culture (Geertz, 1973). The values of societies can be defined as the core beliefs and ideals adopted by their members. Norms, on the other hand, are the unwritten rules that determine how these values are applied in social life. For example, values such as freedom, equality, and justice are often emphasized in Western societies, while in some cultures, the prioritization of community and family may be more significant (Hofstede, 2001). Language is the cornerstone of a society's cultural heritage and intellectual

structure. It plays a critical role in the creation of social meaning, as individuals convey their social experiences and form social connections through language (Searle, 1969). Family structure, class relations, gender roles, and other social hierarchies are also important components of culture. Different societies structure these systems in various ways, leading to the diversification of social culture (Bourdieu, 1986). Social culture is reinforced through traditions and rituals that keep social memory alive. These rituals, by materializing society's values, ensure their transmission to new generations. Religious holidays, wedding ceremonies, and other social events play a significant role in the transmission of culture (Turner, 2017).

Hofstede's (2001) cultural approach aims to understand how national cultures shape individuals' values, beliefs, and behaviors. This approach defines culture as the mental programs that individuals acquire and share through social learning. Hofstede and Bond (1988) identified four key dimensions for understanding cultural differences: Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, and Uncertainty Avoidance.

Power Distance is an important cultural dimension that refers to the level of acceptance regarding the unequal distribution of power and authority within a society. In societies with high power distance, hierarchical structures are prominent, and power differences are accepted without question. This is associated with obedience to authority and the view of social inequalities as a natural reality. In contrast, societies with low power distance adopt a more egalitarian approach. Power differences between individuals are reduced, and democratic governance becomes more prominent. In these societies, open communication and cooperation are encouraged (Hofstede & Bond, 1988; House et al., 2004; Den Hartog et al., 1999).

Uncertainty Avoidance is a cultural dimension that explains how tolerant the members of a culture are toward new, unknown, or deviant situations. The level of uncertainty avoidance reflects the mechanisms that societies develop to cope with change and risk, influencing social and organizational structures deeply. Societies with high uncertainty avoidance tend to adopt strict rules, regulations, and safety measures to minimize uncertainty and risk. In these societies, predictability and security emerge as fundamental elements guiding individual behaviors and societal norms. Risk-averse individuals generally exhibit a more emotional approach, increasing their intrinsic motivation toward uncertainty, and adopting a regular and systematic lifestyle (Hofstede & Bond, 1988; Hofstede, 2001). In contrast, cultures that are more tolerant of uncertainty demonstrate a more flexible attitude towards uncertainty and change. In these societies, rules and regulations are typically fewer, and there is a more open approach to differing opinions and behaviors. Coping with uncertainty, adapting to the flow, and openness to innovation are key characteristics, facilitating the dynamic and innovative transformation of the social structure (Hofstede & Bond, 1988, pp. 10-11).

The Individualism-Collectivism dimension is an important cultural dimension that explains the level of commitment individuals have to a group and its impact on social structures. In individualistic societies, personal autonomy and individual interests are prioritized, and social ties tend to be looser and more independent. In these societies, individuals emphasize achieving their own goals and personal success. In contrast, collectivist societies place group and family interests ahead of individual ones. In these societies, social solidarity and intra-group harmony are highly valued. Strong social bonds and group loyalty between individuals form the foundational elements of the social structure (Hofstede, 1980; Hofstede & Bond, 1988; Triandis & Gelfand, 1998).

The Masculinity-Femininity dimension is one of the fundamental elements of cultural analyses that explain the differences in gender roles and values across societies. In feminine cultures, humility, modesty, empathy, and nurturing values are prioritized. In these societies, cooperation, harmony, and interpersonal relationships are important, and gender roles are defined more flexibly and supportively. Social needs and social harmony emerge as the fundamental elements that guide individual behaviors (Hofstede & Bond, 1988). On the other hand, in masculine cultures, assertiveness, competitiveness, and personal success are emphasized. In these societies, ambition and competitive behaviors are valued, and gender roles are typically defined in a more rigid and traditional manner. In interpersonal

interactions, power and success-oriented social norms emerge as dominant elements shaping the social structure (Hofstede & Bond, 1988; Hofstede, 2001).

In addition to these cultural dimensions, Hofstede's (1991) proposed "Long-Term vs. Short-Term Orientation" dimension, the "Indulgence vs. Restraint" dimension defined by Hofstede et al. (2010), and the "Tightness vs. Looseness" dimensions discussed by Triandis (1989) and Gelfand et al. (2006) also play an important role in cultural analysis. The Long-Term vs. Short-Term Orientation dimension examines societies' approaches to future planning and saving, revealing how cultures focus on long-term and short-term goals (Hofstede, 2001; Hofstede & Minkov, 2010). The Indulgence vs. Restraint dimension explains the extent to which societies permit or restrict individual pursuit of happiness, freedom, and pleasure (Hofstede et al., 2010). The Tightness vs. Looseness dimension is considered as a measure of how much a society preserves its social and cultural values and how resistant it is to change (Hui & Triandis, 1989; Triandis, 1996; Gelfand et al., 2006).

Cultural diversity can have significant effects on a society's economic, social, and political structures. The integration of immigrants may, at times, enhance cultural richness, while at other times, it may lead to social tensions. Migration, as a phenomenon interacting with social culture, plays a central role in this context. Immigrants, while adapting to the culture of the society they have moved to, also strive to preserve their own cultural identity (Castles, 2000). This process may lead to social and cultural changes through integration or assimilation.

In this study, in order to ensure the breadth of the research sample and prevent a reduction in the number of countries, the cultural dimensions of power distance, individualism vs. collectivism, masculinity vs. femininity, and uncertainty avoidance, as proposed by Hofstede (2001), will be used.

3. CULTURAL DESCRIPTIVE NORMS, MIGRATION, AND INFLATION: HYPOTHESIS DEVELOPMENT

Culture is one of the key determinants of economic decision-making processes. When examined within the framework of consumer theory and utility maximization, individuals' consumption, saving, and investment behaviors are significantly influenced by the cultural context they are embedded in, societal norms, and institutional structures (Harrison & Huntington, 2000; Hofstede, 1980). Migration not only involves physical mobility but also the transfer of cultural norms and cognitive maps. This leads to the creation of new utility functions by migrants within host societies, which in turn can have an impact on macroeconomic indicators, particularly inflation. Migration can trigger bandwagon effects through cultural interactions (Banerjee, 1992) and reshape consumer expectations in uncertain environments, altering market equilibrium conditions.

The interaction of cultural dimensions with macroeconomic variables such as inflation can be explained through consumer behavior, trust in institutions, price perception, and saving tendencies. The following hypotheses, grounded in microeconomic principles, are presented in this context:

Culture determines the utility function and expectations underlying consumer behaviors. According to consumer theory, individuals attempt to maximize their utility in line with culturally internalized values. This normative framework affects their responses to prices and tolerance levels for inflation (Kuznets, 1955; Arrow, 1971; Becker, 1976; Hofstede, 1980; Murphy, 1997; Harrison & Huntington, 2000). In this context:

Hypothesis 1: "Culture has a significant impact on inflation through norms that guide individuals' consumption, saving, and price perceptions."

Power distance determines individuals' trust in economic institutions and the pressure exerted on demand-side policies. This affects institutional independence, information asymmetry, and budget discipline within the public economy (North, 1990; Acemoglu et al., 2001; Treisman, 2000; Cukierman, 1992; Hofstede, 1980; House et al., 2004; Kuznets, 1955). Thus:

Hypothesis 1a: "High power distance has an inflationary effect through centralized economic decision-making, low institutional scrutiny, and income inequality."

According to decision-making models under risk (Knight, 1921), individuals maximize secure utility rather than expected utility in the face of uncertainty. This behavior may increase the pursuit of price stability, while excessive protectionism can lead to inflationary costs in the long term (Alesina & Summers, 1993; Fischer, 1993; Hofstede, 1980; Rogoff, 1985). In this context:

Hypothesis 1b: "High uncertainty avoidance levels limit inflationary pressures in the short term through risk-averse saving and investment behaviors, while in the long term, anti-crisis interventions may lead to supply-side inflation."

Communitarian structures shape individuals' utility functions based on group dynamics. This contributes to price stability both in terms of social preferences and institutional alignment behaviors (Hofstede, 1980; Triandis, 2001; House et al., 2004; Greif, 2006; Barkema & Shvyrkov, 2007). Therefore:

Hypothesis 1c: "In individualistic societies, increased consumption and higher risk appetite raise demand-side inflation, while in collectivist societies, saving-oriented behaviors and trust in government policies have a counteracting effect on inflation."

The masculinity-femininity dimension is related to time preference theory. In masculine cultures, a low level of patience leads to a high discount rate, which increases inflationary behaviors (Laibson, 1997). In feminine cultures, a tendency to value achieved utility prevails (Hofstede, 1980; Alesina et al., 1999; House et al., 2004). In this context:

Hypothesis 1d: "In masculine societies, competition and success-oriented consumption patterns increase inflation, while in feminine societies, solidarity, welfare priority, and long-term behaviors contribute to price stability."

Migration not only involves labor mobility but also transforms the cultural foundations of consumer preferences. This transformation reshapes the formation of inflation under the theory of expected utility, consumer behavior based on social norms, and asymmetric information conditions. The cultural codes carried by migrants can directly affect the economic policies and price perceptions of the host society, creating a rupture or adjustment space in the culture-inflation relationship (Hofstede, 1980; Borjas, 1995; Card, 2005). In this context:

Hypothesis 2: "Migration restructures the impact of cultural norms on inflation, taking on a regulatory role in this relationship."

At the micro level, migrants' market and policy expectations affect cardinal utility approaches and rational ignorance behaviors. Migration can create a more participatory and egalitarian institutional perception, increasing the flexibility of centralized economic decisions. This, in turn, balances the cultural effects on inflation through institutional regulations such as monetary policy independence (Treisman, 2000; Cukierman, 1992; Dustmann & Glitz, 2011). Thus:

Hypothesis 2a: "Migration can diversify decision-making processes in high power distance societies, influencing the direction of inflationary pressures."

The behaviors of migrants in the face of uncertainty influence the risk preference curves of the host society, changing saving and investment patterns. This transformation, in the context of portfolio choice theories and stability-demand models, can either amplify or reduce the effects of monetary policies. Migration plays a role in rebuilding institutional trust in the fight against inflation (Hofstede, 1980; Alesina & Summers, 1993; Fischer, 1993). In this context:

Hypothesis 2b: "Migration can reshape risk perception in high uncertainty avoidance societies, regulating the effects on inflation."

Collectivist structures are related to the public expansion of social utility functions. Migrants can alter the pressure on public prices by influencing both demand and supply side factors that affect the fiscal sustainability of these structures. The level of integration of migrants into the labor force becomes a determining factor for inflation, along with welfare state expenditures (Esping-Andersen, 1990; Triandis, 2001; Borjas, 2003). In this context:

Hypothesis 2c: "Migration can influence the approach of collectivist cultures to social expenditures, guiding inflationary pressures."

In masculine cultures, migrants' high consumption and rapid income expectations influence marginal utility and consumption function curves. In feminine societies, however, migrants' social integration process ensures price stability through solidarity-based economic behaviors. This transformation is particularly noticeable in sectoral price structures and the housing market (Hofstede, 1980; Alesina et al., 1999; Barkema & Shvyrkov, 2007).

Hypothesis 2d: "Migration reshapes the inflationary effects by transforming the consumption, saving, and competition behaviors of masculine or feminine cultures."

In areas with high concentrations of migrants, the increased demand for housing, especially when supply is inflexible in the short term, puts upward pressure on marginal rental prices, creating price pressure in the housing market (Camarota, 2001; Saiz, 2007). This situation directly affects the general price level, particularly in inflation baskets where housing has a high weight. Additionally, migrants' contributions to production, combined with increased demand for public infrastructure and social services, can create fiscal pressures, resulting in indirect price effects (Camarota, 2001). This effect is particularly evident in sectors where public costs are reflected in private sector pricing.

The effect of migration on labor supply varies depending on the skill distribution in the market and the labor intensity of the sectors. In cases where there is a high concentration of low-skilled migrants, a rightward shift of the labor supply curve may lead to a decrease in real wages and a reduction in cost-push inflationary pressures (Borjas, 2003). However, this situation may also create a new risk of demand-pull inflation, driven by increased consumption demand. Moreover, the impact of rising inflation rates on the cost of living creates a motivation for migration within the native population, making migration both a cause and an effect of inflation (Sjaastad, 1962).

The sectoral distribution of migrants is also significant; their concentration in certain sectors can increase sensitivity to sectoral demand shocks, which can cause asymmetric price responses (Bolin, 2006). From a microeconomic perspective, demand increases in sectors where price elasticity is low due to the presence of migrants may lead to more pronounced inflationary effects. In contrast, integration into sectors that lead to increased productivity can reduce costs, playing a balancing role.

The level of migrant integration is a key factor in determining the direction of these price dynamics. High cultural integration increases the marginal productivity of migrants in the labor market, raising labor efficiency and reducing the social transfer burden on the budget (Dustmann & Glitz, 2011). Therefore, migration becomes a mechanism that balances price stability and growth. Ortega and Peri (2012) highlight that successful integration of migrants into the labor force enhances the scale effect of the production function, contributing to the long-term balancing effect on inflation.

In conclusion, the migration-culture-inflation triangle is shaped through multi-layered micro-mechanisms such as market supply-demand balances, housing and public goods supply, labor productivity, and social integration policies at the micro level. The economic contribution of migrants to price levels is closely related not only to their numerical size but also to their cultural alignment, consumption behaviors, and level of integration into production capacity.

4. METHODOLOGY

This study utilizes secondary data obtained from various sources. The dataset includes 20 years of inflation outcomes, migration flows, and cultural practices for 66 countries from 2004 to 2023. The countries, variables, and values in the dataset are presented in Table 1.

Table 1

Countries, Cultural Dimensions, Net Migration, and Average Inflation Rates (2004–2023)

No	Countries	CODE	PD	UA	I/C	M/F	Net Migration (NM) (2004-2023)	Inflation (Average) and Consumer Prices (Annual %) (INF) (2004-2023)
1	Australia	AUS	58	90	90	42	194030.9	2.7060
2	Austria	AUT	11	70	55	79	40558.6	2.5396
3	Bangladesh	BGD	80	60	20	55	-447614.8	7.1228
4	Belgium	BEL	64	95	75	52	50411.7	2.3961
5	Brazil	BRA	69	76	38	49	17365.25	5.7735
6	Bulgaria	BGR	70	85	30	40	-9475.5	4.3926
7	Canada	CAN	47	54	77	49	252160.25	2.1546
8	Chile	CHL	63	86	23	28	61158.45	3.8675
9	China	CHN	80	30	20	66	-273896.8	2.4384
10	Colombia	COL	67	80	13	64	45422.3	4.8640
11	Costa Rica	CRI	35	86	15	21	4598.3	5.5487
12	Czech Republic	CZE	57	74	58	57	14816.7	3.3523
13	Denmark	DNK	18	23	74	16	18826.85	1.8414
14	Ecuador	ECU	78	67	8	63	12050.05	2.7559
15	Estonia	EST	40	60	60	30	-415.15	4.2283
16	Finland	FIN	33	59	63	26	14213.9	1.8877
17	France	FRA	68	86	71	43	67900.85	1.6676
18	Germany	DEU	35	65	67	66	275702.65	1.9676
19	Greece	GRC	60	112	35	57	-18968.3	1.8866
20	Guatemala	GTM	95	101	6	37	-38211.1	5.2091
21	Hong Kong	HKG	68	29	25	57	13704.1	2.3932
22	Hungary	HUN	46	82	80	88	36741.1	4.8717
23	India	IND	77	40	48	56	-415315.85	6.5717
24	Indonesia	IDN	78	48	14	46	-59794.55	5.4755
25	Ireland	IRL	28	35	70	68	18743.8	1.7340
26	Iran	IRN	58	59	41	43	116799.8	22.9555
27	Israel	ISR	13	81	54	47	12284.95	1.5765
28	Italy	ITA	50	75	76	70	170062.65	1.9762
29	Jamaica	JAM	45	13	39	68	-12509.1	8.4330
30	Japan	JPN	54	92	46	95	141893.45	0.5106
31	South Korea	KOR	60	85	18	39	91791.4	2.3740
32	Luxembourg	LUX	40	70	60	50	8281.65	2.1682
33	Malaysia	MYS	104	36	26	50	125990.25	2.2293
34	Malta	MLT	56	96	59	47	5515.2	2.1901
35	Mexico	MEX	81	82	30	69	-124098.4	4.4413
36	Morocco	MAR	70	68	46	53	-66302.05	1.9456
37	Netherlands	NLD	38	53	80	14	40916.45	2.1661
38	New Zealand	NZL	22	49	79	58	29192.05	2.5732
39	Norway	NOR	31	50	69	8	29774.85	2.4062
40	Pakistan	PAK	55	70	14	50	-1002248.75	10.5647
41	Panama	PAN	95	86	11	44	6576.55	2.4715
42	Peru	PER	64	87	16	42	-62818.8	3.3623
43	Philippines	PHL	94	44	32	64	-117123.7	4.0264
44	Poland	POL	68	93	60	64	110223.35	3.3831
45	Portugal	PRT	63	104	27	31	4465.5	1.8488
46	Romania	ROU	90	90	30	42	-29582.2	5.2761
47	Russia	RUS	93	95	39	36	327562.9	8.1464
48	Singapore	SGP	74	8	20	48	67114.65	2.1001
49	South Africa	ZAF	49	49	65	63	38652.25	5.0340
50	El Salvador	SLV	66	94	19	40	-52688	2.5925
51	Slovakia	SVK	104	51	52	110	16838.6	3.3778
52	Spain	ESP	57	86	51	42	226611.8	2.1759
53	Suriname	SUR	85	92	47	37	-995.05	18.6971
54	Sweden	SWE	31	29	71	5	62843.45	1.9087
55	Switzerland	CHE	43	61	67	67	57223.75	0.5395
56	Thailand	THA	64	64	20	34	54464.6	2.1183
57	Trinidad	TTO	47	55	16	58	-344.65	5.3188
58	Turkey	TUR	66	85	37	45	27438.55	15.4123
59	Uruguay	URY	61	100	36	38	-6389.4	7.8070
60	United States	USA	40	46	91	62	1128513.45	2.5701
61	Venezuela	VEN	81	76	12	73	-220606.15	72.7403
62	Vietnam	VNM	70	30	20	40	-43854.35	6.6956
63	West Africa	CAF	77	54	2	46	-54808.8	4.0331
64	Yugoslavia/Croatia	HRV	73	80	33	40	-8099.25	2.5938
65	Yugoslavia/Serbia	SRB	86	92	25	43	1129	6.9823
66	Yugoslavia/Slovenia	SVN	71	88	27	19	5508.45	2.4589

Note: PD= Power Distance, UA= Uncertainty Avoidance, I/C= Individualism/Collectivism, M/F= Masculinity/Femininity, NM= Net Migration, INF = Inflation, CPI (annual %) = Consumer Price Index (annual percentage).

5. MEASUREMENTS

In this study, data on cultural norms, migration, and inflation for countries were analyzed using average values from the period 2004–2023. It is assumed that annual fluctuations may arise from country-specific conditions, which could reflect as statistical noise in the model. Therefore, long-term average values were used instead of annual data.

Dependent Variable

Inflation Measured by Consumer Prices (Annual %): The inflation rates calculated based on the annual Consumer Price Index (CPI) for each country were obtained from the World Bank database. The average of annual data from 2004–2023 was used for each country. This variable serves as the dependent variable in the model to examine its relationship with cultural norms and migration data.

Independent Variables

Cultural Descriptive Norms: This variable is derived from Hofstede's (2001) cultural dimensions theory. Four cultural dimensions were considered for each country:

- Power Distance (PD): The degree of acceptance of authority and hierarchy in society.
- Uncertainty Avoidance (UA): The tolerance of a society toward uncertain situations.
- Individualism/Collectivism (I/C): Whether individual success or group solidarity is prioritized.
- Masculinity/Femininity (M/F): Whether competition, success, and power, or cooperation, welfare, and care are the focal values. These scores are based on Hofstede's comprehensive research on IBM employees and are standardized at the country level.

Regulatory Variable

Net Migration: This variable, obtained from the World Bank's World Development Indicators dataset, shows the net difference between immigrants coming into a country and those leaving. The average of annual net migration figures from 2004–2023 was taken for each country. This variable is considered a regulatory factor that may influence the relationship between cultural dimensions and inflation (https://datacatalog.worldbank.org/public-licenses#cc-by).

6. FINDINGS

Before testing the theoretical model, the data were standardized using SPSS z-scores to reduce potential multiple accuracy gaps among the variables included in the research model, each with different units: cultural values, inflation, and immigration (Cheung et al., 2009). This procedure is in place to increase the flexibility of the model and ensure comparability of the analyses.

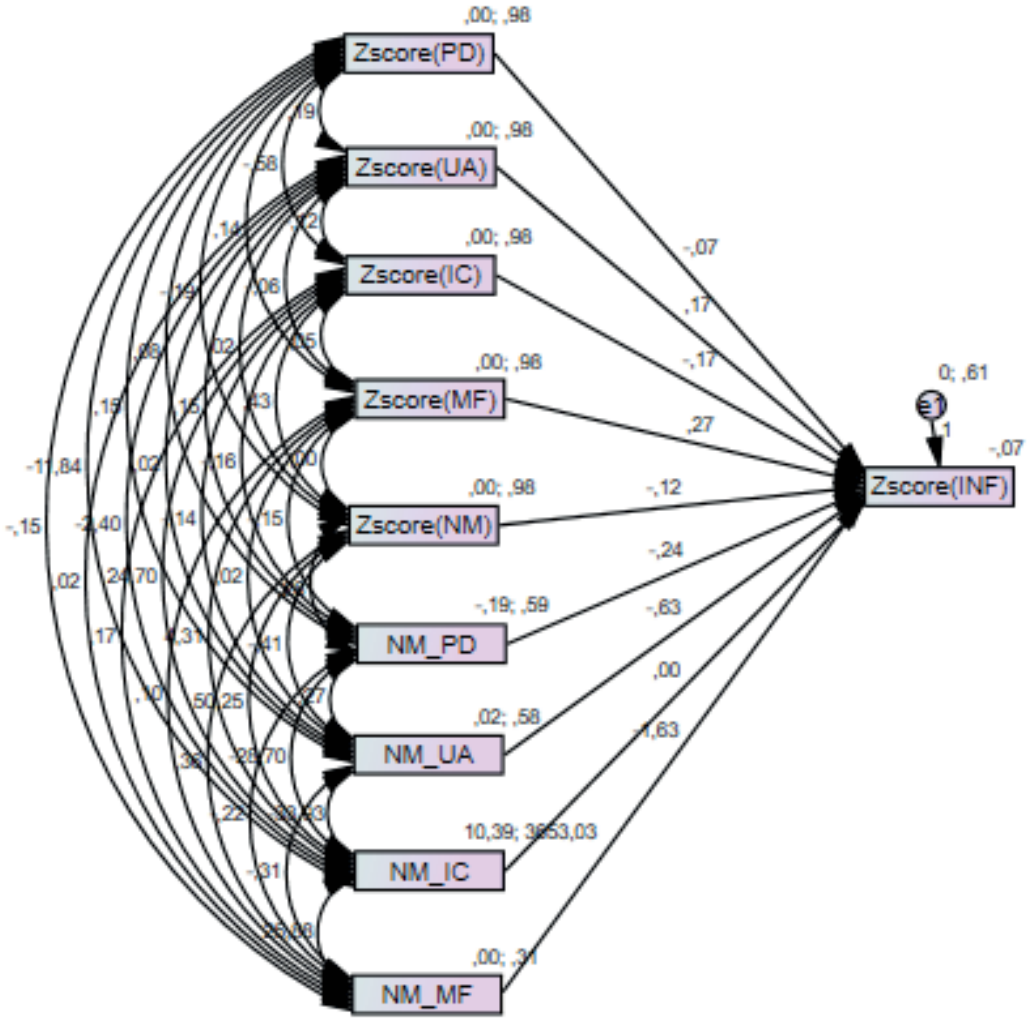
In the second stage, to assess the moderating effect of migration, interactions between the dependent variable (inflation) and the migration variable were calculated. In the third stage, regression analyses were performed to test the effect of cultural practices on inflation and the moderating role of migration in this relationship.

In this context, the observed variables were transformed into a structural equation model (SEM), and a moderating effect model was constructed using the AMOS 24 software. Through the obtained model, the direct relationships between cultural dimensions and inflation, as well as the potential mo-

derating effect of migration in these relationships, were tested in a multi-layered manner. The relevant analysis results and path model are presented in Figure 1.

Figure 1

Structural Equation Model Between Variables



The structural equation model developed in this study (Figure 1) aims to explain the multidimensional relationship between cultural norms, net migration levels, and inflation. The model analyzes the impact of individual economic decision-making processes on macroeconomic outcomes at the micro level, based on Hofstede's (2001) cultural dimensions. Specifically, the influence of cultural values on consumption, savings, and risk behavior provides a fundamental conceptual framework for understanding inflation dynamics.

According to the structural equation model, the strongest relationship in the effect of cultural norms on inflation is observed in the masculinity/femininity (M/F) dimension. Masculine societies, where individuals exhibit more consumption, competition, and success-driven behavior, tend to fuel demand-pull inflation. This corresponds to classical demand shocks that shift the consumption curve to the right and lead to higher price levels. The positive and statistically significant regression coefficient ($\beta = 0.267$, $p < 0.05$) confirms the empirical validity of this structural relationship. Therefore, Hypothesis 1d: "In masculine societies, competition and success-oriented consumption patterns increase inflation, while in feminine societies, solidarity, welfare priorities, and long-term behavior contribute to price stability," is strongly supported.

On the other hand, the direct relationship between the uncertainty avoidance (UA) dimension and inflation was found to be non-significant in the model ($\beta = 0.169$, $p > 0.05$). However, the moderating effect of migration in this dimension is negative and significant ($\beta = -0.629$, $p < 0.01$). This finding suggests that the uncertainty management strategies of immigrants' cultures may infiltrate the monetary policies and economic behaviors of the host society. Immigrants from high uncertainty avoidance cultures tend to exhibit more cautious consumption and saving behaviors, which could reduce total demand and price pressures, thereby stabilizing inflation. This indicates that, at the microeconomic level, immigrant behavior influences price stability through marginal propensity to consume and risk perception. In this context, Hypothesis 2b: "Migration can reshape risk perceptions in high uncertainty avoidance societies and moderate the inflationary impacts" is supported.

Similarly, in the masculinity/femininity (M/F) dimension, the moderating effect of migration is also significant and negative ($\beta = -1.625$, $p < 0.01$). This finding shows that immigrant groups with masculine cultural values tend to soften consumption and competition-driven economic behaviors when interacting with resident societies that have feminine values. At the micro level, such cultural conflicts and adaptation processes may lead to temporary shocks in market demand or price adjustments. However, over time, these interactions create more sustainable consumption behaviors and stable price mechanisms, thereby exerting a balancing effect on inflation. Thus, Hypothesis 2d: "Migration reshapes the consumption, savings, and competition behaviors of masculine or feminine cultures, altering the inflationary effects" is also supported.

However, both the direct effects of the power distance (PD) and individualism/collectivism (I/C) dimensions, as well as their interactions with migration, were found to be non-significant in the model ($p > 0.05$). This suggests that the effects of these cultural norms on inflation may operate through more indirect mechanisms at the micro level. For instance, authoritarian structures or group-oriented values may exert indirect pressures on consumption decisions. However, these effects may not translate into measurable macro price movements.

Overall, the findings suggest that migration plays a moderating role in the relationship between cultural norms and economic outcomes. From a microeconomic perspective, these findings indicate that individuals' value orientations influence their consumption, savings, and investment behaviors, which, in turn, are reflected in price levels. Migration emerges as a variable that influences price stability not only through labor supply but also via the transfer of cultural norms. As a result, Hypothesis 2: "Migration moderates the impact of cultural norms on inflation, restructuring this relationship" is supported within the general model context.

In Table 2, when examining the regression coefficients calculated for the model, the values in the p column indicate that the masculinity/femininity (M/F) cultural dimension has a significant positive effect on inflation (INF) at a $p < 0.05$ significance level. The impact of the masculinity/femininity (M/F) dimension on inflation (INF) is moderated by migration (NM), with a significant negative moderating effect at $p < 0.05$. Similarly, the effect of the uncertainty avoidance (UA) cultural dimension on inflation (INF) is moderated by migration (NM), with a significant negative moderating effect at $p < 0.01$.

Table 2
Model Regression Coefficients

			Estimate	S.E.	C.R.	P	Label
ZINF	<---	ZPD	-.069	.133	-.519	.604	par_1
ZINF	<---	ZUA	.169	.104	1.624	.104	par_2
ZINF	<---	ZIC	-.165	.139	-1.184	.236	par_3
ZINF	<---	ZMF	.267	.109	2.458	**.014***	par_4
ZINF	<---	ZNM	-.117	.200	-.584	.559	par_5
ZINF	<---	NM_PD	-.239	.178	-1.347	.178	par_6
ZINF	<---	NM_UA	-.629	.218	-2.884	**.004***	par_7
ZINF	<---	NM_IC	.005	.005	.972	.331	par_8
ZINF	<---	NM_MF	-1.625	.313	-5.196	***	par_9

*** *p<0.01is considered statistically significant.*
* *p<0.05 is considered statistically significant.*

According to the regression results presented in Table 2, the direct effects of the cultural dimensions of power distance (PD), uncertainty avoidance (UA), and individualism/collectivism (IC) on inflation were found to be statistically insignificant ($p > 0.05$). This finding suggests that the responses of individuals to price changes, within the framework of rational expectations in microeconomic theory, may not always directly reflect cultural dimensions. Specifically, micro-level factors such as the diffusion of information in markets, price stickiness, and consumer behavior may limit the influence of cultural norms on macroeconomic variables (Akerlof & Shiller, 2009). Additionally, it should be noted that the impact of cultural differences on dynamic indicators such as inflation may unfold over time and become more apparent in the long run. Therefore, Hypotheses H1a, H1b, and H1c were not supported.

The direct effect of the masculinity/femininity (MF) cultural dimension on inflation was found to be statistically significant and positive ($\beta = 0.267$, $p = 0.014$), indicating that masculine cultures, characterized by a focus on consumption, competition, and short-term success, can exacerbate demand-driven inflation in economic systems. In masculine societies, individuals are more inclined to spend, which leads to a higher marginal propensity to consume, thereby increasing overall demand and exerting upward pressure on general price levels (Hofstede, 2001; Alesina et al., 1999). This finding demonstrates that consumption-based inflationary trends are directly influenced by cultural values and provides empirical support for Hypothesis 1d. As a result, Hypothesis 1 has been generally supported.

The lack of a statistically significant moderating effect of migration on the relationship between power distance and individualism/collectivism dimensions and inflation ($p > 0.05$) suggests that, at the micro level, the behaviors of migrants related to these cultural dimensions may influence the price-setting behaviors of the host societies in an indirect and time-dependent manner. In societies with low integration levels, the impact of migrants on economic decision-making processes may remain limited (Borjas, 1995). This could lead to the moderating effect of migration being weak in specific cultural domains.

The significant negative moderating effect of migration on the relationship between uncertainty avoidance and inflation ($\beta = -0.629$, $p = 0.004$) indicates that the cultural norms of the societies from which migrants originate are altering the host society's approach to managing uncertainty. Societies with high uncertainty avoidance tend to favor stable monetary policies (Alesina & Summers, 1993), and the influence of migrants from lower uncertainty avoidance cultures may reduce this stability.

On a microeconomic level, this may lead to increased risk-seeking behaviors in investment and consumption decisions, thereby weakening price stability (Fischer, 1993). Consequently, Hypothesis 2b has been supported.

The finding of a significant negative moderating effect of migration on the relationship between the masculinity/femininity dimension and inflation ($\beta = -1.625$, $p < 0.001$) can be explained by the fact that migrants typically come from masculine cultures, where high consumption and competition-driven behaviors are prevalent. At the micro level, even if migrants work in low-wage jobs, their ability to increase overall demand and intensify competition can exacerbate both cost- and demand-driven inflationary pressures (Dustmann & Glitz, 2011). Moreover, the behaviors of migrants, which conflict with the more feminine and sustainable economic norms of host societies, can negatively impact price stability. This finding suggests that until the process of cultural assimilation is complete, the economic effects of migration may be destabilizing. Therefore, Hypothesis 2d has also been supported.

The results highlight how culture and migration, when considered together, create multilayered effects on inflation. At the microeconomic level, factors such as consumption tendencies, risk perception, saving behaviors, and labor force participation are shaped in conjunction with cultural norms. Migration, in turn, leads to the restructuring of these norms, influencing both individual behaviors and macroeconomic outcomes in a significant manner.

7. DISCUSSION

In this study, the model developed based on Hofstede's cultural dimensions treats migration as a moderating variable while explaining the culture-inflation relationship. The findings show that the direct and indirect effects of cultural norms on inflation are both significant and multilayered. In particular, the direct positive effect of the masculinity/femininity dimension on inflation and the negative moderation of this effect by migration highlights the intersection of culture and migration in economic behavior models.

Evaluation Based on Hypothesis 1 and Sub-Hypotheses

Hypothesis 1d: "In masculine societies, competition- and success-oriented consumption patterns increase inflation, while in feminine societies, solidarity, welfare priorities, and long-term behavior contribute to price stability."

In societies with high masculinity scores, individuals are known to exhibit more competitive, success-oriented, and material gain-based economic behaviors (Hofstede, 1980; Alesina et al., 1999). These structures increase consumption tendencies and borrowing tolerance, while simultaneously decreasing the tendency to save, thus laying the groundwork for demand-driven inflationary pressures.

This finding, when assessed at the microeconomic level through consumer theory, non-arbitrary preferences, marginal utility maximization, and the consumption-savings dilemma, leads to the conclusion that masculinity-oriented values cause individuals' intertemporal decision-making processes to deviate toward favoring present benefits over future ones. This, in turn, naturally increases overall demand and drives up inflation.

In cultures characterized by high masculinity, the emphasis on competition, material success, and status consumption intensifies individuals' susceptibility to the bandwagon effect, thereby amplifying inflationary pressures through increased aggregate demand driven by mimetic consumption behavior.

H1a, H1b, and H1c: The other cultural dimensions (PD, UA, IC) did not have a significant impact on inflation. This suggests that the economic effects of cultural dimensions do not operate in a unidirectional or mechanical way; rather, structural factors such as political stability, central bank independence, and fiscal discipline in countries may absorb cultural effects. Additionally, the influence of

cultural factors on the functioning of an economic system is largely shaped in conjunction with the institutional environment and market structures.

Interpretation of Hypothesis 2 and Moderating Effects

Hypothesis 2d: "Migration reshapes inflationary effects by transforming the consumption, saving, and competitive behaviors of masculine or feminine cultures."

This result is quite striking. On one hand, masculine values increase inflation, while on the other hand, migration moderates this effect negatively and significantly. From a microeconomic perspective, this contradiction can be explained by the integration of migrants into the labor market, their impact on wage levels, and their contribution to consumption dynamics.

When migrants are integrated into the labor market as low-wage workers, they have the potential to increase aggregate supply, thereby reducing costs and limiting inflation (Borjas, 1995). However, this situation can result in lower demand pressure due to the interaction of migrant groups with masculine cultural norms that tend to spend more, and feminine economies with more restrained consumption patterns. Thus, while migrants may not directly increase inflation, their behavioral and cultural impacts on the economic structure play a moderating role, softening the inflationary effects of masculine values.

In societies with high masculinity levels, individuals tend to follow collective consumption behaviors in response to inflation, reinforcing price increases through the bandwagon effect; however, the moderate and negative effect of migration mitigates this tendency by fostering more balanced and solidarity-oriented spending patterns associated with feminine values

This finding shows that cultural assimilation processes function not only as a sociological mechanism but also as an economic regulatory tool.

Hypothesis 2b: "Migration reshapes the perception of risk in high uncertainty-avoidant societies, thereby moderating its effects on inflation."

Societies with high uncertainty avoidance levels tend to prefer stable monetary policies and low volatility (Alesina & Summers, 1993). These societies are sensitive to government intervention, tight monetary policies, and regulations to ensure economic stability. In such societies, demand may be more controlled, as high uncertainty often leads to delayed or constrained spending (Furnham, 1997). Although migration can act as an external shock to these systems, the cultural norms brought by migrants can either expand or limit the economic tolerance of the established systems.

When analyzed at the microeconomic level, migrants' cultural impact on risk perception, liquidity preferences, and expectations curves alters individual decision-making processes, thereby affecting total demand and investment trends in the market. Therefore, migration can moderate inflation by balancing trends that either align with or contradict the pursuit of price stability.

In high uncertainty avoidance cultures, individuals are more likely to engage in herd-like consumption under inflationary stress, intensifying the bandwagon effect; however, migration exerts a moderate negative influence by introducing diverse risk perceptions and adaptive consumption behaviors that temper this inflation-amplifying dynamic.

Hypotheses 2a and 2c were not supported.

The lack of significant evidence that migration moderates the effects of power distance and collectivism suggests that these cultural dimensions play a more indirect and long-term role in inflationary mechanisms. Additionally, the fact that migrants' differences in these two cultural dimensions do not directly translate into economic behavior that would influence the labor market can explain this outcome.

6. CONCLUSION

This study, using a microeconomic-based approach, has analyzed the effects of cultural dimensions

on inflation while examining the moderating role of migration in this relationship from a multidimensional perspective. The findings support some of the hypotheses derived from Hofstede's (2001) cultural dimensions theory, particularly highlighting the significant negative moderating effect of migration in the relationships between uncertainty avoidance (UA) and masculinity/femininity (MF) dimensions and inflation. These findings provide a unique framework that explains not only the relationship between culture and inflation but also the impact of migration on macroeconomic indicators through cultural norms.

Societies with high levels of uncertainty avoidance may exhibit more stable consumption and saving tendencies as a result of risk-averse individual behaviors. This, in turn, reduces marginal consumption propensity at the micro level, thereby decreasing the pressure on aggregate demand; thus, an economic structure may emerge where demand-driven inflation is contained (Hofstede, 2001; Dutta, 2011). On the other hand, in societies with low levels of uncertainty avoidance, innovation, entrepreneurship, and consumption desire may be more dominant. These tendencies lead individuals with a high tolerance for uncertainty to adopt more aggressive investment and consumption strategies (Furnham, 1997).

Immigrants coming from cultures with low uncertainty avoidance norms may emerge as a factor that increases inflationary pressures in the host society. However, the analysis findings indicate that this relationship is reversed, meaning that migration negatively moderates the relationship between uncertainty avoidance and inflation ($p<0.01$). This suggests that the process of immigrants adapting to the rules and norms of societies with high uncertainty avoidance levels results in stable inflation rates at the macro level (Berry, 1997; Harrison & Huntington, 2000). At the same time, the uncertainties immigrants experience during their economic integration process may make their consumption and saving behaviors more cautious. This, in turn, may dampen the expected increase in aggregate demand (Borjas, 1995). Thus, H2b hypothesis is significantly supported.

Masculine cultures, emphasizing values such as success, power, and competition, have the potential to increase consumption tendencies and risk-taking behaviors in the economic realm. In this context, from a microeconomic theory perspective, in societies dominated by masculine norms, individuals' subjective utility functions are shaped in a way that encourages consumption focused on status and success. This shifts the consumption function to the right, creating an upward effect on the general price level (Becker, 1976; Hofstede, 2001). As a result of the analysis, this relationship was found to be statistically significant ($p<0.05$) and positive. This finding supports H1d hypothesis.

However, it is noteworthy that this direct positive effect is reversed with the presence of migration. The migration variable plays a statistically significant moderating role in this relationship, with a negative direction and a high level of significance ($p<0.001$). This supports H2d hypothesis and can be interpreted from a microeconomic perspective as follows: The integration of immigrants from masculine cultures into established feminine societies may create imbalances in consumption patterns, particularly in the early stages. This increase in consumption may lead to price pressures in the short term. However, the inclusion of immigrants in low-wage labor can reduce production costs and alleviate supply-side inflationary pressures (Ortega & Peri, 2012). Additionally, in societies dominated by feminine norms, the strength of social policy implementations can facilitate faster integration of immigrants, thereby increasing the capacity to buffer consumption shocks (Schwartz, 1999).

According to the regression analysis findings, neither the power distance (PD) nor the individualism/collectivism (IC) dimensions had a significant effect on inflation or their interaction with migration. This result suggests that individuals' perceptions of hierarchy or individual/collective preferences may have an indirect and weak impact on macro-level price dynamics such as inflation. Indeed, Hofstede's studies also emphasize that these dimensions primarily affect areas such as political trust, organizational structure, and decision-making processes; their relationship with direct economic indicators is context-sensitive (Hofstede, 2001; Treisman, 2000).

Policy Recommendation

The findings of this study highlight the importance of comprehensively addressing the effects of culture and migration on inflation within the framework of microeconomic theory. In particular, the direct and indirect effects of uncertainty avoidance (UA) and masculinity/femininity (MF) dimensions on inflation align with the microeconomic foundations that shape consumer and producer behavior.

In societies with a high level of uncertainty avoidance, individuals' expectations for the future and their perception of risk tend to be more rigid. In these societies, consumption may be delayed, savings rates may increase, and this could reduce total demand in the short term, alleviating demand-side inflationary pressures (Furnham, 1997; Hofstede, 2001). However, the presence of excessive regulation and rigid institutional structures in the face of external shocks could reduce production flexibility and exacerbate supply-side inflationary pressures.

When immigrants from cultures with lower uncertainty avoidance (UA) levels integrate into such societies, conflicts may arise between their consumption and spending patterns and the structural behavior patterns of the host society. This conflict could lead to inflationary pressures at the macro level through mechanisms such as micro-level pricing decisions (firms' cost-passing behavior), labor supply (flexibility and productivity), and public resource allocation (infrastructure, healthcare, etc.).

On the other hand, masculine cultures tend to make individuals' motivations for consumption, investment, and work more competitive, while feminine societies lean towards social welfare, solidarity, and equal distribution. In societies with high masculinity, migration, coupled with an influx of low-skilled labor, can increase price competition in the labor market, leading to wage suppression and, indirectly, helping to control inflation (Schwartz, 1999). However, this situation could also increase societal conflicts due to cultural mismatches among immigrants, potentially harming productivity. At the micro level, adaptation costs in firms' production techniques and losses in labor productivity are linked to these cultural conflicts.

Policy makers should develop integrated approaches that consider microeconomic behavioral patterns and interactions in the labor market while managing cultural assimilation processes in migration. In countries with a high level of uncertainty avoidance:

• Institutional trust should be enhanced. Central bank independence, predictable monetary policies, and strategies based on price stability provide a more predictable economic environment for both the native population and immigrants (Alesina & Summers, 1993).

• Transparent and fair mechanisms for the integration of immigrants into the labor market should be established, which will reduce asymmetric information issues and productivity losses in the market (Stiglitz, 2002).

In countries with high masculinity levels:

• Competition should be increased, but at the same time, social cohesion policies should be strengthened. Policies focused solely on production and productivity may create an exclusionary effect on immigrants' labor force participation (Sen, 1999).

• Redistribution policies aimed at reducing income inequality could stabilize immigrants' consumption and savings tendencies. This would help manage demand shocks.

For economic actors, these findings necessitate the development of multi-layered strategies in practice:

• In labor-intensive sectors, flexible employment models should be implemented to enhance the productivity of the immigrant workforce and reduce informal employment.

• In societies with a high level of uncertainty avoidance, providing financial literacy and cultural awareness training for immigrants can rationalize individual spending, saving, and investment behaviors.

• Public investments in housing supply can reduce rental pressures and limit housing costs, which are a significant component of inflation. Especially in regions with high levels of immigration, social housing policies can increase price flexibility and make it easier to reach equilibrium prices.

• Firms should implement cultural awareness training and incentivizing leadership models for the effective use of the immigrant workforce. This approach can enhance productivity while reducing transaction costs (Coase, 1993).

• Sectoral incentive packages for small and medium-sized enterprises (SMEs) can integrate immigrant labor more productively and contribute to the more efficient functioning of market mechanisms.

This study presents important findings; however, there are also some limitations. First, incorporating all cultural dimensions could provide significant contributions to future studies. Additionally, due to the dynamic causal nature of migration, culture, and inflation, comparative studies conducted over different time periods may yield different results. The relationship between migration and inflation is also influenced not only by labor supply-demand balance but also by economic and social factors as well as government policies. Although inflation is a globally observed macroeconomic indicator, its measurement varies significantly across countries due to differences in the composition of consumer baskets, weighting methods, and data collection practices. These methodological divergences can lead to discrepancies in cross-national inflation comparisons, potentially affecting empirical findings in international studies. Lastly, research addressing the economic impacts of migration can yield varying results based on the cultural characteristics of both sending and receiving countries, as well as the reasons for migration. Therefore, the migration process should be considered as a multidimensional interaction.

In conclusion, within a framework where individual behavior patterns such as consumption, saving, risk perception, and labor supply are shaped by cultural norms, and these patterns change through migration, policy recommendations must be multidimensional and culture-based, rather than one-dimensional. In this context, integrating cultural dimensions into economic policies will form the foundation of strategies that ensure both economic efficiency and social harmony in a sustainable manner.

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