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Research on social capital in the Visegrad context: the case of business and competition

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Abstract

This talk will give the outline of the four country comparative research: presents the rationale of the research, the research samples (100 economics and business students in each country; 50 from the capital city and 50 from smaller town), the research methods (Associative Group Analytic Technique, Szalay, 1967; a forced choice attitude questionnaire using short scenarios; open-ended questions to reveal explanations of attitudes) the method of data analysis. Then it will shortly present how business and competition are represented in the Hungarian, the Czech, the Slovak and the Polish sample.

Social capital is defined as an attribute of a society, as a quality of relationships enabling individuals to cooperate and act collectively (Mateju, 2003). Social capital is most frequently conceptualized as civic engagement and trust and it has a substantial link to social and economic development (Realo et al, 2008). Social capital has the properties of a public good facilitating achievement of higher levels of efficiency and productivity (Mateju, 2003). Social capital has been treated both as an individual asset and as a feature of communities and nations (Putnam, 1993). The notion of social capital can be extended to certain regions characterized by regional cooperation and inter-group trust.

Main goal

The main goal of the comparative research presented here was to investigate social capital in terms of cooperation, competition, trust and responsibility among the so called Visegrad countries (Czech Republic, Hungary, Poland, Slovakia). The name comes from the Northern Hungarian town of Visegrád which hosted the royal summit of the Central European emperors in the 14th century. In Visegrád, already in 1335, the Czech, Hungarian and Polish kings met to discuss regional cooperation between their kingdoms and agreed to cooperate closely in the fields of politics and commerce. The main reasons for the Visegrad cooperation stem not only from the geographical closeness of the V4 countries but also from their shared history and from the common interests in the future development of Central Europe within the EU. In addition the Visegrad countries are all post-socialist countries with a relatively new market economy. Economic development has a crucial significance for all four of them. While they are in a competitive relationship with each other in terms of markets, their economic cooperation can contribute to their mutual development. Competing in a cooperative way requires mutual trust and responsibility and is based on the established social capital within the region. Therefore our purpose was to reveal:

1. How young people, aiming to business life conceptualize the notion of business in these four countries;
2. What kind of similarities and differences can be found in the meaning of competition and the related concepts e.g. cooperation, trust, and responsibility among the four countries
3. What kind of attitudes can be found towards the different members of the Visegrad countries in business situations that require competition, cooperation, trust and responsibility.

Participants

The participants in each country were 100 business and economics students (50 female and 50 male; 50 from each capital, Prague, Budapest, Warsaw and Bratislava; 50 from a smaller city in each country, Ostrava, Szeged, Olsztyn and Presov). Altogether in the four countries 400 students responded the tasks.

Method

Our main method was the AGA technique (Associative Group Analysis technique) (Szalay, 1967) that we applied in order to reveal the subjective meaning of the studied concepts. This method has been used for cross-cultural research and proved to be successful in pointing to cultural similarities and differences in the representation of different social phenomena (e.g. Pecjak, 1994).

The method is very simple. It uses continuous free word associations. A stimulus word is given (business, competition, cooperation, trust and responsibility), and respondents independently write as many free associations as they can within one minute.

Data analysis is done in the following way. The words (associations) are weighted. The first word – the immediate response – is scored six; the second word five; the third four. The fourth, fifth, sixth and seventh words are each scored three. The eighth and ninth words are each scored two. The tenth and all subsequent words are scored just one. All words get a weight.

After each word has been weighted, the next step is categorisation. Words with similar meaning are put together to form a category. The total weight of a category is counted and its proportion within the total weight of all associations (100%) is calculated. This way the significance of different categories of meaning can be compared.

In order to reveal the attitude of our respondents towards the different Visegrad nations in relation to business cooperation, competition, trust and responsibility, following the association task, respondents were presented with short scenarios and had to make a rank order: e.g. which nationality they would choose i.e. to compete or cooperate with and they were asked to explain their first and last choice. For instance: Imagine that you work in the business world. Which partner would you prefer to compete with? Czech, Hungarian, Polish, Slovakian (country names presented in random order). Please make a rank order of your choices. Please explain your first and last choice.

We not only compared the rank order of the different countries as the most preferred and the least preferred, but also categorized the explanations: why a member of a particular country is more willingly chosen than another.

This paper presents the results related to the notion of business and competition and the attitudes towards competing with the representatives of each nation in the business life.

Results related to cooperation are presented by Jelena Petrucijova, related to trust by Iveta Kovalcikova, and finally related to responsibility by Beata Krzyvosz-Rynkiewicz in this proceedings. The four papers together provide a comprehensive picture about the status of social capital in relation to business life in this region of Europe.

Research Results

1. The meaning of business

First we analysed the students' associations to the stimulus word 'business'. Among the four groups Slovakian and Polish provided the biggest number of associations (the average being 8.07 and 8.05 associations respectively), followed by Hungarian respondents (7.71). Czech participants gave significantly less associations to the word business (5.7). See Table 1.

Table 1. The number of associations, the average number of associations and the total weight of the associations to the word 'business' in the four countries

Country	Number of associations	Average	Weight
Czech	570	5.7	2331
Hungarian	771	7.71	2688
Polish	805	8.05	2763
Slovakian	807	8.07	2820

The weighted associations were grouped into categories based on their semantic structure. The categories for business were the following: money and money transactions; running a business; company/work; commerce/products; characteristics needed for business; macro-economy; negative consequences of business; positive concomitants of business and other. See Table 2 and 3.

Table 2. The different categories of associations to the word 'business'

CATEGORIES BUSINESS	Examples of associations
MONEY/MONEY TRANSACTIONS	Money, profit, bank, stock exchange
RUNNING A BUSINESS (PARTNERS, HAVING A DEAL, BUSINESS CONDUCT, TECHNIQUE, ETHICS)	Partners (business partners, business men), making a deal (negotiation, contract) business conduct (risk) technique (computer) ethics (trust)
COMPANY, WORK, LEADERSHIP	Company, enterprise, office, leadership, manager
COMMERCE AND PRODUCTS	Trade, market, exchange, marketing
CHARACTERISTICS NEEDED FOR BUSINESS (PERSONALITY, OUTLOOK, EDUCATION)	Personality (power, efficiency), outlook (suit, tie), school
MACROECONOMY	Competition, economy
NEGATIVE CONSEQUENCES (IMMORALITY, NEGATIVE EMOTIONS, FAILURE)	Connections, stress, failure
POSITIVE CONCOMITANTS OF BUSINESS	Success
OTHER	Dallas, New York

Table 3. The distribution of associations among the different categories in percentage.

Country/Category	Money	Run business	Company	Commerce	Characteristics	Macro-economy	Negative	Positive	Other
Czech	24,6	23,8	16,5	5,7	10	4.2	8,4	1	1,5
Hungarian	24,1	17,8	13,5	12,8	9,6	8.1	7,5	4,8	1,4

Polish	24,8	18,3	27	4	10,9	4,8	3,3	5,1	1,3
Slovakian	25	14	20	11	8	2	4	9	2

- About 25% of the associations in each group fell into the category ‘money and money transaction’. Business therefore in each country is strongly connected to money and money making.
- Money is the biggest category among the Czech (25%), Hungarian (24%) and Slovakian (25%) participants, but only the second biggest among the Polish respondents whose biggest category is company, work and leadership (27%).
- Running a business gets the highest percentage among the Czech respondents (23%) and the lowest among the Slovakian (14%), Hungarian and Polish being in between (18%)
- Macroeconomic processes, especially competition are the most frequent association among the Hungarian respondents (8%).
- Positive consequences and concomitants of business as a category gets the highest percentage among the Slovaks (9%), at the same time negative consequences get the lowest weight proportion (4%) indicating the most positive “evaluation” of business among the Slovakian business students.
- Czech and Hungarian business students on the other hand connect negative consequences to the notion of business with the highest percentage (8.4 and 7.5 respectively). In addition to this Czech respondents basically do not give positive associations to business, therefore their notion is the most negative (1%).

Based on the results Slovakian has the biggest proportion of positive and Czech the biggest proportion of negative associations related to business. Polish relate more positive than negative words to business, while Hungarian more negative than positive, but both Poles and Hungarian are in the middle, while Czech and Slovaks are at the negative and positive end.

2. The meaning of competition

The biggest number of associations to the word competition were given by the Slovaks (average 8.92 per person). Again the lowest number of words were written by the Czech participants (5.56 as an average), Hungarians and Polish being in-between (7.26 and 6.12 respectively). See Table 4.

Table 4. The number of associations, the average number of associations and the total weight of the associations to the word ‘competition’ in the four countries

Country	Number of associations	Average	Weight
Czech	556	5.56	2273
Hungarian	726	7.26	2603
Polish	612	6.12	2322
Slovakian	892	8.92	2934

The categories for competition were the following: economy/work; winning/losing; motivation/achievement; negative emotions; positive emotions; people/competitors; selection; ethics/morality; synonyms, sports. See Table 5 and 6.

Table 5. The different categories of associations to the word ‘competition’

ECONOMY/WORK	Money, market, business, capitalism, profit
WINNING/ LOSING	Victory, winning, success, advantage

MOTIVATION/ACHIEVEMENT	Struggle for something, improvement/growth, innovation, goal
EMOTIONS (NEGATIVE, AGGRESSION)	Stress, tension - war, cruelty
EMOTIONS (POSITIVE)	Joy, excitement
COMPETITORS/PEOPLE	Competitors, opponents
SELECTION	Fight, strength-being strong, power
ETHICS/MORALITY	Fairness, honesty, corruption, fraud
SYNONYMS	Contest, Rivalry, concurrence
SPORTS	Sports, Olympic games, running
OTHER	Very small categories or words that cannot be categorised (education, games, psychology etc.)

Table 6. The distribution of associations among the different categories in percentages

Country/Category	Economy	Win/Lose	Achievement	Pos. Emotions	Neg. Emotions	Selection	People	Morality	Synonyms	Sports
Czech	18,6	24,5	7,7	8,8	9,5	1,6	6,6	5	4,1	5,8
Hungarian	21,7	20,2	16,8	1,1	7,1	7	6,3	5,9	5,6	5
Polish	8,4	10,2	9,5	0,2	9,1	8,9	20	4,4	17	9
Slovakian	7,8	21,74	12,61	0	5,89	0	7,83	6,16	11,8	5,8

- The Hungarian associations reflect the most dynamic, however a mainly conflict-ridden and emotionally more negative notion of competition. Competition is related to the economy (21%), to mainly winning (20%), to motivation and high achievement (17%), it is a selection by fight and based on being strong and powerful (7%) and rather negative (7%) than positive (1%) emotions are connected to it.
- The Czech participants also connected competition mainly with winning (25%) and with the economy (19%). Among all groups the Czech students gave the highest weight to positive emotions in relation to competition (9%), however they connected equal weight to negative emotions and aggression too (9%). Among the four groups they gave the lowest percentage to achievement and motivation (7%, compared to 17% of the Hungarian association weights).
- Slovaks did not connect competition to economy as much (8%) as their Hungarian and Czech counterparts, but they connected it with winning and losing (22%) and also with achievement and motivation (13%). They mentioned no positive emotions in relation to competition (0%), however

they mentioned negative emotions (6%). Their concept of competition is less embedded in the business life and more related to achievement and motivation in general. Morality in relation to competition is the biggest category among the Slovaks as well (6.16%).

- Polish business students, like the Slovakian business students, did not connect competition mainly to the economic life (8.4%). Their biggest categories of associations are competitors/people (20%) and the synonyms (17%), two neutral and not very meaningful categories. They connect competition as much with sports (9%) as with economy (8%). They are the least involved in winning/losing associations (10%) and relatively low in associations related to achievement/motivation as well (9.5%). They do not connect positive emotions to competition (0.2%), but they connect the biggest number of negative emotions among the four groups to it (9%). It seems that for the Polish business students competition does not have a positive dominant function (in economic processes, leading to winning or increasing achievement and motivation) but it has a strong negative connotation.

3. Who wants to compete with whom in terms of business?

- First of all, in all countries the highest number of respondents (around half of them) want to compete with their fellow citizens (Hungarian 40%, Polish 53%, Czech 44%, Slovakian 45%). The explanations are very similar in all countries and mainly emphasize that knowing the competitive party has an advantage: 'I'm most familiar with their strengths and weaknesses', 'They have similar priorities, culture, mentality, customs'(These are some examples of the Polish explanations).
- Hungarian business students want to compete mainly with Polish (25%, either because it is a big and fast developing country or because it is the weakest competitor and easy to win over) and with Czech (24%, because it's a strong and fast developing economy, because Czechs are moral and fair in business, and the respondents have good personal experiences with them). Only 10% of Hungarian respondents want to compete primarily with Slovakian. The main reason for this low preference is the existing conflict between the two nations.
- Czech business students did not differentiate too much among the prospective business partners in terms of competition. They want to compete mainly with Slovakian (21%) and Hungarian (19%) in doing business. The least frequently chosen partners were the Poles (16%). The main arguments were about the weakness of the opponents as a potential reason for business success. (E.g. They never heard about a successful Hungarian company', 'The Poles are limited by religion', 'Slovaks are not competitive').
- Polish respondents prefer to compete with Czechs (26%, because they like 'Czech mentality', they consider them 'honest partner', they have 'clear rules and logical thinking when it comes to politics', and they are 'well developed neighbours'). Slovaks and Hungarian are much less frequently chosen (9% and 7%).
- Slovakian students prefer to compete with Czech partners the most (31%) while Polish (11%) and Hungarian (10%) are significantly less frequently chosen.

4. Who doesn't want to compete with whom?

- Hungarian future business people's most frequent last choice for business competition was Slovaks (42%) for many different reasons, e.g. 'because they do not like Hungarians', 'because Hungarian do not like Slovaks', because 'they are fast developing economy (strong rival)' etc. The two main arguments for not choosing a Czech (23%) was that 'it is a strong economy, therefore it is hard to win over it' and also because Hungarian students 'do not know well the economy and culture'. Every fifth Hungarian respondent (20%) did not want to compete with Hungarians mainly due to business people's 'immorality' and because 'it is more challenging to compete internationally'. Poles were the least chosen partner (15%).

- Czech business students do not want to compete mainly with Hungarian in business life (34% last choice). The most frequent reason was 'differences in mentality, language' and therefore 'difficulties in foreseeing the other's behaviour'. 28% of the Czech students definitely did not want to compete with Czech in the business life and the explanation was that e.g. 'they are afraid of defeat, because Czechs are strong, competitive partners' and 'they are aware of negative features of Czech nature like slyness, ruthlessness in business, and breaking the rules'. They do not want to compete with Polish partners (20%) because 'they are strong and good traders' or because 'the Polish economy is less developed' and with Slovaks (12%) because the Slovak partners are 'strong and purposeful competitors' and they have a 'strong economy'.
- Polish students also do not want to compete mainly with Hungarian in business life (38%). They emphasize that it is because 'there are vast differences in language, culture and geography' and 'they have no information about the Hungarian market' and because they 'do not know Hungarian mentality' and they 'fear of what is unknown'. The second least preferred group are the Slovaks (25%) because it is 'the poorest among the four countries', 'the country is not associated with business, but with meadows and kind natives', 'very small country'. Polish do not want to compete with Polish (19%) because 'they are fellow citizens', 'they are strong competitors, so it would be hard to achieve something', or 'they are tough and ruthless' or because 'they cheat'. Czech are chosen not to compete with only among 10 percent of the respondents and if they do choose Czechs the explanation is that they are 'entrepreneurial' and 'best in terms of economic development'.
- Slovakian students' least preferred business competitors are the Hungarians. 56% of the Slovakian respondents put Hungarian among those with whom they do not want to compete. Poles were least preferred among 20% of the respondents. Czechs and Slovaks were chosen only among 9 and 13 percent of the respondents, respectively.

Based on the preferences, it seems that Czechs are considered to be the most attractive business competitors in the region and Hungarians the least attractive.

The main type of explanations for competing or not competing in the business life, with somebody who represents a particular national group, were very similar in each country

1. The strength of the economy. Both strong and weak economy can be attractive. Strong economy is a challenge, weak economy makes easy winning possible. Preferences may reflect respect and also disrespect towards the economy of the other country.
2. Familiarity with the culture. This is mostly attractive, but some state that knowing the rival can be boring.
3. Familiarity of language. Generally, this is considered attractive in case of competition.
4. Conflicts between nations and national likes or dislikes. This explains the choices between the Hungarian and Slovakian respondents.

Summary and recommendations

In our study our goal was to investigate the potentials of social capital within the Visegrad context in relation to business cooperation and competition, and attributing responsibility and trust to the partners in the region.

The picture we gained has some positive aspects, but shows several challenges of a successful and fruitful regional cooperation among the four countries, based on the perception and attitude of future business people and future economic experts.

The two investigated phenomena, i.e. business and competition are represented in a rather similar way in the four groups of respondents, but we found some meaningful differences. The attitudes towards each other in relation to these phenomena are however very different.

First of all, in all groups respondents prefer their fellow citizens when it comes to competition in the business life. After the most preferred own national group Czech business partners are the most preferred by all the other countries. The Czech economy is well respected, they are perceived as reliable, responsible and trustworthy partners in business.

Czech future business people prefer Slovaks the most and Polish and Hungarian are rarely chosen as the most preferred, but frequently chosen as the least preferred by them.

While Czech and Slovakian respondents mutually prefer each other, the preference among the Slovaks towards the Czech is bigger, than the preference among the Czech students towards the Slovaks.

Among Slovakian respondents there is a mild negative attitude towards Polish potential business partners, but a strong negative attitude towards the Hungarian. This latter attitude is mutual. The Hungarian future business people also have a rather negative, prejudice-like attitude towards potential Slovakian business partners. The explanations are not rational and not related to economic reasons, but mainly emotional in nature 'they do not like us', 'I do not like them'.

Hungarian respondents have almost the same positive preference towards Polish business partners as towards the Czechs, but this is not reciprocated by the Polish respondents. After the Czech, Polish students rather choose Slovakian business partners. This leaves the Hungarian potential business partners as the least preferred in the region.

When any group does not prefer Slovaks or Poles the explanations are mainly negative (not developed economy, lack of entrepreneurial thinking, not reliable people, bad reputation), but if Hungarians are not chosen by Polish or Czech students the explanation is mostly neutral in nature, and emphasizes the lack of proper information about Hungary and about its economy.

Common cultural background and similar language seem to be a surprisingly important element in the motivation to do business. While Czech, Slovakian and Polish all belong to the Slavic language group, Hungarian is a Finno-Ugric language that is unique in the region. It was an unexpected realization of our research, that similarity of language has such a significance when it comes to business activity in the region.

When we compared explanations that took into consideration the actual status of the economy in a country, compared to other factors like similarity of culture, similarity of language, geographical closeness or distance, personal experiences, ethnic prejudice etc .we found that the latter type of explanations were much more frequent and dominant than the economical ones.

We also found that the economic type of explanations many times did not reflect the actual status of the economy in a given country. E.g. the Slovakian economy had been developing fast before the data collection still there were many respondents stating e.g. that Slovakia is the poorest country, not entrepreneurial and rather agricultural. In relation to Poland there were arguments that it is a big and fast developing country, and at the same time arguments that described its weak economy.

In relation to the Czech economy there were almost exclusively positive statements, but Polish, Slovakian and Czech students had basically no knowledge about the Hungarian economy.

Given the fact that our respondents were all students of economics and business, representing two different higher education institutes in each country, the lack of wider and more precise professional knowledge reflects a kind of ignorance towards the neighbouring markets.

Our study calls the attention to the following:

- The need to increase the professional knowledge of future business people about the status of economy and the potentials of doing business in the V4 countries.
- The need to increase the cultural exchange among the four countries to get a better understanding about the culture of each society and nation.

- The need to handle negative stereotypes and prejudices among the different nations and increase mutual respect among them.
- The need to increase the motivation to cooperate and compete with each other in the business life.
- To promote the realization that the Visegrad 4 countries can become strong players as a region within the European Union in case they are able to establish mutual trust and respect and a cooperative competitive relationship with each other.

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Endnote

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