

## CULTURAL EMBEDDEDNESS OF PRODUCTION ACTIVITY

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Most scientists don't doubt the accepted in social explorations hypothesis that business relations influence ideas and outlook of people. However much less people state the reverse is also true – various cultural aspects form industrial institutions and processes. To the point of view of Amitai Etzion, a founder of the Society for the Advancement of Socio-Economics (SASE), this direction of scientific research is quite promising in terms of findings to explain numerous globalization and transformation processes.

Thus between 1980<sup>th</sup> and 1990<sup>th</sup> a number of states were involved in post-socialist reformation processes. Nowadays we observe there are substantial disparities in these processes between western and eastern countries. The western Orthodox societies (both Pagan and Catholic) having reformed their economies more or less successfully, the eastern Orthodox societies are among those who failed. This observation is not bound to borders of the countries of the former USSA. Romania and Bulgaria should be mentioned here too. The fact that the Greece economy, the only Orthodox country of EU, does not have the best indicators of economic development has to be considered too.

In order to establish the market economy there should be harmonization between the development processes of external attributes (legislation, infrastructure etc) and awareness of population of market functioning knowledge and possessing skills i.e. the market culture. The smaller the difference between the development constituent externalities and the internalities of any market the more efficiently it functions.

In our mind the inefficiency of the recipes on economy reformation from western scientists is that the peculiarities of genuine *business culture* are overlooked. At the same time slow growth of economic collaboration ratios of Ukrainian businesses with EU and the world economic union ones are linked with a lack of experience and culture of international collaboration.

Economic processes always have a definite “cultural” component. To the opinion of Mark Granovetter, a well-known leader in the field of the new economic sociology, economic behaviour is “embedded in the networks of interpersonal relations”. The famous cultural sociologist Paul DiMaggio considers that there are other types of *embeddedness*, and primarily the economic actions are embedded in the culture, i.e. *cultural embeddedness*. To DiMaggio's opinion the culture influences business activities by means of “beliefs and ideology, convictions that are recognized by the majority or by the formal system of rules”.

Analysis of cultural influence on economy and organization of production in particular enables us to answer the question: why countries that have the richest natural resources live poorly and those with little resources flourish?

It seems a good geographical position and abundance of natural resources are sufficient factors for a state flourishing and wealth. Then why Ukraine, rich in and envied by many highly developed states resources, fails to achieve the levels of economic development like Austria, which is poorer in resources.

It appears the leading countries possess a resource that is more valuable than petroleum, gas and other natural resources. It allows to utilize available natural resources with a higher output and thus establish stability of economic and civil life in a country. One can draw a conclusion that there is not only material poorness but also social, that is a lack of certain traditions, habits, values that determine efficiency or inefficiency of human labour. Social poorness identifies material one not in a smaller degree and, maybe, even in a higher than reverse. If only we could change the business culture of most citizens – their attitude towards labour, themselves, each other, then we would solve other material issues more effectively.

The main aim of the research is to emphasize characterizing the categories of *corporate culture*, identifying issues and ways of its formation under the influence of dominant factors of cultural peculiarities of economic development in different countries (primarily EU ones), analysis of their effect on the efficiency of organization of the national production.