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THE VALUE POSTULATES AND THE TRANSFORMATION OF TRANSITION SOCIETIES IN SOUTH EAST EUROPE

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Abstract

The European idea of uniting the countries of the European continent is the impetus for attracting and transformation of post communist societies. The process of harmonization of legislation is a systematic attempt at regulation of relations in society through the establishment of valuable principles and adoption of established standards in the management of states and economies. The dilemma is whether it is possible a sustainable development transformation by simply copying the institutional and legal system solutions from Europe, without involving moral value body of principles and standards in ruling the states? The purpose of the paper is to offer a reasoned response on ways how this collision to be resolved, whether the transition can be performed only in a systematic manner, institutionally and legally, or must go in parallel with social intervention in the cultural set and moral value corpus based on verified and approved ethical values, principles and standards.

Key words: Europe; harmonization; transformation; transition; values; principles; standards

INTRODUCTION

The former communist and socialist countries from South Eastern Europe (SEE) are a striking example that underlines the seriousness and delicacy of the process of transition from one social system to another, from one social values in others. The countries of this region, also called transition economies, went into a continuous process of deep internal social change. Changes are taking place at all levels, starting from the social order, constitution of democratic political orders and composing a new political system that would be postulated on a completely new democratic structure, and therefore new economic foundations of the system.

Issues that are opening in all their vigor are whether the economic model of arranging the material base of these societies will be able to meet the new societal needs and would be able to follow the serious requirements for prosperity and quality of life which inherently arise from the premises of the democratic model of western European type. But at the same time, whether the entire concept can enter the track of success and prosperity, with the existing moral - valued matrix and cultural habits and routines in the

life of the population, as well as with the transferred old attitude toward the work and life in general, i.e. with an old character and nature of existence.

Transition economies and societies for many years have been a subject to a massive industrialization, where heavy industry was the engine of society, and absorber of the majority of the population for labor. For many years, the entrepreneurial spirit of individuals was heavily oppressed, but also the overall terms and conditions for conducting business activities had no legal or political support from the system.

Hence, the current moment in these transition societies reflect the old model of running economies, which was dominated by the serious state influence and deep involvement of political elites in businesses. If we add the old cultural matrix of understanding of ownership as “everybody's and nobody's” and the obvious lack of moral values, virtues and noble principles and integrity, then the situation becomes more complex in every sense. There is a scientific consent, empirically grounded, about the necessity of introducing these moral and ethical codes in ruling the states and managing the economy. These principles are needed in order to be provided equal positions and opportunities for each and everyone in the society, through building a new and different standard in the approach and conduct of economic and business activities in the newly emerged conditions. Corruption, lack of transparency and democratic rule of law, party – state symbiosis and autocratic tendencies, as well all other heavy malformations in ruling the transitional societies will be limited by the overall pressure from this type of a value and virtue sensitive societies.

The European idea of unification of the European continent based on western developed democratic political model tried to draw transition societies in his flock, offering a new model of prosperous societies. In addition, through a process of the so-called harmonization of legislation is making an attempt to norm relations in society in a different way, with the ultimate goal to establish new values, principles and integrity models, but also to adopt new standards in the conduct and management of countries and economies. The result of such an effort has oscillatory character. The estimation is that religious moment and impact by the moral - value corpus derived from the faith in people's lives is one of the components that lead to the answer why some societies are more successful than others on the ground in Europe primarily, and more generally worldwide. Value based cultural matrix of population developed in transitional societies, predominantly with Catholic provenance, enable faster and more effectively accommodation to the new social conditions and relationships, and faster and more efficient incorporation of the newly offered model of prosperous societies. Unlike the set of societies with predominantly Orthodox background, the differences are obvious. These societies are still dominated by the phrase “endless transition”, and are still struggling with serious recurrence of the old system. They are continually vulnerable to internal friction and turmoil in the mechanisms of functioning of their societal systems.

The question which we will try to answer from a different non-standard point of view refers to the dilemma whether it is even possible to raise successful, efficient and effective transformation of transitional societies and economies without changing the cultural matrix and without resetting the moral value body of principles and standards of ruling economies and states. Whether it is even possible an efficient, effective and above all sustainable development transformation of the economy and industry in SEE's transition countries by simply copying the institutional and legal system's solutions from the

developed Western world? Or, whether there is any influence and how big is that influence of cultural attitudes and ethical - moral values and tenets of transitional nations and societies on the overall social, economic and industrial development? Is there any perspective, this collision to be resolved systematically, institutionally and legally only, or must go in parallel with social intervention in the cultural and moral value set, based on verified and proven ethical values, principles and standards?

The estimate is that the accelerated economic and industrial growth and development of transitional economies is significantly limited by the cultural value conditions that persist in mentioned nations and societies. The existing moral - value basis on which was built the order in these societies is, or an influential factor for accelerated progress and prosperity in all areas of life or slowdown and backsliding of the development processes.

So far the three predominantly classical factors of production: land, labor and capital are at the end of its impact on the obvious need for accelerated growth of the economies and the development of overall relations in society, reflected primarily by popular demand and pressure of population for better quality of life in each sense. On the societal scene appear new opportunities that offer new prospects for faster economic growth and sustainable development. "With the creative industries or as some call them - creative economy, probably ending time of the three classical factors of production: land, labor and capital. The creative industries are under major impact by environment as the fourth factor of production. It covers functional institutions, enforcement of laws, rule of law, culture and religion that define the mentality in the broadest sense and business ethics and ethics in the narrow economic sense." (Ministry of Culture of the Republic of Macedonia and the British Council in Macedonia 2010). In that context, more and more accepted standpoint is that religion and the value based set of Christian beliefs have a serious impact on the reshuffling the priorities resetting the mindset and changing the mentality in broad sense, but also on business ethics in the narrow economic sense.

PREMISES BY THE FAITH RELIGIOUS CORPUS

The process of harmonization of legislation in the transitional societies with the European legislation aims to impose new value models, to introduce new virtue principles and to establish new integrity standards in the societies. Ultimate goal is to reveal new rules of state performance in order to be achieved new horizons toward progress and prosperity.

In the historical context, these issues are analyzed in science since the time of Max Weber, who addresses the Protestant ethic and its impact on the profiling of the spirit of capitalism and emphasizes the argument that the Christian reformation made a relevant contribution to a different behavior and approach to work.

One of the main segments of the ideology of Martin Luther, who is one of the key reformers in Christianity, which differed from the previous climate in the Catholic Church, was his teaching on the job. For Luther the work is holy and good. Martin Luther put the accent on individuality versus group membership, which was promoted by the Catholic Church. These beliefs and convictions form positive traits in humans, so that the followers of these Protestant denominations were people who got used to work hard, because Martin Luther proclaimed the work as a sacred, then people who are thrifty and people whose life, work and savings are methodologically planned.

From a sociological perspective, the Protestant beliefs were the catalyst of modern capitalism in the western world. Thus Max Weber concludes that it was the Protestant Reformation that has planted the seeds of which subsequently sprouted advanced capitalism and that the Christian faith with the value and virtue based ideology and concept of structuring the lives of individuals and societies as a whole, has the potential to cause positive and progressive social changes.

The values and the impact on social development

The values and culture belong to the so-called mental software (Hofstede 2001) and relate mainly to individuals, but also to collectives. The value is defined differently by different authors.¹ To say about a particular person that there are values in its character, is as to say that this person has sustained belief that a certain type of behavior, personally and socially is more preferred. (Rokeach 1972)

The term value is often equated with the attitudes and beliefs. When these values, attitudes or beliefs will be connected in a group, they reach a value system that often does not have to be in inner harmony, for example, the values of “liberty” and “equality”. According to Bem (1970), values determine our subjective definition of rationality. They derived from our own personal experience or from an external authority.

Furthermore, Hofstede (2001) considers that the values can be measured by answers to questionnaires submitted to larger reference group of respondents, based on the recognition that our perception is colored by our value judgments, on the general level of society, but as well in the process of political socialization, phase in which the political views of an individual as a political being are used to be *de facto* profiled.

On the other hand, the anthropological definition of culture has reached a certain consensus in the literature. Kreber and Parsons (1958) define interdisciplinary culture as transmitted and created content and pattern of values, ideas and other symbolic systems as significant factors that profiled human behavior. Values and culture are issues that directly affect cultural change in society and hence on the overall social and economic conditions.

Huntington (1996), Putnam (1993) and Fukuyama (1995) argue that cultural traditions are significantly sustainable and that they seriously impact the profiling of political and economic behavior in society.

On the other hand are modern theories, according to which the economic and industrial development has a certain connection with some coherent cultural deviations from traditional value systems - Marx, Weber, Bell and Toffler. (Inglehart and, Welzel 2005, 18-19). Although socio - economic development tends to produce systematic changes in people's attitudes, beliefs and expectations as the outcome of their life, the impact of cultural traditions does not disappear, on the contrary shows a serious level of resistance to change. Value systems of religious belief have striking durability and resistance to change. In contrast, values have a serious impact on the changes in society and continue to reflect the social and historical heritage. (Inglehart and Welzel 2005, 20). From this perspective, Weber (1904) further argues that traditional religious values have long-term impact in general and the different cultural characteristics run through the extremely long period and

¹ More about the values and morally based cultural matrix in the Doctoral Dissertation: Ristovski Ljupco. 2012. “*Modeling of Political Orders through Biblical Prism*” DD., European University.

thoroughly are profiling the political and economic performance of societies. Inglehart and Welzel, in their extensive and fairly detailed study of the interaction between cultural and socio - economic changes, through in-depth quantitative analysis proved that the influence goes both ways. (World Values Surveys Association 2015).

The analysis of the Fukuyama's book "Trust: Social Virtues and the Creation of Prosperity", a group of American professors led by Michael Goldsbi (Quddus, Goldsby and Farooque 2000, 87-98) make a critical review of the main thesis of Fukuyama, in which culture and cultural values are the main source of contribution to prosperity of nations. This book actually makes a serious attempt to link intangible factors to tangible factors for the development of nations and societies, and in that context, the trust is taken as a particularly relevant factor that fosters prosperity of nations and states. Fukuyama takes the example of America, Germany and Japan (mainly due to the paternalistic attitude to work). The Protestant Christian ethics in the work as a high cultural value for individuals who are faithful in God has been taken as a postulate for America. Remarks are with regard to a lack of precision mechanisms and indicators on the basis of which would be measured degree of confidence present in the society and among citizens. Hence the critics claim the need for more précised measuring what level of confidence has how much influence to the material prosperity of the nation.

Despite certain shortcomings, the basic tenet of which the Fukuyama's thesis are based is accepted as a serious achievement towards that which since the days of Adam Smith takes as a foundation for economic sciences, and that is that all the analysis in the material sphere of the economy and society must be seen in a broader context, i.e. the total cultural, sociological, political and social achievements of nations and states.

Social capital and its impact on economic performance are of concern to many other studies in recent years. Joseph Stiglitz, chief economist of the World Bank (1997-2000), strongly emphasizes the importance of social capital and institutions, capacity building and legal framework as for economies in transition and for developing countries as well. He argues that the failure of the liberal democratic model in the east - European countries in the period of post-communism is due to the low value cultural level of communication amongst communities, individuals, and hence increased mistrust in society impact negatively on the overall democratic achievements and the socio - economic development of these societies. Stiglitz therefore proposes previous preparation of the transition societies in terms of encouragement to create an appropriate institutions and to develop elements of social capital based on cultural values and individual valor in humans, and then to go with the transition to economic liberalization and high industrialization. (Marshall 2000).

Extremely important for the analysis is the cultural aspect i.e. the extent of the value of political culture as a major factor that affects the release of the democratic environment in society as a precondition or impetus for accelerated economic development and overall prosperity of societies.

Post - communist transitional societies and the EU

In the work “Religion and the transition to the post - communist countries” (Miniarik 2011) the author analyzes the different trajectories of transition that give different results between post - communist societies. Explication is based on the assumption that the institutions are determined by the fundamental cultural norms, such as those which are represented by religions. The impact of religion on institutional change in the transition process, according to the author goes through several channels: Western Christianity encourages economic freedom, just like Catholicism, although on a smaller scale and intensity. The Orthodox Christianity seems to be less interested in economic freedom and lastly Muslim believers and people have a negative impact on these freedoms. Deeper analysis, according to the author, showed that the impact is not uniform in all aspects of individual freedoms covered by the Index of Economic Freedom. And in that context Western Christianity posed by Protestantism tends to show higher standards in the areas of property rights, business, and trade and investment freedoms.

Miniarik deepens the analysis in terms of religion and economic attitude toward business (Miniarik 2014), the material wealth and finance and confirms the findings according to which faith and religion is continually increasing its impact on individual economic views and attitude toward work, especially in terms of pro - market and pro - development attitudes. But he also concludes that depending on the religious domination of the population, the intensity of the obstacles to a successful transition from centrally - planned economies to the free market is differing from state to state, and hence the successful, efficient and effective transition and adaptation to the EU standards varies from country to country. Samuel Huntington however, in his paper “Democracy's Third Wave”, taken as a reference title in the book “Source for Democracy” (Dahl, Shapiro, Cheibub 2003, 93-94), writes that historically, there is a strict correlation between Western Christendom and democracy. He says that the first waves were predominantly Protestant, and in the early 70s of the last century the wave has been extended to the predominantly Catholic countries. One of the main factors that Huntington lists for the third wave of transition to democracy is the change in doctrine and activities of the Catholic Church, manifested at the Second Vatican Council (1963-1965), when in fact has been initiated the transformation of the general attitude of the church so that the defenders of the “*status quo*” position of authoritarianism, have transformed themselves into its classic opponents.

Following that logic, the new wave of democratization that include socialism and communist regimes of Eastern blocks alliance is actually the wave of transition and adaptation to the democratic model of Western provenance. The process occurs in a predominantly Orthodox Christian countries (except the few Catholic who belonged to the eponymous bloc and were also subject to the mentioned transition processes), which on the other hand, were severely restricted and burdened with many hindrances in executing free religious and spiritual practices, but also in their overall growth and development.

Hence, more modern analyzes for assessing the success of this transition transfer point to serious shortcomings in the implementation of the same. Of course, different areas of science approach the situation from different perspectives. Some are supporters of transforming cultural matrix according to a certain value model - Ingelhart and Welzen (2005), Nath (2007), Barro and McClure (2003) Bollen (1980), while others keep purely to economic performances of the system, overestimating the importance of capital and its

impact on the development of societies. Moreover, they oppose the standpoints that claim that the overall societal success is largely determined by the cultural diversity of societies and nations. (De Soto 2000).

The process of simply undertaking the EU legal system and harmonization of the legislation of these countries with the European Union's norms according to those "imposed" standards does not give the expected results² as such that have been experienced by the developed Western democracies which are of predominantly Protestant provenance. This means that there is a need to furthermore explore all other relevant factors that might impact the primary purpose as it is the final adaptation to EU standards, and encouraging positive change in attitudes and behavior patterns.

In the book "The Secret of the Prosperous Nations" (Ristovski 2009) argument in this regard is given in discovering the link between socio - economic development and democratic achievements of the predominantly Protestant states. In the book has been presented relevant evidence that was empirically confirmed by a high degree positive correlation between the Prosperity Index - Human Development Index (HDI)³ or the so called Index of Well-Being, from one side, and the socio-economic performance of the society as well as the overall democratic achievements, from the other side.

In this respect almost identical are the results of the comparative analysis by the Gallup Index of Individual (Subjective) Well - Being and prosperity of the nation (Gallup - Healthways Well-Being Index - WBI), and the so called Scale of valuation of life and its quality, measuring the life satisfaction or subjective well-being (Cantril Ladder Scale), then The Legatum Prosperity Index - The Legatum Institute and the Index of Lifetime Achievements by the European Foundation for Improvement of the Living and Working Conditions which issues regular annual reports in an attempt to investigate the quality of life in Europe, in all member states and candidate countries.

The results of the mentioned indexation show serious advantage, predominantly in favor to the Protestant states and nations, which in all relevant surveys and rankings occupy the first twenty places in the world, during several consecutive years.

CONCLUSION

The growing need of the world population for better quality of life and greater personal fulfillment in terms of reaching the subjective sense of satisfaction with the achievements in their life, facilitate the ambition of states and societies for accelerated economic growth and sustainable development. The classic factors for development are constantly diminishing their influence, so they are no longer a key component on the basis of which countries and societies may plan their future faster development.

Immaterial sphere has emerged as one of the potential factors that might increasingly determine future relations and affect more intensively the overall societal action toward higher economic growth rates and toward certain sustainable development. In this context, the value and virtue based faith principles and the religious moment in general suppose to occupy significant space on the social scene.

² Fast, efficient and effective changes in all areas of the social life, followed by economic growth and sustainable development in crucial segments of the society.

³ HDI is the UNDP Index of Prosperity, introduced to measure the prosperity and quality of life in general, combining the normal values of the longevity of life, literacy, access to education and GDP *per capita*.

Prosperous societies in its historical dimension have been empirically perceived as developed democracies of the west - European model desired by many nations and states, and almost all of them are with Christian protestant religious background.

The European uniting idea attracts many countries to apply for membership. The process of harmonization of the legislation and transformation of the societal model during the negotiations for membership is a serious effort and cost a lot. But despite the enormous social effort and investment, this concept still fails to become fully efficient and successful. The conclusion is that it is necessary to undertake measures that might incent changes to the cultural matrix and the value based model of organizing the societies.

Hence, the assumption is that the central task of the EU will be to ensure basic assumptions and preconditions for the kind of a cultural reform aimed to reformulate the cultural matrix of the population; a process in which religion or precisely the faith based Christian moral corpus has serious potential to play increasing role in positive transformation of the transition societies.

Of course, secularism will have to maintain and guaranty a position of neutrality of the church as a religious institution and keep the church aside from ruling the states and societies which is quite different from supporting the individual steps of faith and the change that it offers on an individual level. The whole set of expected cultural value shifts and possibly new established value principles and premises that aim toward new standards might emerge as basic prerequisites for successful, efficient and effective progress to higher levels of prosperity for the transition societies and nations on the European soil.

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