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ROLE OF CULTURE IN POLAND'S TRANSITION FROM THE PERIPHERY TO THE CENTRE OF THE GLOBAL ECONOMIC SYSTEM

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The goal of the authors of the article was to make an attempt to assess the role of culture in Poland's transition from the periphery to the centre of the global economic system. The study comprises a theoretical analysis of the correlations between economics and culture, the pros and cons of using GDP as an economic growth and social welfare indicator, the emergence and development of creative (cultural) industries and the process of building value systems based on cultural values (symbolic, ideal). To recapitulate the entire consideration, the authors have discussed three conclusions illustrating how culture may restructure the Polish economy, thus reducing the distance between Poland set in the periphery and the centre of the global economic system.

Keywords: culture, social capital, behavioural finance, advertising, architecture information society, human capital, investing in people, creativity.

Statement of problem. The centre-periphery theory, also known as the theory of dependency of development, was conceived in the 1960s in a circles of Latin American sociologists and economists as a result of multiple attempts to explain the relative economic backwardness of this continent [1].

R. M. Weaver believes that the most important property of the centre is the inherent integration of institutions, ideas and values, which relieves men from conflicts when, for instance, institutions are pushing them in directions other than those of values. If such discrepancy should occur, the centre disintegrates and becomes a periphery – a category representing a state of matters consisting in coexistence of pieces of truth and partial values, often internally contradictory. Therefore, the centre of contemporary economy is a set of institutions, cultural patterns and values relatively integrated based on the grounds of market economy, whereas the peripheries are areas lacking such integration [2].

The dependency theory (the centre-periphery theory) was developed in 1959 and then discussed by R. Prebisch in the article entitled «Commercial policy in the underdeveloped countries» published in the *American Sociological Review* [3]. According to Prebisch, the essence of dependency of development is that the form of and the manner in which economies of peripheral countries function are subordinated in satisfying the central countries' needs.

Analysis of recent papers. Poland is not in the centre of global economic system but rather belongs to its peripheries. However, it is to be clearly stated that Poland should be decreasing the distance between the periphery and the centre as Finland and South Korea did and as Brazil and China are intensively doing at the moment [4]. There is certainly no such thing as a universal recipe for the transition from the periphery to the centre of the global economic system. In this respect, one most usually speaks of innovations, investments in human resources, social capital and absorption of the scientific and technical development. In our opinion, a rapid transition from the periphery to the centre of the global economic system will depend on the culture.

Aim of the paper. The goal of this study is an attempt to assess the role of culture in such transformations of the Polish economy that would enable it to shift from the global economy periphery to its centre in a relatively rapid manner.

In order to complete that objective, one must first analyse the correlations between economy and culture, and then assess the emergence and development of creative industries perceived as carriers of structural transformations in the Polish economy, followed by an analysis of how to build a system of economic values enabling such a transition from the periphery to the centre.

Materials and methods. Correlations

between culture and economy. Culture is defined differently in various literary works. For the sake of the goal of this study, one may assume a working definition and describe culture as a body of material and spiritual goods, accumulated and passed from one generation to another, created by the given society[5]. David Throsby defines culture and art through a selection of cultural goods and services claiming that:

- a) their production requires people to be creative to a certain extent,
- b) they convey meaning or symbolic messages, and hence they are not exclusively utilitarian,
- c) they constitute, at least potentially, a certain form of intellectual property [6].

By consuming cultural goods, people are «rationally» becoming addicted to them, acknowledging their cultural value at the same time.

Having analysed the correlations between economics and culture, we believe that one should focus on the following matters:

A. The *homo economicus* concept by J. S. Mill. It is based on the assumption that a human being has a prearranged set of preferences, maximising what is pleasant and minimising what is unpleasant in their activity. This activity is performed in isolation from the historical, social and cultural context. We believe that in the 21st century, every activity undertaken by a man or a team is performed against a specific historical, social and cultural context, and in order to declare the activities of men to be rational and enabling formulation of predictive conclusions, the economic models and theories to be applied must entail the cultural context.

B. The rationality of economic management should be derived from culture and not from the *homo economicus* concept as perceived by J. S. Mill. What is effective, needed, required, reasonable, necessary and, last but not least, rational in human activity depends on the culture in which an individual was born and brought up. Obviously, culture as a component of social capital entails the relationships between individuals as well as between an individual and the society or between smaller groups within this society. It may be subject to

transformations and modifications, to end up with a complete changeover. However, it does not eliminate the impact exerted by culture on the man's activity.

C. The influence of culture on economic growth is a particularly important component of that growth, and yet there is no agreement among experts in various fields of expertise as to the «mechanics» of the culture's influence on economic growth. American writers tend to claim that culture does not affect the economy directly, but it does have an indirect effect on the economy via politics. The Chinese and Japanese, on the other hand, claim with one voice that culture exerts a direct impact on economic growth, which may be observed by analysing changes to GDP.

D. In times of the last international economic crisis, some novel concepts occurred assuming that GDP was not an appropriate indicator of economic growth. It is nothing new to the literature of the subject. The flaws of GDP as an economic growth or social welfare indicator are mainly the following ones:

- GDP does not entail time off;
- GDP does not include a consumer's pension;
- GDP comprises what is referred to demerit goods which do not increase but reduce the social welfare, e.g. cigarettes;
- GDP comprises pollution of man's natural environment [7].

The GDP indicator may be modified in various ways, or in order to measure social welfare, one may also apply different measures, e.g. the Wroclaw taxonomy. However, the studies of GDP conducted in 2011 in France under leadership of Joseph Stiglitz, a Nobel Prize winner, led to a conclusion that «although GDP does have various flaws as the economic growth indicator, it is still the best measure we have in disposal.» Studies conducted by the authors of this paper much earlier than those of Stiglitz's team confirm the foregoing argument.

E. Economics (microeconomics and macroeconomics) should formulate predictive conclusions, as already mentioned in point 1. If this prerequisite is not conformed with, economics will no longer be a science but a mere scientific reflection. Such a situation is only

possible when the paradigm of mainstream economics does not feature the following factors as the economic growth determinants:

- culture,
- social capital;
- behavioural finance;
- institutional framework of man's economic activity.

Creative industries.

Cultural goods and services may naturally become commodities, and hence they will obtain all the attributes of commodities, i.e. price, demand, fashion for the given commodity, habits and customs related to the commodity consumption. However, besides the economic value expressed through price, cultural goods also have the cultural value which may include the symbolic value or the ideal value. In this respect, it should be emphasised that as a result of a country's specific cultural policy, certain cultural goods or even most of them may be delivered to the society for free. In such a case, it would be very difficult to estimate their economic value, however, without a doubt, all such cultural goods would have their symbolic or cultural value as well as the ideal, informative, cognitive one etc.

In the year 1998, the British Department of Culture, Media and Sports published their first document entitled «Creative Industries Mapping» being a collation of maps of creative industries and a classification of enterprises which approached the sphere of art and cultural heritage in a completely new manner, comprising the following fields:

- advertising;
- architecture;
- art and antique market;
- video and computer games;
- craftsmanship;
- design;
- fashion;
- film;
- music;
- performance arts;
- books;
- software;
- television;
- radio [8].

What may be striking is that the forego-

ing list contained no museums or cultural monuments.

In this point of the consideration, it is worth stressing that the aforementioned creative industries form the creative economy being a factor or even a determinant of economic growth.

Much has been written and published about the notion of knowledge-based economy (KBE) where the factors determining the economic growth are both knowledge and information. Some other terms closely linked with KBE are:

- information society,
- human capital;
- innovation;
- investing in people;
- creativity.

The sphere of investing in people includes the impact exerted on a man of culture and cultural heritage, which involves the possibility of referring to the above described creative industries as industries of culture. Hence the creative economy complements KBE.

4. Value system building based on cultural values

Charles Hampden-Turner and Alfons Trompenaars from the Erasmus University in the Netherlands conducted a questionnaire survey in a group of 15,000 managers from various countries via the Centre for International Business Studies (CIBS) based in Amstelveen, the Netherlands. The main area of interest of the survey in question was mainly the involvement of business in the national welfare building, including the contribution of national cultures to the free market economy building in countries which refer to themselves as capitalist, such as the United States, the United Kingdom, Sweden, France, Japan, the Netherlands and Germany. All these countries may certainly be included into the centre of the global economic system. One should add further countries to this group, namely Australia, South Korea and Finland, and note that it is also being approached by China and Brazil. Other countries, including Poland, remain in the peripheries of the global economic system. Hampden-Turner and Trompenaars discussed their research in the book entitled «Seven Cultures of Capitalism:

USA, Japan, Germany, France, UK, Sweden, the Netherlands» published in Poland by the Wolters Kluwer Business publishing house (Warsaw, 2012, edition V, edition I published in 1993).

In their pursuit of the answer to the question in what way cultural values affect the choices made in the sphere of economy, the authors mentioned seven basic processes of evaluation without which enterprises contributing to the welfare creation could not exist, namely:

1. Establishing principles and discovering exceptions, or in other words, how does universalism (general principles) get along with particularism (exceptions);

2. Deconstruction and reconstruction – only an alternating, intellectual and physical process of analysis (deconstruction) and synthesis (combing elements in an entirety) can keep an enterprise in the state of permanent improvement and revival;

3. Managing individuals – reconciliation between the individualism of employees, shareholders as well as customers and the needs of the entire group and the enterprise, i.e. the whole system, where a balance of rights and obligations exists, both the society and the individual gaining mutual benefits;

4. Absorbing the external world – one must reconcile internal inspirations with the external ones;

5. Sequence synchronisation – in order for an enterprise to be first to penetrate the market, offering what the customer needs, it must establish a coherent system of successive sequences and synchronise them appropriately;

6. Picking the best – the capacity to create profit depends on the conformity between the position gained and the position the given employee (individual) has been assigned to;

7. Equal opportunities – fair competition is not possible without the involvement of top level officers and managers [9].

The aforementioned processes of evaluation and value system building are not entirely free of conflicts that should rather be thought of as the following dilemmas:

- universalism vs. particularism,
- analysis vs. synthesis,

- individualism vs. collectivism,
- inner direction vs. other direction,
- sequentiality vs. synchronicity,
- attaining status vs. assigning status,
- equality vs. Hierarchy [10]

It is but a cultural fact that in each of the above pairs, one of the elements is valued higher; for instance, in USA the focus is on individuality, whereas in Japan it is the collectivism that matters most. Therefore, the authors reached a conclusion that the capitalist cultures to prove successful within a century will be those that attain homeostasis (equilibrium) of seemingly opposite values.

Conclusions. The purpose of the article was to make an attempt to assess the role of culture in Poland's transition from the periphery to the centre of the global economic system. It was the authors' intentional effort not to have analysed the relations between culture and the Polish economy but to focus on discussing this matter with reference to other countries. At this point of the considerations, we can formulate specific conclusions stating what the Polish economy should actually strive for in order to shift from the periphery to the centre of the global economic system.

1. Structural transformations of the Polish economy cannot be accomplished without changing the Polish society's mentality in the attempt of which culture may play a significant role. At the current stage of the Polish economic growth, it seems reasonable to focus on developing attitudes corresponding to a situation when – like in Japan or China – culture exerts a direct influence on the economic growth. The contribution (share) of a broadly understood service sector in the Polish GDP generation has already reached the level of 67% which raises hope that the distance between Poland and the centre of the global economic system will keep decreasing.

2. Poland is a country striving to catch up with the global economic system and hence we make use of worldwide scientific achievements. Within the recent years, Poland has proved the spillover effect (dissemination of technology) to have taken place, consequently leading to increasing labour efficiency, being constant for ca. 20 years.

Furthermore, even in the most critical years of 2009–2012, Poland reported an increase in the value of foreign direct investment which was being translated into numerous outcomes including a growth in the sphere of the Polish society's technical culture and increasing demand for technological university studies among Poles of the young generation.

3. There are no development barriers observed in Poland as regards creative economy and culture industries. Poland witnesses the concepts of knowledge-based economy and information society being implemented in a fully conscious manner.

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Досліджено роль культури в процесі переходу Польщі з периферії до центру глобальної економічної системи. Встановлено зв'язок між економікою і культурою, визначено плюси та мінуси використання ВВП як основного індикатора економічного зростання й добробуту суспільства. З'ясовано закономірності виникнення й розвитку творчих (культурних) галузей, а також процесів побудови системи цінностей на основі культурних значень. Оцінено можливості й окреслено напрями реструктуризації польської економіки на шляху її наближення до центру глобальної економічної системи.

Ключові слова: культура, соціальний капітал, людський капітал, валовий внутрішній продукт, інвестиції в людину, творчі індустрії, культурні цінності.

Исследована роль культуры в процессе перехода Польши с периферии в центр глобальной экономической системы. Установлена связь между экономикой и культурой, определены плюсы и минусы ВВП как основного индикатора экономического роста и благосостояния общества. Выявлены закономерности возникновения и развития творческих (культурных) отраслей, а также процессов построения системы ценностей на основе культурных значений. Оценены возможности и намечены направления реструктуризации польской экономики на пути ее приближения к центру глобальной экономической системы.

Ключевые слова: культура, социальный капитал, человеческий капитал, внутренний продукт, инвестиции в человека, творческие индустрии, культурные ценности.

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