# **JAIST Repository**

https://dspace.jaist.ac.jp/

Title	Europe from a point of view of economic-cultural orientations (Position paper)
Author(s)	Tjaša, Živko
Citation	
Issue Date	2005-11
Туре	Conference Paper
Text version	publisher
URL	http://hdl.handle.net/10119/3972
Rights	2005 JAIST Press
Description	The original publication is available at JAIST Press http://www.jaist.ac.jp/library/jaist- press/index.html, IFSR 2005 : Proceedings of the First World Congress of the International Federation for Systems Research : The New Roles of Systems Sciences For a Knowledge-based Society : Nov. 14-17, 2181, Kobe, Japan, Workshop, Session 4 : he New Roles of Systems Sciences for a Knowledge-based Society



Japan Advanced Institute of Science and Technology

# Europe from a point of view of economic-cultural orientations (Position paper)

dr. Tjaša Živko

University of Maribor, Faculty of Economics and Business Razlagova 14 SI - 2000 Maribor, Slovenia tjasa.zivko@uni-mb.si

#### ABSTRACT

EU member states are in the process of convergence, especially in the economic sense, which is being supervised by the Maastricht convergence criteria before entering the European monetary and economic union. Many speculations have been made, that the European cultures are converging as well. But is this really the case? Are EU member states becoming "one big happy European family" in cultural perspective? We tried to solve this puzzle by using empirical evidence in (economic)-cultural and economic context. In our research we have combined soft variables with hard economic indicators. By analyzing the database European Values Study 1999/2000 and World Values Survey 1990/1992 we selected 16 cultural and 5 economic-cultural variables (identical in both, thus suitable for comparison). They were compared on a national level for 22 European countries (12 old EU member states, 8 new EU member states and 2 candidate countries).

**Key words:** economic-cultural orientations, economiccultural convergence, EU

## **1. THEORETICAL BACKGROUND**

Systemic (= holistic) thinking promotion is a crucial intention of the European Union (EU), partly in documents about innovation promotion, partly in others. It is supposed to become an integral part of the European prevailing culture. Therefore the integration processes in Europe matter a lot.

The most intense integration processes are taking place in the European space in the framework of the EU. Though, with the May 1, 2004 ten new member states from Central and Eastern Europe entered this union. This generally implies, that the formal conditions of EU membership have been met [1], on the other hand the informal convergence processes are still taking place [2]. The latter are of key importance for the longterm functioning of the EU and for its successful coping with the future challenges [3] [4] [5]. The cultural factors, at least in the recent years in models, explanations and in studies of growth success, international competitiveness, economic growth and development, have gained on significance [6] [7] [8]. The process of economic convergence is developing faster in comparison to cultural orientation one [9] [10]. Due to lack of conceptual and time-comparing research approach, which would holistically combine the cultural convergence, economic-cultural convergence and economic efficiency, we decided to take on the challenge.

After a thorough analysis of the databases [11] [12] [13] and the research approach, we empirically studied the (economic)-cultural orientations. When drafting the empirical model, we leaned on the contemporary empirical research done by culturologists Hofstede [14] [15], Apfelthaler [16], and Inglehart [17] [18] [19], where values are playing the central part in cultural orientations.

#### 2. EMPIRICAL FINDINGS

In an extensive empirical analysis we studied the process of cultural convergence on the basis of 16 cultural variables of 22 European countries, while leaning on Hofstede's five cultural dimensions. We compared the cultural orientations of the European countries regarding EU membership status as well as their religious denomination. The economic-cultural orientations of the European countries were then computed with asserted mathematical-statistical methods from time-comparison viewpoint, religious denomination, EU membership status and selected economic indicators.

In the 10-year time period big and small changes in (economic)-cultural orientations occurred; on the average the countries progressed from (economic)-cultural point of view. The market economy created conditions, which demand an individual to take responsibility for him- or herself. Most of the studied European citizens also believe that privileges are unacceptable and they are in favour of social equality.

More or less united opinion of the Europeans, that tax evasion is inadmissible, does not reflect in real life, due to different percentages of grey economy in the GDP of the studied countries.

The communist regime had propagated social equality and social non stratification, but in reality fortified its opposite (which was also inherited): perception and recognition of social hierarchy is in the transition countries higher than in the developed Western European countries. Despite this, the transition countries are developing in the direction of the developed ones, they are catching up. The old EU member states, in the studied time period, did not drastically modify their (economic)-cultural orientations, whereas they gained on social welfare. We observed positive (economic)-cultural changes in most transitions countries.

The cultural diversity on its own is not an obstacle for the introduction and enforcement of modern social structures in Europe, at least the democratic ones. In any case the existence of common cultural core is welcomed. The latter is present in Europe: the level of homogenization of the cultural value orientations is in the year 1999 higher than in the year 1990. Hopefully this will include systemic thinking soon.

## REFERENCES

[1] ECB – European Central Bank. (2000). Convergence report 2000. [Online] Available: http://www.ecb.int/pub/pdf/conrep/cr2000en.pdf.

[2] Höhmann, H.-H. 1999. Eine unterschätzte Dimension – Zur Rolle wirtschaftskultureller Faktoren in der osteuropäischen Transformation. Bremen: Edition Temmen.

[3] Botir, Valiev. (2000). The role of economic culture in social progress. [Online] Spiritual Values and Social Progress, eds: Shermukhamedov and Levinskaya. Available: <u>http://www.crvp.org/book/Series03/IIIC-1/chapter\_xii.htm</u>.

[4] Di Maggio Paul. 1994. Culture nad Economy. In The Hanbook of Economic Sociology, eds: Smelser and Swedberg. New York: Princeton University Press.

[5] Franzen, Wolfgang. 1999. Osteuropäische Wirtschaftskultur im Spiegel der Meinungsforschung. In Eine unterschätzte Dimension? Zur Rolle wirtschaftskultureller Faktoren in der osteuropäischen Transformation, ed. Höhmann. Bremen: Edition Temmen.

[6] Berger, Peter L. 1986. The capitalist revolution: fifty propositions about prosperity, equality and liberty. New York: Basic Books.

[7] Barro, J. Robert and McCleary, Rachel. (2003). Religion and Economic Growth. [Online]. NBER Working Paper. Available: http://www.nber.org/papers/w9682.

[8] Welzel, C., Inglehart, R. and Klingemann, H.-D. (2002). Human development as a theory of social change: a cross-cultural perspective. [Online] Available:

http://wvs.isr.umich.edu/papers/KRISEJPR.pdf.

[9] EC – European Commission. (2002). Real convergence in candidate countries – Past performance and scenarios in the pre-accession economic programms. [Online] European Commission, ECFIN – Economic and financial affairs. Available: http://europa.eu.int/comm/economy\_finance/publications/enlargement/2002/conv161101en.pdf.

[10] UN – United Nations. (2002). Catching up and falling behind: Economic convergence in Europe. In Economic survey of Europe 2000, ed. Economic Commission for Europe, Geneva. Available: http://www.unece.org/ead/pub/001/001\_5.pdf.

[11] Inglehart, Ronald, et al. 2000. World values surveys and European values surveys, 1981–1984, 1990–1993, and 1995–1997 [data file]. ICPSR version. Ann Arbor, MI: Institute for Social Research [processing]. Ann Arbor, MI: Inter-university Consortium for Political and Social Research [distribution]. Ljubljana: Arhiv družboslovnih podatkov.

[12] World Values Survey. (2004). World ValuesSurvey.[Online]Available:http://www.worldvaluessurvey.org/.

[13] Inglehart, R., Basánez, M. and Menéndez Moreno,

A. 2001. Human Values and Beliefs: a Cross-cultural Sourcebook. The university of Michigan press.

[14] Hofstede, Geert. 1991. Cultures and Organizations: Software of the Mind. New York: McGraw-Hill.

[15] Hofstede, Geert. 2001. Culture's consequences: comparing values, behaviours, institutions, and organizations across nations (2nd ed.). London: Sage.

[16] Apfelthaler, Gerhard. 1999. Interkulturelles Management. Wien: Manz Verlag.

[17] Inglehart, R. and Baker, W. E. 2000. Modernization, Cultural change and the Persistence of Traditional Values. American Sociological Review 1: 19-52.

[18] Inglehart, Ronald and Norris, Pippa. (2003). The true clash of civilizations. Foreign Policy March/April: 67–74. [Online] Available: http://wys.isr.umich.edu/papers/FornPol2.pdf.

[19] Inglehart, Ronald. 1997. Modernization and postmodernization: cultural, economic, and political change in 43 societies. New Jersey: Princeton University Press.