

**THE CULTURAL ORIGINS OF THE ECONOMICAL
DEVELOPMENT – BACKGROUND AND IMPLICATIONS FOR THE
FUTURE**

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Philosophical and Methodical Issues

Culture is everything that is created mentally and manually or it is in the process of creation by people. People make efforts to create the environment that they want. Later, after they have succeeded in doing it, they make efforts to adapt themselves to this created environment. Nowadays, changes in the environment are so dramatic that more time and effort is necessary for adaptation. At the same time, the economical results during this time of adaptation are less efficient.

Overall objective: to present the problem of cultural peculiarities and adaptability of the Baltic and other Central and Eastern European countries for the economical development in the market economy environment.

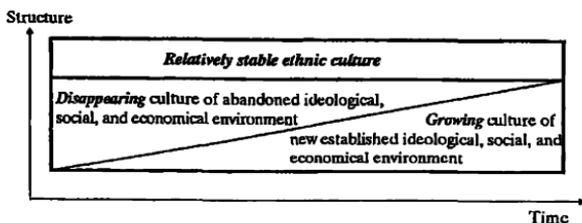
Approaches. Two different approaches are used in the process of research.

The first approach is based on the recognition that attitudinal and behavioral phenomena can be unique to a particular ethnic culture and best understood in comparable research.

The second approach is primarily concerned with identifying and assessing attitudinal and behavioral identities in the so to say post-communistic countries, this type of culture deriving from the former communistic ideology, and the social and economical and the system.

Consequently, two major types of cultural origins of the differences in the economic development should be encountered: *firstly*, differences determined by ethnic variety; *secondly*, differences deriving from the social and economical system. In the integrated world however ethnic cultures coexist together with the culture which originated from the bases of the existing ideological, social, and economical system, and influence the further economical development. The culture that derived from the social and economical bases is less stable and tends to adapt oneself to the new created environment.

Structure and Alteration of Culture



There are four basic problems to establishing a new economical environment based on market relations and marketing concepts: the reconstitution of private ownership of the property which was nationalized during the Soviet period; the privatization of the state property which was created in the Soviet period; the initiation of local private capital investment; the creation of reliable and attractive conditions and systems of promotion investments of foreign capital in Lithuania.

Background

The roots of many social, political, economical, and psychological problems in post-soviet countries in many aspects derive from the consequences of long-lasting soviet experiment. That is why it is impossible to comprehend and explain many present-day social and psychological phenomena without a study of long-lasting soviet experiment. Some aspects of this particular scientific problem can be revealed and explained only at present time and by people of our generation.

The question is; what are the specific differences and difficulties in the social and economical development and is here they are found in the post-soviet countries?

Since 1917 there was an attempt made in the group of countries to create a new type of culture and social system. The collapse of the Soviet Union has changed the shape of the world. The countries which kept a very strict orientation towards the creation of the Soviet-type society chose the re-creation of market structure and market relations. The experience of these countries, however because of the heritage based on a

Soviet-type of education, the experience of practical activities, psychological attitudes, the economical infrastructure and conditions, left a heavy imprint for the coming culture. It creates obstacles for the development of both internal and external economical systems based on market relations.

The results of the investigation of the economy and ecology which I carried out between 1987–1990 show that the Centrally planned economy of the former USSR in comparison with the liberal economies of other countries:

- (1) used natural resources more quantitatively than effectively,
- (2) produced more intermediate industrial products,
- (3) could not produce products of necessary quality and quantity responding to the needs of its own population [1].

Examples can also be found when the social and economical system has made a stronger influence on the development of the country than ethnic originality has, for example, in East and West Germany.

It is also necessary to point out that the recent development of the countries of the former centrally planned economy was and still is under the influence of the heritage of the former social and economic system. The national specificity of the business environment in these countries is also dependent on the influence of the Homo Sovieticus mentality.

The liberalization of society of post-Soviet Lithuania in the initial phase has resulted in growth activity and initiatives of individuals in several sequential directions: political activities for independence. (Universal enthusiasm + Sacrificing); political activities for the power and position in the structure of independent state (naive dilettantism + + political and pseudo-patriotic speculations + self-preservation + + ambitions + selfishness); struggle for the ownership of state property (aggressiveness + selfishness + business ideas); efforts and activities to make money and for the accumulating property in the vague environment (business ideas + initiatives + aggressiveness + performance); the starting of performance businesses in the growing competitive market environment (business ideas + performance + demand of earnings and making a profit + industry + risk + the seeking of business knowledge).

It is impossible to disagree with Jack Mahoney and Elizabeth Vallance that in Eastern Europe the collapse of Soviet hegemony, swiftly followed by the internal dissolution of the Soviet Union itself, is having the effect of making not only the political, but the economical shape of Europe as a whole, even more volatile and shifting [2].

In fact, an experiment of world-wide importance for full putting-into practice ideas of socialism was made. While it was in the process, a new generation and new type of culture came into being. This is not a national culture of a single country, but a common culture of a group of countries.

There is no doubt that the Soviet experiment will be the object of studies for many scientists in many different countries and for many years. Scientific and practical meaning and the importance of the results will be different in every period of the future. But in every case it must give a useful lesson. For the present time it is very important to make clear what specific cultural differences have arisen from the consequences of the soviet experiment in the economic development of the post-soviet countries and other countries of the world.

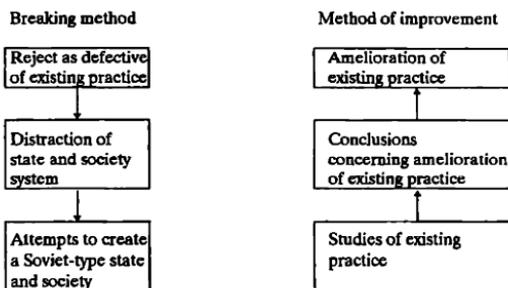
Problems of this kind are the main objects of scientific research of not so many scientists. In 1989-1990 it seemed that there was a fairly straight, and not so long, road from the socialist system to a free economy [3]. Five years later it became obvious that the problem has really deep roots which stem from market ideology, politics, morality, and the psychology of the society [4]. Researchers provide clear evidence of the importance of cultural factors for the success of business organizations [5]. Individualism-collectivism, tolerance of the inequality of personal wealth, power distance, uncertainty avoidance, and femininity-masculinity are also important dimensions for the analysis of influence of cultural factors on the life/functioning of business organizations.

It is very important to apprehend that some aspects of this particular problem can be better revealed, and get scientific explanation at present time by the people of this present generation. It is possible due to several reasons: (1) People of the present generation received an education and life experience under the Soviet system, so they can provide information from their own personal experience about the Soviet system. (2) Some of them were involved in the activities of the creation of the Soviet system and have a very deep knowledge and understanding of the specific aspects of the problem. (3) During the last five years people from the participating countries of the Soviet experiment have become aware of how deeply differences must be overcome in the process of the re-establishment of market economy in post-Soviet countries. (4) The combination of both Soviet and transitional time experience can help us reflect on the problem in some specific aspects. Such possibilities will be lost in some years later because of the new coming generation .

Hypotheses, Basic Statements, Brief Explanations

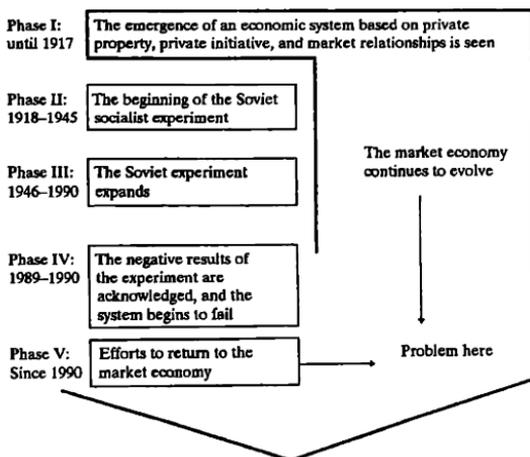
The ideology of the Soviet-type state establishment was based on the methodological approach from common theoretical conclusion to real practice. It is different from the methodology and solving of social and economic problems in the countries of market economy, where the approach from real practice to scientific conclusions for the improvement of practice dominates.

The first approach is bound up with breaking and the second one with the improvement of the existing practice.



For the post-Soviet countries, there is no other alternative in real practice tested but one: to accept a market structure and system based on the principles of private property and private initiative.

The history of the Soviet experiment can be shown on the scheme.



Explanations:

1. The people of the countries that were involved in the Soviet experiment for 50–70 years were inimical to the market economy system. The compulsion on education, ideology, politics, physics and economics in these countries during many years created a specific type of morality, psychological attitude, and motivation. All this, together with the original social and economic infrastructure, created a peculiar culture in the participating countries of the Soviet experiment. Many problems emerged from this culture when the countries started making efforts to establish contemporary market relations, an open market system, and a contemporary business environment.

2. At the same time, when the Soviet experiment was in progress, the market economy was continuing to evolve. Marketing was created as a theory and practice of the modern market economy system. It is a “know how” for the activities in the modern economy system. Marketing in the countries of post-Soviet culture, however, should not only be used for the activities in the still poor market, but also for the establishment of market relations, structures, and new types of institutional environments.

3. It is necessary to emphasize and keep in mind that there can be a number of different ways of organizing economic activities successfully in a market economy. Different patterns of economic organization can be created and be effective within particular institutional environments, and these patterns can vary from country to country [6].

Marketing is both theory and practice in the market economy. The theoretical basis of marketing consists of economical theory, management, and psychology.



The consequences of establishing a Soviet-type state are unique and no other examples exist in world-wide practice

Explanations:

1. In no other countries and at no time in history has a similar experiment been attempted. The states that participated in the experiment have, therefore, a unique experience that no others can have.

2. Every separate state had different experiences. The relative size, population, history, national habits, and resources are currently effecting the results of the experiment and influencing the eventual outcome of the state's transition to a market economy.

3. The local political situation in each state both under the Soviet system and after the collapse of the system influenced the results of that independent state. The countries whose culture was closer to that of Western culture, for example, the Baltic states, were more economically successful in the structure of the Soviet Union. These countries were also on the forefront of the reconstitution of independence.

The post-Soviet states had to face two economic difficulties. The first one was how to divide the property of the Soviet Union among the republics. The second one was how to distribute the Soviet property among individuals.

Explanations:

1. Usually, the property within the new boundaries of a state was considered to be the property of that state. The only exception was military equipment which was, in most cases, given back to Russia.

2. The second question had to answer how to distribute the property created during the Soviet experiment and how to privatize state property. In Lithuania, a voucher system was introduced. It had three parts: the evaluation of the property, the determination of the number of recipients, and the determination of the amount of property given to a separate individual according to the amount of working years.

Once the vouchers were distributed, the recipients could use them to buy property, turn them over to investment companies, or sell them to companies or individuals which would then buy factories, industries, land, etc.

Under the Soviet experiment, the state guaranteed many individual securities, including employment, housing, health care, and education. When the situation changed after the experiment failed, these securities were not preserved by the new democratic government. The residual effect of the Soviet system on political culture was such that many individuals were not ready to accept the personal responsibility for these areas.

The results of the Soviet experiment are useful not only to the countries that participated in the experiment, but also to those countries which did not.

Explanation:

1. The developed states found reason to refuse moving towards the Soviet-type of socialism because the Soviet-style state did not show any advantages in comparison to the market-style economy.

2. The developed states are still receiving benefits from the results of the Soviet experiment. The aid to the post-Soviet countries which participated in the experiment is the price of these benefits.

3. The results of the Soviet experiment show that the implementation of the attractive ideas of socialism by using Soviet methods is impossible.

4. The theoretical and practical goals presented in the plans of the former Soviet Union and the programs of the Communist party were impossible to attain.

Each post-Soviet country experienced different results. The impact that was made independently on different countries and their groups by this experiment and, also, the overall results, should not be evaluated as positive or negative. In any case, they are useful for science and practice.

Explanations:

1. The results of the post-Soviet states is an example for all the states world-wide regarding the consequences of the execution of an experiment of such size and kind.

2. The Soviet experiment provides the world community with knowledge and experience, leaving them no need to experiment on their own states.

3. Since the results are available to the world, it is important that those who participated in the experiment and those who did not, should make a thorough and careful analysis of the consequences of this experiment. By learning from the results, the experiment will never need to be repeated.

Initial statements and ideas have already been used in my topics and lectures delivered to our Lithuanian students and to students of other foreign countries. They were accepted very positively.

Further Steps and Phases of Research

1. Comparative investigation of ethnic and social origins of culture in the economical development of Denmark, Finland, Hungary, and Lithuania.

2. Data collection, classification and processing.

3. Development of new concepts, statements, and conclusions; final report preparation.
4. The presentation of results and materials during the lectures, seminars, and discussions. Permanently during the research period.

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EKONOMIKOS PLĖTOJIMO KULTŪRINĖS IŠTAKOS: TERPĖ IR DIRBIS ATEIČIAI

Santrauka

Pradėjus tyrinėti iš sovietinės sistemos išėjusių šalių ekonominės raidos problemas vis labiau aiškėja, jog daugelio jų esmė ne tik ir ne tiek formalūs sprendimai ir institucinės struktūros, kiek kur kas sunkiau išvelgiami ir pamatuojami kultūriniai aspektai. Šalies ekonominei plėtotei daro įtaką dvejopo pobūdžio kultūriniai veiksniai, kylantys: 1) iš etninio savitumo ir 2) iš ideologinės, socialinės ir ekonominės sistemos, prie kurios piliečiai per ilgesnį laiką prisitaiko, ypatumų. Pastariesiems pasikeitus pamažu keičiasi ir žmonių kultūra prisitaikymo prie naujosios terpės kryptimi. Tačiau visada yra konflikto tarp įprasto seno ir kitokio supratimo, pažiūrų ir elgesio, reikalaujančio naujo požiūrio, elementas. Didžiausias pasikeitimo šuolis įvyksta tada, kai pasikeitusioje terpėje išauga nauja piliečių karta.

Sovietinio tipo valstybės sukūrimo pastangos vertinamos kaip didelės mokslinės ir praktinės reikšmės eksperimentas. Rinkos ūkio sistemos kūrimo ir plėtojimo problemų tyrimas pradedamas hipotezių ir teiginių pateikimu ir trumpu jų paaiškinimu, atsižvelgiant į dabarties tikrovės faktus. Šis straipsnis yra tik pirmasis problemos tyrimo žingsnis ir pradiniai tolesnio jos tyrimo metmenys.