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# Economic patriotism among people under 35 in Poland in the face of globalization

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#### Abstract

**Motivation:** Nowadays, economic patriotism is the current social trend affecting a number of aspects related to the economy, the functioning of enterprises and consumers in the conditions of market competition. Companies wishing to maximize their profits and at the same time remain in positive relationships with their customers should pay special attention to the factors that determine the decision-making of young consumers in the selection of goods and services.

Aim: The study pays special attention to current situations related to the internationalization of enterprises operating on the Polish market. The main aim of the analysis is to show a number of determinants influencing the manifestations of economic patriotism among adults up to 35 years of age, which if well understood, will allow entrepreneurs to increase the effectiveness of their managed institutions, as well as the analysis of positive and negative market behavior related to economic patriotism.

Materials and methods: For the purpose of this study, own research was conducted, which brings a new approach to the discussed issue, showing the attitudes of young consumers consistent with the idea of economic patriotism.

Results: People under the age of 35 show a high awareness of economic patriotism and are consumers with a high degree of ethnocentrism. For further effective development of attitudes related to economic patriotism and, above all, their practical realization, a broad initiative is necessary from top-down undertakings on the part of the government, through schools and universities to grassroots social initiatives and realization of the idea of economic patriotism by the individual

Keywords: economic patriotism; ethnocentrism; consumer; globalization; enterprise; internationalization JEL: D120; F200; I250

#### 1. Introduction

Economic patriotism is the current social trend affecting a number of aspects related to the economy, the functioning of businesses and consumers in the conditions of market competition. The currently observed processes of internationalization and globalization mean

an increase in the volume and intensity of social and economic relations between individual enterprises and countries. These processes should be accepted as one of the most important challenges faced by managers responsible for the development of enterprises (Nowacki, 2013). Companies wishing to maximize their profits and at the same time remain in posi-

tive relationships with their customers should pay special attention to the factors that determine the decision-making of young consumers in the selection of property and services.

Contemporary global market is characterized by openness and high competitiveness. One may ask whether in the times of globalization and the possibility of buying any product manufactured in the remotest corner of the world, it makes sense to promote one's own products and encourage consumers to buy them. The tendency called homogenization of consumption is accompanied by an opposite tendency called heterogenization of consumption, which promotes the formation of patriotic and ethnocentric attitudes (Goliszek, 2014). In response to this situation, there is an increasing tendency for consumers to prefer domestic production. Although theoretically everything can be imported from abroad these days, not all imported products meet the needs and requirements of a modern, young consumer as a buyer.

#### 2. Literature review

The concept of economic patriotism has gained much popularity in recent years. Beginning to consider its definition, it should be noted that both in the past and and now the combination of the concepts of "patriotism" and "economy" has never been easy. It even raises the idea that the idea of economic patriotism restrains the activities of enterprises, prevents other countries from gradually opening their borders for the free flow of capital, and places restrictions on international trade (Sułkowski et al., 2017).

The classic definition of Melville Herskovits indicates that "ethnocentrism is a specific, positive evaluation of one's group's way of life as better than others" (Bartosik-Purgat, 2017). In the interpretation of ethnocentrism, Radkiewicz (2019) goes one step further, writing that it is based on a sense of the superiority of culture, norms and values of one's own society, while at the same time depreciating the features of other communities and their cultures. Ethnocentrism can manifest itself

as economic patriotism (economic ethnocentrism). In this form, it manifests itself in the perception of the right implementation of native technologies, the concept of functioning of economic entities, as well as consumer preferences towards products and services of domestic entrepreneurs into economic processes (Szabuniewicz & Majkut, 2021).

The CBOS (2017) research release gives this definition of economic patriotism: "Economic patriotism, and in a less widespread formulation - consumer ethnocentrism, is expressed primarily in buying products of domestic production. Other actions of an economic nature, which are sometimes treated as manifestations of patriotism due to the fact that they are attributed with a positive impact on a given community or collective, sometimes also include paying taxes fairly or buying from specific stores (e.g., locally owned)". This is complemented by Sharma et al. (1995) identifying specific consequences of ethnocentrism as: overestimation of the quality and value of national products or underestimation of imports, moral and ethical obligation to buy national products, and intense preference for national products. Myers (2015) defines economic patriotism as the belief that a product created within one's own cultural or ethnic group is inherently superior to a similar product originating from another cultural or ethnic background. Zeira (1976) considers economic patriotism in terms of managing a company by hiring only managers from the company's home country. Similarly, Perlmutteri and Heenan (1974), describing economic patriotism as "a range of behaviors concerning multinational corporations in which managers tend to place people from the home country in management positions".

## 2.1. Ethnocentrism and the challenges of globalization

Internationalization of enterprises is an occurrence closely related to the progressive globalization for years, which both practitioners and theorists consider as one of the challenges of the XXI century. It is a very important issue in the context of the development of economic patriotism. The consumer of today functions in an intensely changing cultural and social environment. These changes result from the phenomenon of globalization, which affects the image and functioning of the modern market. The availability of global consumption patterns strongly influences the behavior of a modern consumer, who purchases products based on them. However, despite the strong influence of globalization, we can find a wide group of people characterized by ethnocentric attitudes, for whom the country of origin of the product is very important.

The internationalization of companies in the global market is characterized by two dimensions: "scope (range) and intensity (depth)" (McGrew, 1992). Thurow (1999) points out the close connection of the concept of globalization with the economy on a global scale, in which the factors of production: capital, technological solutions, natural resources, labor and products and services are in constant circulation at the level of the entire globe, because for the first time everything can be both produced and sold on the international market. In the economic sphere, this should be understood as the production of all components and activities in the area where it will be most economically viable and the sale of these products and services in the place where their price and profits are greatest.

Globalization of the market, does not mean that all consumers are globalized at the same time (Cleveland et al., 2009). These examples show a very important point in light of talking about globalization as an international phenomenon. Despite its ubiquity, still the main motivation of consumers to purchase a particular commodity may vary and depend both on the beliefs of a particular consumer. As de Mooij (2004) notes, consumer behavior is influenced by both global and local culture simultaneously. In fact, globalization processes can lead to increased attachment to local markets and cultures by motivating people to resist the forces of globalization.

#### 2.2. Economic patriotism in secondary research

The ethnocentrism of society is a phenomenon that can be successfully researched, analysed and on this basis conclusions and recommendations can be made to the consumer society. Interesting nationwide research was presented by a team of scientists from Poznan in a report from a project entitled: "Ethnocentric attitudes of consumers (locally), and opportunities and barriers to the development of the organic food market" (Nestorowicz et al., 2016). Respondents were asked what they pay attention to when deciding to buy food products and answered on a five-point scale (1 - not at all important, 5 - very important)tant). The most important thing for them was that the food was produced in Poland (4.0) and in a traditional way (3.94). The proximity of the product and the distance the food travels from the producer to the trader were the least important (Chart 1).

In the context of research on ethnocentrism among young people, it is worth mentioning the studies conducted by Szromnik and Figiel (2002). They examined behaviors related to economic patriotism, targeting Poland and its neighbouring countries (Germany, the Czech Republic, Slovakia, Ukraine and Belarus). The research sample was carried out on 552 students by means of non-direct interviews. The results indicated different levels of economic patriotism in the surveyed regions. According to the CESTSCA-LE tool, the highest level of economic patriotism was shown by students from Germany (68.6 points), and the lowest by students from Ukraine (32.2 points). In relation to the above discussed studies, it can be concluded that Polish consumers are at the forefront of countries declaring an ethnocentric attitude towards the domestic market. Analyses conducted with the CESTSCALE tool place domestic consumers (65.8 points), very close to the German society (68.6 points) which is one of the most economically pro-patriotic societies in Europe, and at the same time show differences (in plus) between the low level of ethnocentrism among Ukrainian consumers (32.2 points). This allows us to confirm the specific hypothesis posed in the introduction.

In 2016, IPSOS (2016) prepared a report entitled: "Fashion for Polishness", for the project "Consumer 2016". A representative sample of 1006 Poles aged 15 and over was surveyed. Respondents were asked, among others, the question "What obstacles does a person face when wanting to buy Polish products?" (Chart 2).

Respondents indicated that the biggest problem when deciding to buy Polish products is their insufficient quantity. Nearly 30% of people indicated high prices, and every fifth respondent the difficulty associated with the lack of proper labelling. The lower quality of products is a problem for only 8% of respondents, while one in four sees no obstacles.

The research carried out by the Office of Competition and Consumer Protection allows specific groups of consumers to be identified, divided on the basis of their attitude to consumption. The first group includes "young consumption enthusiasts", who are more often female than male. The family of this group has an average income, the parents do not have higher education, and the group is dominated by students of secondary schools, technical schools and basic vocational schools. The second group is "young consumption contesters", which include more boys than girls. Their backgrounds can be classified as welloff or moderately well-off, and the parents of this group have secondary education. Young consumption contesters are not very interested in shopping and are reluctant to shop in shopping malls and supermarkets. They are attached to global, well-known companies. They are conservative shoppers due to low knowledge of products and services. They are reluctant to advertise, claiming that this type of marketing causes excessive consumerism. Among their group, they are the holders of the most money for their needs. The third group is the "young beneficiaries of consumption" who, without regard to price, buy what they think is right. They are critical of shopping malls and big-box stores. They do not like shopping or advertising, which they regard as

marketing manipulation rather than an informative message (Staszyńska, 2006).

#### 3. Materials and methods

The main objective of the undertaken analysis is to show a number of determinants affecting the manifestations of economic patriotism among adults aged up to 35 years. The first research method that was used for the purposes of this study was the desk research method, used in relation to secondary sources. It was used in the first part of the article to show the essence and the most important determinants of economic patriotism. Another research tool that was used to obtain information about ethnocentrism among people under 35 years of age was the survey method. The topics of the questions in the survey questionnaire focused on market issues and respondents' attitudes related to economic patriotism. Respondents answered the survey questionnaire, which was developed and then made available online in January and February this year on social networks (Facebook, Instagram). The research sample consisted of 360 people. The sample selection was purposive, therefore respondents had to be between 18 and 35 years old and reside permanently in Poland. In order to present the results obtained during the survey in an accessible way, charts and statements were prepared, accompanied by synthetic summaries of the results of the analysis.

#### 4. Results

Consciousness of the implementation of the issue of economic patriotism from the consumer's point of view is crucial for the effective escalation of the phenomenon. Without knowing what economic patriotism is, what it serves, and what opportunities and threats it brings, there is no way to speak of an ethnocentric consumer as an informed consumer.

As indicated by the results of the survey, as much as 71% of people under 35 years of age

know what economic patriotism is, only 29% declare that they do not know this concept. There is a slight deviation of 10% in the case of familiarity with the issue in favour of men, but in general, there is no large differentiation by gender. Both men and women are equally familiar with the issue. Of those familiar with the concept of economic patriotism, as many as 88% believe the idea is important today. 7% have no opinion and only 5% answered in the negative.

Nearly ¾ of those surveyed, when faced with a choice of two products of the same price and quality, will opt for a domestic product and forgo a foreign one. Only 12.5% do not know how they would behave in such a situation, and about 10% would choose a foreign product. In a similar situation, a consumer faced with a choice of two products

In an analogous situation, a consumer faced with a choice between two products of the same price and the same quality, but faced with a choice between a more expensive product of domestic origin and a less expensive foreign product, the percentage of respondents saying definitely yes or rather yes decreased by about 23 percentage points, while still remaining at a relatively high level of more than half of those surveyed. In the second case in question, the number of people unable to say how they would behave in such a situation increased by about 8%, and one in four consumers would choose the cheaper foreign product (Chart 3).

An important feature of the product, from the point of view of a person under 35, ideologically close to economic patriotism, is the country of origin. Reliable labelling of the offered products and transparency of information help the consumer make a conscious choice. 57% of respondents check the country of origin of the product when shopping, about 8% are unable to determine their practice in this area, and 35% rather not or definitely do not check the country of origin of the goods they buy. The high need for special labelling of Polish products is shown by the statistics in (Chart 4). Among all respondents, as many as ¾ claim that the slo-

gan "Polish Product" encourages them to buy such a product. Thirteen per cent have no opinion on the matter and only 12.5 per cent of the respondents are not encouraged to buy such a product. This raises the issue of certification organizations and the right to special marking of Polish products. It may be noted that despite the 35% declaration that they do not check the country of origin of the product, a properly labelled product (as domestic) attracts about 20% of consumers under 35 years of age who would not pay attention to it if it were not marked "Polish Product".

Over 80% of respondents believe that buying Polish products implies jobs in Polish companies, causing their progress. Only 5% of respondents indicated rather no or definitely no opinion, while 13% had no opinion on the matter. Interesting observations can be observed when comparing the answers of the respondents to what extent they agree with the statement that "buying Polish products from foreign producers causes unemployment". There is a noticeable change in the opinion of some respondents concerning jobs. While only 5% of respondents believed that buying Polish products does not create jobs for Poles, nearly 37% believe that buying products from foreign producers does not cause unemployment. Approx. 17% of respondents have no opinion on this issue, and about 46% indicate that there is a relationship between buying foreign products and rising unemployment.

Chart 5 shows the mood of Polish consumers under 35 years of age in the context of proposals to introduce high taxes on foreign products. Such action would increase the prices of these products and discourage consumers from buying them. Over 40% of respondents would not like imported products to be taxed heavily, with nearly 30% strongly opposing this. One in five respondents has no opinion on the matter, 20% say they would rather, and about 18% say they definitely would.

Despite the fact that a significant portion of adult consumers under the age of 35 are eligible for various types of tax breaks and are covered by a number of regulations that allow them to avoid paying some taxes, they are aware of the burden on their wallets caused by the various types of taxes they have to pay. Usually these are taxes associated with the purchase of certain goods and services such as VAT, excise and customs duties.

The results showing respondents' answers to the question presented in Chart 6, is very important information for Polish manufacturers. Young people prefer buying domestic products and as many as 72% of them believe that foreign products should be offered only to those goods that we cannot or cannot manufacture due to geographical, technological or quality conditions. This is a great incentive both for investors and the Polish government, which in response to the beliefs of people entering the labor market should support intensive development in areas of production and services that can be realized and have not yet been taken any action in this regard.

The results of the report "Fashion for Polishness" prepared by IPSOS (2016) in 2016 on a sample of 1008 people, referred to in the previous chapter, may be supplementary information on the topic. It indicates in which product categories "Polishness" has the greatest potential. The survey conducted shows that young consumers indicated the greatest potential in Polish food, which was mentioned by as many as 94% of respondents (Chart 7). Very high consumer preferences were also reached by Polish: insurance (89.9%), furniture (88.9%) and banking (88.5%). Domestic products least preferred by consumers are: electronics (40.7%), household appliances (56.9%) and films (58.5%). More than half the respondents try to choose Polish stores when shopping. 15% have no opinion, one in four respondents declares that they rather do not choose Polish stores, and 7% definitely do not. An important aspect that should be noted in order to correctly analyze Chart 7 is the need to think of stores and purchases as entities in general that conduct sales activities, and not just as stores selling basic necessities. Despite the fact that the market is flooded with foreign, large-format markets, in which the consumer often

shops because of the proximity of such a store, or to save time, these are usually food products. When choosing clothing, electronics or footwear, a large proportion of consumers are much more cautious in choosing a store than in the case of basic necessities. This fact allows us to state that the percentage of respondents who choose Polish stores is very high, despite the majority of foreign entities on the market.

#### 5. Conclusion

Ethnocentric surveys provide very important information for both companies and organizations working to promote economic patriotism. They provide valuable insights into the direction of development, the needs of consumers and the area of action that should be strengthened in order to promote ethnocentrism in Poland even more effectively. Based on an overall analysis of the results of our own and other authors' studies, it should be concluded that Polish consumers under the age of 35 show a high awareness of economic patriotism and are consumers with a high degree of ethnocentrism.

These studies clearly show that despite the increasing internationalization of businesses among our compatriots in recent years, there is a growing willingness to support Polish manufacturers and service providers by preferring to purchase products of Polish origin. In view of the disruption of global supply chains, interesting observations have been provided by the recent pandemic years, in which a very large number of countries have set their sights on supporting the idea of economic patriotism. Here arises a field for further research toward assessing the impact of growing ethnocentric attitudes on the internationalization processes of companies. This issue is particularly relevant in view of the increasingly frequent discourse about deglobalization caused by the disruption or even rupture of global supply chains. Emergency events such as the aforementioned pandemic are hard to predict. Despite the fact that organizations of various levels as well as businesses have widely developed technology and are able to forecast certain economic phenomena, we as a society are still at a loss with unpredictable nature and mistakes made by people in various places around the world. It is worth being aware that in order to minimize the effects of crises, it is worth simply being prepared for them. One such preventive measure may be to responsibly pursue a policy to support Polish entrepreneurs by pursuing the idea of economic patriotism — both at the consumer, entrepre-

neur and government levels.

A proper understanding of the determinants affecting the manifestations of economic patriotism among people under 35 in the face of globalization processes may become the key to increasing the effectiveness of many companies and institutions. An increase in efforts to strengthen patriotic attitudes toward the economy generates a natural demand for domestic products and services using strategies adapted to the modern market operating in the face of globalization and internationalization of businesses.

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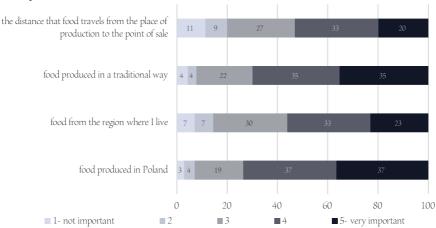
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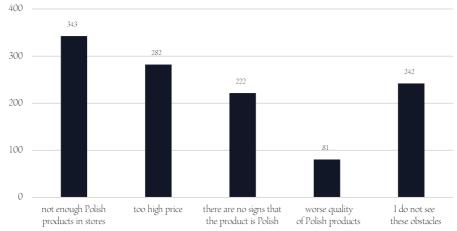
### Appendix

Chart 1. The importance of individual factors in food selection (%)



Source: Own preparation based on Nestorowicz et al. (2016).

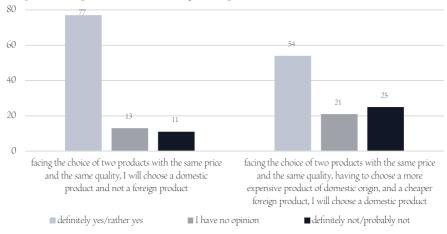
Chart 2. Barriers of people under 35 years old who want to buy Polish products



Source: Own preparation based on IPSOS (2016).

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Chart 3. Comparison of respondents' decision-making with respect to the situations indicated (%)

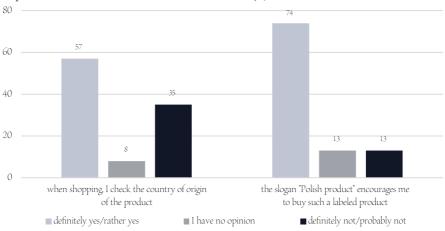


Notes:

For the purpose of this comparison it was assumed that they are products of the same product category, and that other product features are the same in both cases.

Source: Own preparation based on IPSOS (2016).

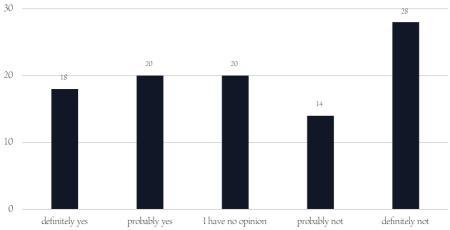
Chart 4.
Respondents' behavior in relation to the situations indicated (%)



Source: Own research.

Chart 5.

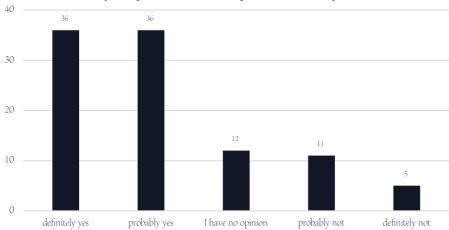
Distribution of respondents' answers to the statement "Foreign manufactured products should be taxed heavily to limit their import to Poland" (%)



Source: Own research.

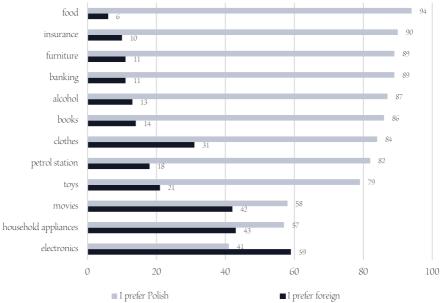
Chart 6.

Distribution of respondents' answers to the question "Do you agree with the statement that we should buy from other countries only those products that we cannot produce in our country?" (%)



Source: Own research.

Chart 7. Product categories in which "Polishness" has the greatest potential (%)



Source: Own preparation based on IPSOS (2016).