

СЕКЦІЯ 2. МІЖДЕРЖАВНІ СТАТИСТИЧНІ ЗІСТАВЛЕННЯ

IN SEARCH FOR CULTURAL DETERMINANTS OF ECONOMIC DEVELOPMENT - THE CASES OF POLAND AND UKRAINE

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Introduction

For the predominant part of the history of economic thought culture was absent from economic analysis despite the early classical view [Smith 1759; Mill 1843; Marx 1859; Weber 1905]. In the face of the apparent inability of the prevailing economic paradigm to explain for disparities of economic development in the world as well as the parallel advancement of economic methodology and general interest in interdisciplinary approach in search for solutions, the second half of the 20th century brought a revival of interest in culture as an element of economic development. Culture and value-focused interpretation of economic development were noted as, among many others, critical factors determining the vast disparities in levels of economic development among the world's countries [*inter alia* Banfield 1958; Fukuyama 1995; Harrison, Huntington 2000; Hofstede 1991; Landes 1998; North 1990; Putnam 1993; Trompenaars, Hampden-Turner 1998]. In this sense, shared values, norms, beliefs and worldviews became crucial ingredients of culture-induced perception of economic development. They, in turn, either enhanced cooperation among the market and social actors [Wimmer 2013], and thus denoted as catalysts of economic development, or hindered cooperation in the market game [Coleman 1990] and became its inhibitors. Values, when generally accepted among members of a given community or country, become particularly important with regard to country and regional development. They make a critical socio-cultural pool of interdependencies in the form of developed routines, shared norms and trust that foster, or hinder *interactive processes and mutual understanding in the transmission of information and knowledge* [Fischer 2002 p.25]. These seemingly non-productive ideas, i.e. shared social values, interact with the productive economic sphere and affect the long-run economic development [Kim, Lee 2015].

Culture as a set of shared values

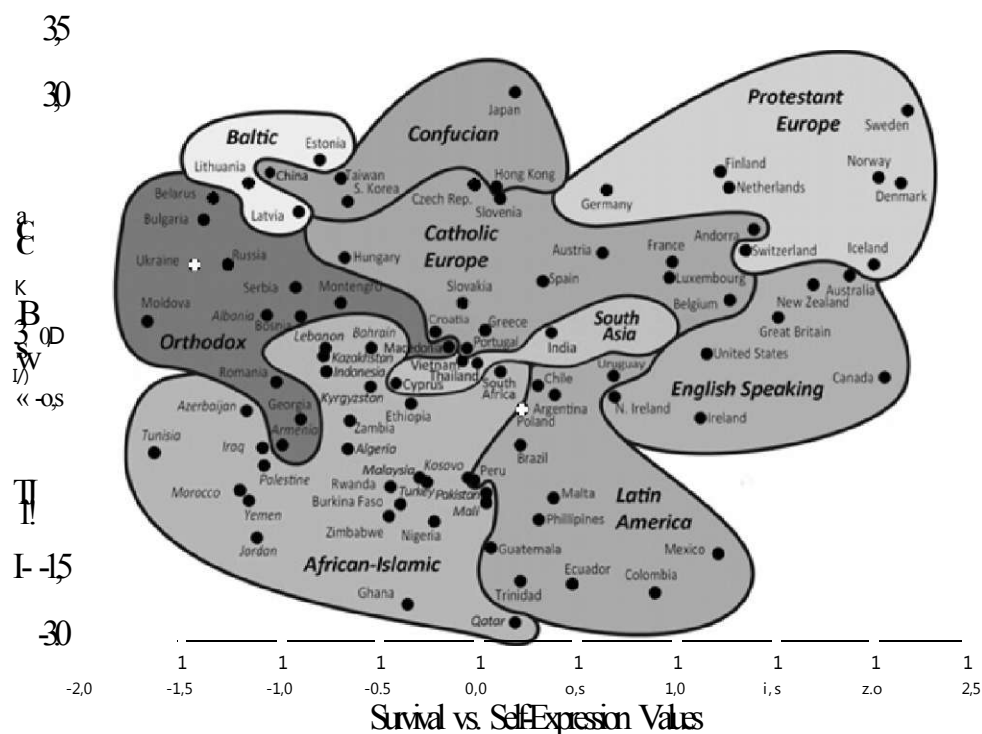
A number of models have been established to determine how values accepted in a given society affect its market interactions, and thus the role they play in economic development [Hofstede 1991¹; Trompenaars, Hampden-Turner 1998²; Grondona

¹ Hofstede distinguished five value dimensions: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, and long- vs. short-term orientation.

² They proposed a matrix of seven cultural factors, i.e. shared values, to account for the discrepancies determined along the criteria of universalism vs. particularism, analyzing vs. integrating, individualism vs. communitarianism, inner- vs. outer-directedness, time as sequence vs. time as synchronization, achieved vs. ascribed status, and equality vs. hierarchy.

2000¹]. However, the most advanced and systematic analysis of values and beliefs and their impact on the level of economic, social, political and civic development has been performed by Inglehart and Welzel [2015] who used the data of the World Values Survey. Their analysis demonstrates two major dimensions of cross-cultural discrepancy in the world built along two continua between traditional and secular-rational values on the one hand, and survival and self-expression values on the other:

- *traditional values* are those which stress religion, family ties and values and, respect for authority. Consequently, divorce, abortion, euthanasia and suicide are not approved of by members of these societies who also tend to demonstrate nationalistic worldviews;
- *secular-rational values* place emphasis on the opposite preferences compared to traditional values. Hence, religion, traditional family values and authority are less revered; on the other hand divorce, abortion, euthanasia and suicide are considered moderately acceptable;
- *survival values* draw attention to economic and physical security. This worldview tends accept a relatively ethnocentric outlook and low levels of trust and tolerance;
- *self-expression values* give precedence of environmental protection, growing tolerance of foreigners, gays and lesbians and gender equality over any other values. An important feature of this set of values is support for participation in decision-making in economic and political life.



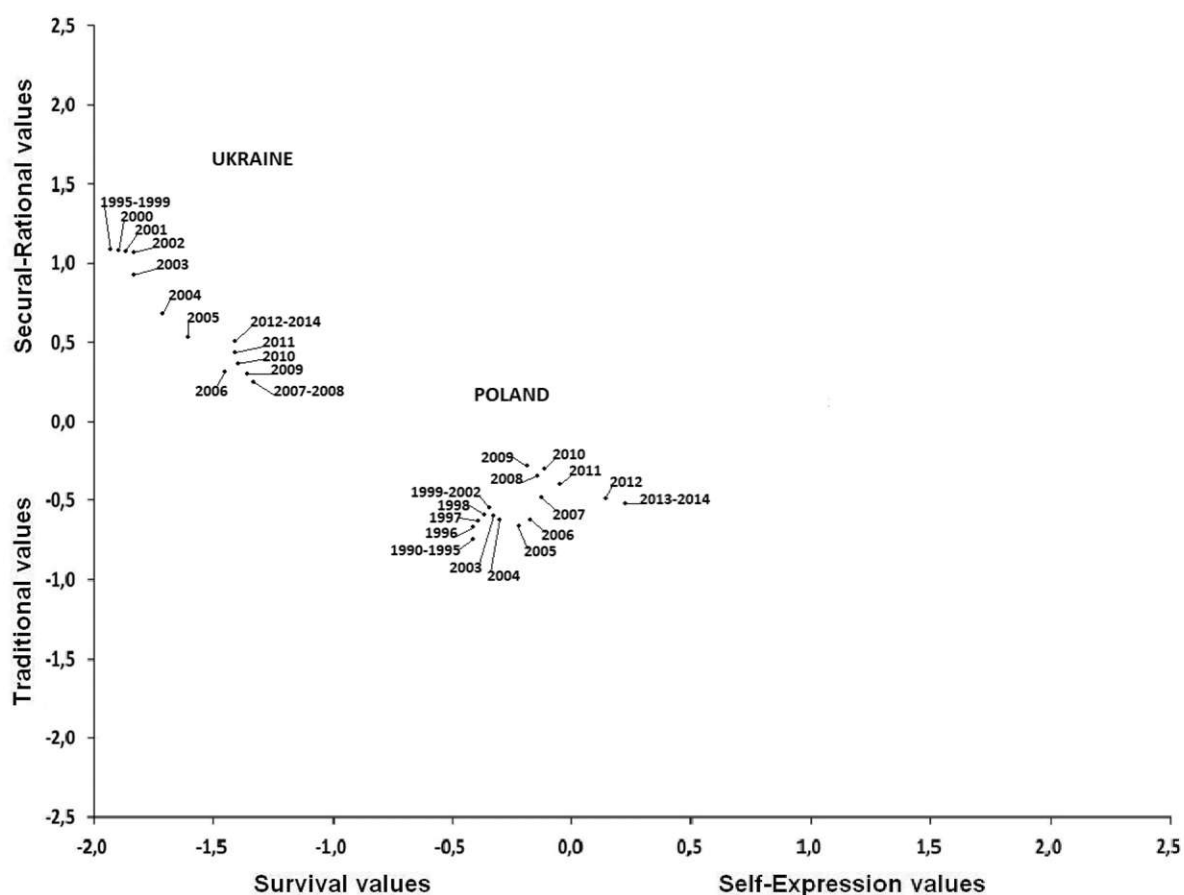
Picture 1. Cultural map of the world - World Values Survey, wave 6 (2010-2014)
 Source: World Values Survey [Inglehart, Welzel 2015]

¹ Grondona set up a model of twenty contrasting cultural factors: religion, trust in the individual, the moral imperative, two concepts of wealth, two views of competition, two notions of justice, the value of work, the role of heresy, education/brainwash, the importance of utility, the lesser virtues, time focus, rationality, authority, worldview, life view, salvation from or in the world, two utopias, the nature of optimism and two visions of democracy.

Cumulative shifts in values

The general finding stemming from observation of the changes in value indexes across the world is that as a country moves from development country via industrialization to post-industrial knowledge society and its standard of living increases, it tends to move away from the traditional and survival values (the bottom-left corner indicating underdeveloped/poor countries) to towards more secular and self-expression values (the top-right corner indicating developed/rich countries). In terms of the values score, it denotes an increase in the -2,5/2,5 range in both continua (axes). The survey also confirms general trends implied by the modernization theory which holds that socioeconomic development is linked with coherent and, to some extent, predictable changes in culture as well as political life [Inglehart, Welzel 2005 p. 19]. In this respect, the WVS data seems to confirm that main preposition of the theory.

Picture 1 reveals some interesting shared characteristics among groups of countries. With reference to Poland and Ukraine, the two countries have been assigned in different parts of the graph: the placement of Poland in the central part of the chart demonstrates that values cherished by the Polish tend to be much more neutral with regard to both dimensions with a slight tendency to favor traditional (inhibiting economic development) and self-expression values (fostering development) , whereas the Ukrainians (far upper left side of the diagram) demonstrate a much more inhibitory survival and development-catalyzing secular-rational values. Even more differences in values and culture between the countries are revealed when we contrast the paths of value changes between the subsequent years and waves of the survey (the previous graph denotes the value indexes for wave 6 of the WVS only).



Picture 2. Paths of value changes in Poland (1990-2014) and Ukraine (1995-2014)
 Source: Own calculation based on the World Values Survey results
 [Inglehart, Welzel 2015]

With reference to Picture 2 we can conclude that in the survey years both Poland and Ukraine generally shared a tendency to nurture self-expression values which are conducive to economic development. However, each country followed a unique path demonstrating its own strengths and weaknesses. In the case of Ukraine, we can observe basically two stages of the values shift: in the first, between 1995 and 2008, the Ukrainian society became much more oriented towards traditional values (at the cost of secular-rational values) with generally less emphasis on survival values; in the period 2008-2014, Ukrainians became more secular and rational oriented. Generally, in years 1995-2014, Ukraine became less survival, more self-expression-prone, and less secular-rational (more traditional) society. As for Poland, the whole survey period is characterized by much more value fluctuations resulting in less coherent and steady movement pattern. In the first stage, 1990-2009, the Polish generally evidenced more support for secular and rational values and simultaneously placed more emphasis on self-expression values. Between 2009 and 2014 they became even more tolerant, yet they became a little more traditional at the cost of secular and rational values. Generally, in years 1990-2014, Poland moved towards the "rich corner" of the grid becoming more oriented towards self-expression and secular-rational values.

Table 1.

Indexes of support for Traditional (T) v. Secular-Rational (SR) and Survival (S) v. Self-Expression (SE) values in Poland and Ukraine according to WVS (1989-2014)

Year	Poland		Ukraine	
	Values Index		Values Index	
	T(-2,5)- SR(2,5)	S(-2,5)- SE(2,5)	T(-2,5)- SR(2,5)	S(-2,5)- SE(2,5)
1990	-0.74	-0.41	n/a	n/a
1991	-0.74	-0.41	n/a	n/a
1992	-0.74	-0.41	n/a	n/a
1993	-0.74	-0.41	n/a	n/a
1994	-0.74	-0.41	n/a	n/a
1995	-0.74	-0.41	1.11	-1.96
1996	-0.68	-0.41	1.11	-1.96
1997	-0.64	-0.37	1.11	-1.96
1998	-0.60	-0.36	1.11	-1.96
1999	-0.56	-0.35	1.11	-1.96
2000	-0.56	-0.35	1.10	-1.92
2001	-0.56	-0.35	1.08	-1.88
2002	-0.56	-0.35	1.08	-1.84
2003	-0.61	-0.33	0.93	-1.85
2004	-0.64	-0.30	0.70	-1.73
2005	-0.68	-0.23	0.55	-1.62
2006	-0.64	-0.17	0.33	-1.47
2007	-0.49	-0.13	0.27	-1.33
2008	-0.36	-0.14	0.27	-1.33
2009	-0.29	-0.12	0.30	-1.38
2010	-0.31	-0.17	0.38	-1.40
2011	-0.40	-0.07	0.48	-1.41
2012	-0.49	0.16	0.53	-1.40
2013	-0.53	0.25	0.53	-1.40
2014	-0.53	0.25	0.53	-1.40

Source: World Values Survey [Inglehart, Welzel 2015]

Moreover, we can observe that despite the movements on the grid as resultant from the shifts of values cherished by countries, they do tend to remain in the same relative (against each other) position on the value grid and remain in the same country grouping. This certainly is the case with Poland and Ukraine. The general trends concerning direction of changes in the values cherished by the countries' societies, which already been noted above, are demonstrated by Table 1.

Conclusions

Cultural capital in the form of values has come to be recognized as an important factor of economic development. This fact has important implications for the international and economic policy planning. Despite of all the differences between patterns of economic development and social support for different values, as Poland and Ukraine continue to strive to increase their levels of economic development, they should make use of the common pool of values as their cultural capital in order to gain comparative advantage while dealing with other countries of the world. In the globalized world, where it is important to use *all* possible resources, the cultural capital of common worldviews and values is not to be missed out on particularly with regard to international cooperation. On the way to economic development both Poland and Ukraine have some lessons to do: on the one hand, Poland and Ukraine share quite traditional worldview; on the other, we have a lot learn from one another: the Polish could benefit from more rational approach, while the Ukrainians would be better off if they placed more emphasis on tolerance and other self-expression values. Anyway, one thing seems unquestionable, making use of cultural capital could render notable economic benefits for the cooperating countries and potentially enhance the regional and international development. Poland and Ukraine are examples of developing countries whose cultures, shared pool of common values and mutual cultural interaction can effectively help bridge cultural and economic gaps and capture the countries' share of the global economic growth.

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РОЗВИТОК СТАТИСТИЧНИХ СТАНДАРТИВ МВФ ЯК ЧИННИК ГЛОБАЛЬНОЇ ФІНАНСОВОЇ СТАБІЛІЗАЦІЇ

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Основною тенденцією розвитку світової фінансової системи є прискорення процесів глобалізації, що, окрім очевидних переваг, спричиняє посилення нестійкості. Ця тенденція пояснюється накопиченням у світовій фінансовій системі різноманітних дисбалансів, сукупний вплив яких зумовлює підвищення загальносистемного ризику виникнення збоїв у функціонуванні цієї системи (фінансових криз), здатних дестабілізувати також і реальну економіку [1, с. 25].

Дослідження доводять, що одним із вагомих чинників забезпечення глобальної фінансової стабільності має стати міжнародне співробітництво та обмін інформацією. Взаємодію може полегшити встановлення єдиних стандартів діяльності, міжнародний моніторинг ключових фінансово-економічних показників тощо. Очевидно, що у підвищенні ефективності такої співпраці значущу роль мають відігравати міжнародні організації [2, с. 20].

Після світової фінансової кризи 1994-1995 рр. з'явилося усвідомлення того, що точні, повні та своєчасні дані мають вирішальне значення для ухвалення обґрунтованих фінансово-економічних рішень. За відсутності якісних даних керівники підприємств не мають можливості розпізнавати нові тенденції і сигнали про небезпеку, а національні директивні органи - ефективно керувати.