

Kurkliński, Lech

## Article

# Financialization and the cultural attitude of Polish society towards the banking sector

e-Finanse: Financial Internet Quarterly

## Provided in Cooperation with:

University of Information Technology and Management, Rzeszów

*Suggested Citation:* Kurkliński, Lech (2016) : Financialization and the cultural attitude of Polish society towards the banking sector, e-Finanse: Financial Internet Quarterly, ISSN 1734-039X, University of Information Technology and Management, Rzeszów, Vol. 12, Iss. 2, pp. 49-59, [https://doi.org/10.14636/1734-039X\\_12\\_2\\_005](https://doi.org/10.14636/1734-039X_12_2_005)

This Version is available at:

<https://hdl.handle.net/10419/197434>

## Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

## Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by-nc-nd/3.0>



## FINANCIALIZATION AND THE CULTURAL ATTITUDE OF POLISH SOCIETY TOWARDS THE BANKING SECTOR

LECH KURKLIŃSKI<sup>1</sup>

### Abstract

The article is dedicated to changes in the cultural attitude of Polish society towards the banking sector under the conditions of progressing financialization and arising consequences for the banking sector. First of all, attention is focused on the cultural characteristics of Poles, their attitude towards finance, especially in the period of transition. The main reference to cultural conditions relates to the tendency to save, incur loans, and the attitude towards banks. It is complemented, among other things, by the model of cultural dimensions by G. Hofstede and S. Schwartz, in line with which attempts are made to explain the mechanisms shaping the financial (banking) system and the financialization tendency. This picture is confronted with the present shape and evolution of the Polish banking sector since 1989, including the role of foreign capital. In particular, attention is focused on the image of banks towards challenges related to the global financial crisis and the main problem of Polish banking institutions, namely household mortgage debt in foreign currencies. The author presents a thesis that significant financialization cannot be indicated in Poland and the historical and cultural aspects do not cause its expansion to the same degree as in a number of other countries. However, certain features, such as preference for loans rather than savings, are favorable for this direction.

JEL classification: G21, M14

Keywords: financialization, Polish banking industry, cultural context

Received: 01.06.2015

Accepted: 09.10.2016

1 Warsaw School of Economics, ALTERUM Centre for Research and Analysis of Financial System, lkurkli@sgh.waw.pl.

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme

## INTRODUCTION

The attitude of society towards the financial sphere is not absolutely fixed and deterministic. But it doesn't change quickly. Its dynamics have an evolutionary character along with the trends of the societal progress influenced by the internal and external developmental conditions. Poland witnessed a process of rebuilding a market economy over the last 26 years which played a key role in the evolution of its financial system. However, it cannot be forgotten that the origins of cultural aspects of the image of the financial sphere can be attributed to earlier periods, at least to the times of real socialism. They evolve very slowly even in the face of such tremendous transformations, especially over the past three decades. The observed circumstances relate to the process of transition (socio-economic and political changes), and global phenomena (for instance, financialization, globalization, technological revolution, etc.) in a dynamic and complex way. Therefore the purpose of the article is to confront the relatively stable cultural factors with the transformation process and to present consequences of these interrelations for the development of the Polish banking sector. The author puts forward the thesis that in Poland significant financialization (mainly its negative aspects) may not be revealed and the cultural circumstances do not foster its expansion to the same degree as in highly developed countries. However, certain features, such as preference for loans rather than savings, are increasing an exposure to a considerable risk (e.g. mortgage loans in foreign currency).

## TRANSITION IN POLAND AND THE GLOBAL PROCESS OF FINANCIALIZATION

To avoid going back too deeply into the history, the discussion of these issues can be started from a turning point, namely the breakthrough of 1989 and the beginning of the transition processes. Key importance is given to the characteristics of social attitudes with which Poles were entering the period of building capitalism: these were mainly attitudes shaped in the times of real socialism. There is an important individual awareness relating to the professed values and it has had an impact on actual or potential action towards the changing environment (Gąsiorowska, 2008, p. 45). The reality of the Polish People's Republic was far different from a communist,

idealistic image of liberation from the dominance of market and money, where planning processes should replace the active role of financial institutions (Walicki, 2010, pp. 345-346). Therefore the described situation is completely opposite to the picture described by what is termed financialization. The definitions of this term stress a particular and growing role of the sphere of finances and the impact of financial criteria on economic and social life. In the strict sense, financialization is associated with growing importance of financial activities (in excessive scale) that determine the functioning of the economy and society (Ratajczyk, 2012). Thus, looking at the economic history of Poland after the Second World War, certain similarities can be noticed, above all with regard to the adopted direction of reinforcing the role of financial factors. Initially, in the new socialistic system some goods and services were offered free of charge or against symbolic payment (e.g. apartments, holiday, meals at workplaces) and central planning was of key importance. However, the role of money and market mechanisms were not completely eliminated. Already the first attempts of economic reforms initiated in the 1950s and the 1960s were involving the use of financial tools to a smaller or greater extent. Therefore, although propaganda was stressing that human work was a basic value, money and the associated factors weren't eliminated. Their importance was constantly increasing with the passage of time (Kula, 2011). This observation can be confirmed by subsequent reforms, e.g. the concept of WOG in the 1970s, projects from the years 1980-1981, or the so called second stage of the economic reform, started at the turn of 1986 and 1987. Changes affected, among other things, the role of prices, the central bank, and the establishment of commercial banks.

In relation to money, from the point of view of the period of the breakthrough, under unstable conditions security issues were gaining in importance (e.g. dollarization at the end of the 1980s). Strong inflation was practically eliminating the savings tendency (mainly in national currency), whereas experiences gained in the period of real socialism were indicating that it was more important to have particular assets (cars, TV-sets, refrigerators etc.) than money. On the other hand, the attitude towards banks was connected with their perception as state institutions (offices), where customers were treated as petitioners. Moreover, the dominance of cash was not favorable for acknowledging banks as entities that provide useful financial services.

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme



In 1989, the new government of T. Mazowiecki faced the challenge of conducting crucial economic reforms in Poland. *“The Government Program of Economic Stability”* (Mikuła, 2008, p. 77) and, subsequently, a set of crucial economic reforms were adopted; they aimed at establishing market discipline and accompanying mechanisms. The authors largely relied on the assumptions resulting from the Washington Consensus. This concept was recommending the introduction of a neoliberal economic model (Stańczyk, 2004), which has been considered a desired direction in the light of the need to shift the economy from a centrally planned economy to a market economy. However, these actions were also implying opening of the way to a phenomenon termed today financialization. Among other things, interest rates were adjusted for inflation, which caused a shock arising out of their dramatic growth. It can be stated that for many people it was their first meeting with the power of finance and the consequences of how powerful are the criteria determined by the financial sphere. Freedom of establishing new, private banks caused their number to grow, which, in the face of serious troubles for some of them, was affecting the perception of the whole financial sector. Another postulate of the Washington Consensus related to the privatization of state-owned companies, and hence also to banks. Opening the gate for foreign direct investments began the inflow of this kind of capital to the banking sector. The guarantees of the inviolability of ownership rights have been fostering a systematically growing scale of investments in Poland.

The beginning of the 1990s brought a rather unfavorable attitude of the society towards finance and banks. The perception of the financial industry was not bright and favorable. In terms of confidence, state banks and cooperative banks were appreciated most. Turbulence around some of the new private entities (bankruptcies, liquidations, commissioner managements, public aid) was causing strongly negative impressions on the side of depositors and investors.

The attitudes towards money and banking were evolving slowly. However, these changes haven't been large. The best example is the attitude towards savings. The research market company TNS (2014b) stated that as much as 80% of those surveyed considered saving as something to be proud of and as a prerequisite for a better life (66%). On the other hand, only approx. 40% of those surveyed had any savings (Czapiński & Panek,

2013). As compared to the early 1990s, most households are not ready to save money at the expense of current consumption. An exceptionally negative trend is recorded when it comes to savings of households in comparison to GDP. In the years 1995-2009, the value of this ratio fell twice (from 12.1% to 6.7%). In line with the prevailing attitude, it is easier to incur a loan than save some money, and the vast majority have no problems with incurring loans (TNS, 2014b). Therefore, international comparative research presents a similar image of Polish society. It places Poland negatively, even more so than other Central and Eastern European countries and obviously more so than highly developed countries (Atkinson & Messy, 2012).

It shows thus the importance of consumption, in a short-term perspective, rather than conscious, long-term management of own finances. Certainly, it has its macroeconomic consequences; however, it affects also the functioning of the banking sector. On the other hand, with regard to the issue of financialization, these preferences foster, unfortunately, reinforcement of the negative aspects of the excessively growing role of money and finances, which could be partially noticed in the case of household mortgage debt in foreign currencies.

### **CULTURAL CHARACTERISTICS OF SOCIETIES BY G. HOFSTEDE AND S. SCHWARTZ VERSUS FINANCIALIZATION**

The literature contains attempts to explain relations between cultural conditions and the scale and importance of the financial sphere. Various models are analyzed, including the ones proposed by the social psychologists G. Hofstede and S. Schwartz. For G. Hofstede, the uncertainty avoidance index (UAI) seems to play a key role, especially for the financial (banking) sphere. Societies with a low level of this index show a greater tendency to accept risk, but not brinkmanship. It results from a more favorable acceptance of unknown and diverse situations, tolerance and opening up to other people and innovative projects. Risk avoidance involves the sense of fear and necessity to take precautions, such as: issuing detailed regulations and procedures, and formalization of interpersonal relationships. The future means threat and the most important thing is to maintain safety. It may seem that under such circumstances the prevailing attitude will consist of avoiding risky decisions, rather than counting on

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme

even significant benefits from such decisions. Hence there is a significant impact of this index on the functioning and development of the capital market, as an alternative to economies based on banking systems, assessed as more conservative and, in turn, being under a smaller impact of financialization. For instance, market capitalization in relation to GDP in the US was 119% in 2012 (greater importance of capital markets, and low UAI – like in the UK), whereas in Germany it was just 43.7% (the primacy of the banking model, high UAI: the same situation is in Japan, Continental Europe, particularly in Poland with a very high UAI (Czerwonka & Buczkowski, 2013, p. 62). This regularity was indicated by C. Kwok and S. Tadesse (2006).

An attempt to explain the connection between the cultural conditions and the development of financial markets has been made also on the basis of the model by S. Schwartz, in the particular model dimensions:

1) embeddedness, meaning tendency to conformism, subordination, respect for tradition and orientation towards maintenance of the present social order, appreciation for tradition and attaching great meaning to safety (of one's own, group, country), versus autonomy, namely intellectual autonomy, indicating respect for an individual's cognitive independence, expressing curiosity, having broad horizons,

2) hierarchy, related to the acceptance of social order with unequal distribution of wealth, the use of forms of coercion by the representatives of a privileged minority, ennoblement of authority and highlighting the virtue of subordination, versus egalitarianism, namely maintenance of social order via democratic institutions and the legal system, action in line with the principles of justice, trust, integrity and responsibility,

3) mastery, indicating pursuit of control of the world of nature, deriving benefits from the world of nature and technological expansion, versus harmony, characterized by adaptation to the natural environment and care for it. W. Breuer, A.J. Salzmänn (2009) indicate that the banking sector dominates where the level of embeddedness, egalitarianism, and harmony is high, while in the countries characterized by autonomy, hierarchy and mastery the financial (capital) markets are of key importance. The examples presented are the banking oriented economy in Japan and the dominance of capital markets in Great Britain or the USA (Czerwonka & Buczkowski, 2013, p. 62).

However, if those criteria are referred to Poland, given the dominance of the banking sector, the level of

embeddedness (above world average) truly stands out, rather than the level of autonomy. We are closer to harmony than mastery, but we are also closer to hierarchy than egalitarianism. Therefore, our general position is hardly clear (Boski, 2009, p. 188). For this reason, in many cases the explanatory function of S. Schwartz' model of the connections between the cultural conditions and the development of the financial system does not bring clear results.

The situation is similar to some degree when looking straight at relations between the cultural aspects and the level of financialization. The already quoted comparison between the United States and Germany indicates that this phenomenon is more intensive in society and the economy of the US rather than in Germany. Thus, it seems justified to raise a question about the past and present reason for this diversity. However, the aspects dominating in the answer are institutional, rather than cultural (Deeg, 2014). Certainly, for instance, the whole institutional economy is strongly determined by the cultural conditions but this fact indicates that it should be examined as a deeper subsoil of the analyzed phenomenon of financialization, rather than as a direct factor.

## **DEVELOPMENT OF THE POLISH BANKING SECTOR AFTER 1989**

In view of the above remarks, it is worth analyzing the development of the banking sector in Poland, which, after the period of real socialism, was entering a new era. It was partially changed already at the beginning, as a result of the reforms initiated in the late 1980s. Thanks to breaking away from the more or less consistently executed concept of a state mono bank, the number of banks started increasing, and it became possible to establish new, private entities, including participation of foreign capital. The cooperative banks' empowerment process was launched. A liberal licencing policy of the National Bank of Poland was aimed at the de-monopolization of the banking sector, increase in competitiveness and growth in the share of private sector. However, this trend was inhibited in the following years. The bad loans crisis phenomena in the first half of the 1990s changed its direction. Among other things, minimum capital requirements were increased (National Bank of Poland, 2006, p. 9). The inflow of foreign capital was limited and acceptable only if employed in rescuing Polish banks. The

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme

end of the decade featured consolidation processes and re-opening to foreign investors.

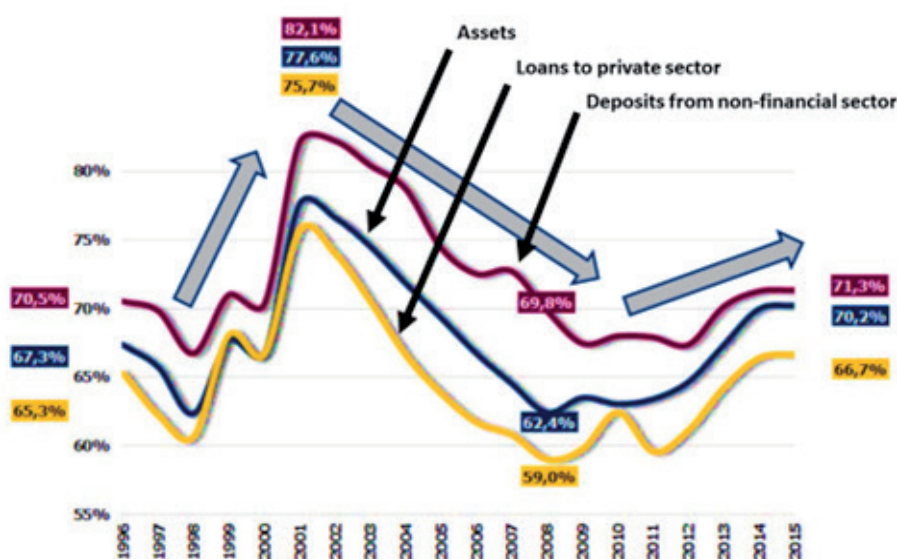
A key role in the development of the banking sector after 1989 was played by the privatization processes (in line with the Washington Consensus). As early as in 1991, a relevant governmental program was created. According to its assumptions, privatization was to lead to the creation of a modern banking system with the important role of foreign capital (Kraciuk, 2006, p. 283). Initially, plans included selling a limited (minority) block of shares to foreign investors for the purpose of their active participation in management of a bank but not to pass over full control. The first two state-owned banks were privatized by the ministry of finance in line with these principles. However, it was not possible to maintain this model of privatization in the following years due to the missing interest on the side of the foreign investors and a new concept was adopted, consisting in transferring a majority of shares to new owners. Practically, for the biggest commercial banks in Poland, the privatization processes and acquisition by foreign capital can be attributed to those circumstances. Some of the exceptions are Bank PKO BP, where the State Treasury has maintained the dominant position, and private Getin Noble Bank SA. On the other hand, with regard to the consolidation processes, this trend intensified in the years 1999 – 2001 (the merger of Bank PEAKO SA with BDK SA, PBG SA, PBKS SA and other acquisitions). As a result of the activation of

smaller and medium-sized banks and the establishments of new entities (among other things, repeated inflow of foreign capital), a strong opposite direction was visible until the global financial crisis (2008). Then, international banking groups facing difficulties (e.g. Belgian KBC, Irish AIB, Greek EFG) or rebuilding their development strategies (e.g. Scandinavian NORDEA, Dutch Rabobank) decided to sell their assets in Poland. In terms of ownership structure in 2015, the share of banks with dominant Polish capital was recorded at the level 39,6% (KNF, 2009, p. 34) and was showing a slightly upward trend, opposite to the previous one (the lowest share – 27,7% in 2008 ((KNF, 2015a, p. 11).

The image of commercial banking after 1989 is complemented by a relatively large group of small and medium-sized banks. In most cases these are entities dominated by foreign capital, whereas the number of commercial banks controlled by Polish owners is definitely smaller. Institutions providing banking services (apart from cooperative banks, entities from the sphere of shadow banking and credit unions) are also branches of foreign credit institutions (practically European banks) whose number has been growing slowly, but systematically since 2004, and in 2015 amounts to 28 (KNF Office, 2015a, p. 2). Cross-border banking activities are also acceptable, but their scale and the importance together with branches are marginal.

In view of the described above conditions, the

**Figure 1: Concentration of assets of the Polish banking sector in the years 1996 – 2015 (CR10 – share of top 10 biggest banks)**



Source: KNF (2015a), p. 5

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme



**Table 1: Assets, loans and deposits of the banking sector in Poland and in the Eurozone to GDP in the years 2011-2013 (%)**

	Assets/GDP			Loans/GDP			Deposits/GDP		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
<b>Poland</b>	83,3	83,5	84,6	51,4	50	50,3	44,8	44,8	46,6
<b>Eurozone</b>	355,8	344,8	317,8	105,7	103,2	99,9	80,4	83,1	85,8

Source: NBP (2014), p. 24

concentration of the Polish banking sector is characterized by a relatively low level. To measure this condition, the Herfindahl-Hirschman Index (HHI) (the sum of the squares of the banks' shares in the banking sector assets, including not only the number of entities, but also their relative size) is used, affecting also the level of competitiveness. For Poland, at the end of 2013, HHI was 0.058 (KNF, 2013, p. 18) and was one of the lowest in Europe. It is assumed that values ranging from 0.0 to 0.1 mean a competitive market. This observation is confirmed also by the indexes CR10 and CR5 (a market share of 10 or 5 of the biggest banks), which are lower than the EU average (Pawłowska, 2014, pp. 49-50, 131-132).

On the whole, when analyzing the development of the Polish banking sector after 1989, it has been characterized by high dynamics and building a solid and strong position with regard to the whole national economy. However, its persisting underdevelopment, rather than excessive development, can be indicated. As compared to other highly developed European countries, its level is still relatively low. For instance, assets of the whole Polish banking sector account for only 84.6% of GDP (2013), whereas for the Eurozone this ratio was 317.8%. Also in respect of the character of the conducted activities, national banks focus on traditional services: they accept deposits and grant loans for non-financial entities (NBP, 2014, p. 22). Hence, in terms of absolute values and as compared to highly developed countries, it is hard to indicate significant financialization. As a result, on the one hand, this level and a kind of delay have largely contributed to the avoidance of serious trouble related to the global financial crisis but, on the other hand, they show challenges to be faced by the banking sector and relating to catching up with civilizational development of the countries with the highest level of consumption and standard of living.

## PRESENT PERCEPTION OF BANKS: A POST-CRISIS EXPERIENCE

For the present perception of the banking sector a key role is played by social evaluation of the ethics of banks' action. Presently, far reaching criticism is prevailing; at this point, several "sins" can be listed, which relate mainly to highly developed countries, including partially Poland, and these are:

- 1) departing from the primary function of serving the real economy, which leads to the emergence of the phenomenon of financialization,
- 2) privatizing profits and externalising losses to the public,
- 3) bankers' rapacity (e.g. paying out gigantic bonuses even in the period of the biggest collapse in 2008 (Flejterski, 2010, p. 112),
- 4) acting to the detriment of customers (e.g. selling toxic products),
- 5) fraud and manipulations, e.g. falsification of LIBOR reference rate (Zieliński, 2013, pp. 678-679).

Following this path, the term "bankocracy" has appeared in the context of banks getting transformed into institutions with huge revenues, too complacent in the opinion of the whole society, and criticized for: too large receipts, excessive profits, too high fees, excessive egoistical conservatism, excessive aggressiveness, too large dimensions, lack of kindness towards smaller customers, lack of interest in human issues, too expanded bureaucracy, detachment from real social needs, and too elegant headquarters. In the banking sector reputation loss risk is of particular importance. The fact of revealing irregularities involves problems with trust, loyalty of customers or respect for a given institution. In February 2009, "Der Spiegel" used a neologism "banksters" in relation to bankers considered as gangsters in impeccable suits who squandered social trust (Flejterski, 2010, p. 114). This picture can be illustrated with the world data on fines imposed on the greatest banks for unfair practices. In the years 2008-2015, fines amounted to USD 235 billion

The article is an effect of the project – „Financialization- impact on the economy and society” - international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme

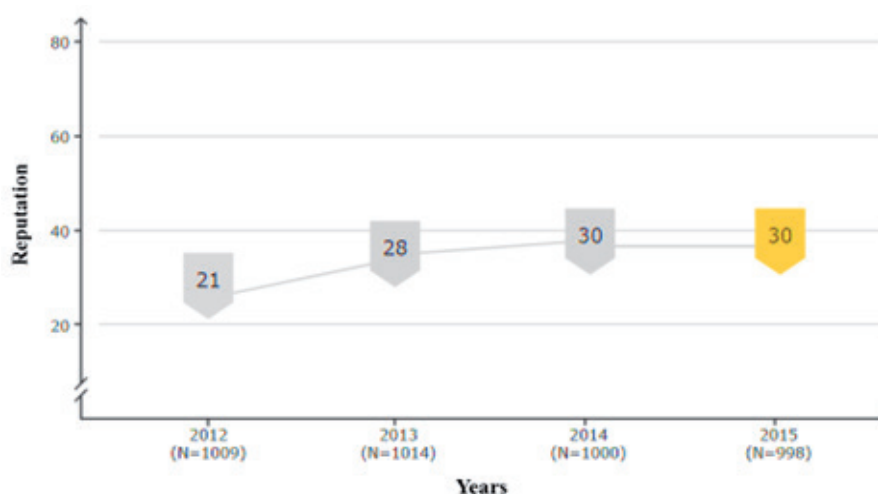
(Dzimwasha, 2015). For Poland, a similar specification, albeit not with that scale, can be made based on the list of fines imposed on banks by the President of the Office of Competition and Consumer Protection. In 2015, the criticism of the banking sector intensified, in particular along with the outbreak of the so called “Swiss franc crisis”, namely the problem of household debt in foreign currencies (mainly CHF) under residential mortgage loans, after CHF appreciation on 15 January 2015. However, despite examination of social and economic aspects of this issue, many press articles, public papers, political initiatives etc., the number of comments, analyses and proposals published by the academic representatives regarding this issue is not large. A few of them contain a paper of the Gdansk Institute for Market Economics (by Wyżnikiewicz, 2015) and a paper by M. Lewicki (2014), where the author interprets this issue as a manifestation of Polish financialization. On the other hand, in line with a popular opinion, our banking sector is safe, well managed, modern, pays high corporate taxes, was not affected by the financial crisis, does not require state (taxpayer) support, which differentiates Poland from many other countries.

Therefore, the whole problem of the ethical action of banks and devaluation of their operations should be examined with a certain dose of distance both in international and national terms. The list of frauds and crime in particular economic sectors worldwide, prepared annually by the consulting company PwC, *Global Economic Crime Survey*, may be helpful in this respect. According to the Survey data, the scale of wrongful behaviors is

higher for service sectors, and banks rank very high (PwC, 2011). In the context of Poland, reliable studies assessing the banking sector against pathological phenomena in the whole economy are missing. According to the Polish branch of PwC, on the whole, this disease affects 39% of the companies in Poland (Janowski, 2013, p. 244). Other data presented by B. Nogalski, A. Wójcik-Karpacz and J. Karpacz show an even greater scale of different types of unethical actions, as of approx. 50% (Nogalski et al., 2010, pp. 15-19). This condition can be explained, among other things, by errors of the period of transition (Nogalski & Śniadecki, 2007, pp. 15-17). On the other hand, there are no grounds to claim that the banking sector is affected by this problem to a greater extent than other sectors.

Nevertheless, general attitudes to banks and evaluation of ethics of their action in the country and abroad (mainly in the countries of origin of investors in our banks) are similar. In both cases we are dealing with a strong wave of criticism. It is distributed over time in a similar way – a post-crisis effect. However, on the basis of the image of the banking sector in the mass media, it would seem that culmination took place in Poland in 2015 in the: “Swiss franc” effect. When it comes to a quantified, total level of reputation, studies do not indicate a breakdown of the image of banks, although they record some negative trends (it should be taken into account that the last available, complex data concern April 2015). This general image of banks’ reputation is represented by the index TRI\*M (Measuring, Managing and Monitoring of stakeholder relationships), which shows a general evaluation of the sector, organizations, supplemented by

Figure 2: TRI\*M bank reputation index in Poland – 2015



Source: TNS (2015), p. 39

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme



emotional factors: affection, trust, and functional factors: efficiency, service and product quality. Since the outbreak of the global financial crisis, after a several-year period of slow improvement of the image, the year 2015 has brought a slowdown of this trend, as illustrated in Figure 2. It is worth comparing these results with the evaluation of other sectors and financial institutions, and relevant surveys in this field are conducted by TNS. In 2015, towards 30 points for the banking sector, other sectors obtained the following results: insurance companies: 24, developers: 17, mass media: 28, telecommunications: 27, cooperative savings and credit unions – the very low score: 4, parabanks - even a negative score: -8 (TNS, 2015, p. 38). This situation can be attributed to the AMBER GOLD scandal (2012) and bankruptcy of cooperative credit unions (2014 and 2015).

It is also important to evaluate the ethics of action of banks in Poland against other countries and regions. The worldwide self-evaluation of the bankers about a bank's ethical attitude to clients (2013) brought results: 59% of positive opinions and only 14 % of negative opinions. The effect of complacency largely explains the strong impact of the favorable image of banks in Southeast Asia (53%) and in North America (51%). For Europe the evaluation was only 31% (EIL, 2013, pp. 10-11). A poor European result, corresponding to some degree to the situation in Poland, induces one to reflect on and analyze the importance of ethical factors in the general image of banks. As a consequence, in terms of evaluation of various aspects of the functioning of banks, their required ethical

action is ranked highest in the hierarchy of importance (4.6 points in the 5-point scale), and simultaneously the banks' performance has a weaker evaluation (3.1 points). Such a high difference is not recorded in any other case (Figure 3).

To sum up the presented data and analyses, it can be concluded that in the eyes of Polish society the banking sector is characterized by a relatively high level of trust, which affects, above all, the sense of safety. The image of banks is affected beneficially by managerial staff and support for the economy, whereas ethics of action, general responsibility, communication, customer relationship and pricing have adverse effect on this image (TNS, 2015, p. 37).

In the light of the conducted opinion polls in Poland and recent European experience, attention is paid to conclusions and forecasts resulting from the attitude towards banking, manifesting themselves in trust, assessment of ethics of action as well as the degree of bank penetration ratio and usage of products of customers in our country. In this respect, the following observations arise:

1) The average level of banking penetration ratio significantly increased during the era of transition. The biggest acceleration was recorded at the end of the period of good economic and banking growth, whereas since 2009 stagnation (with minimum upward trend) has been persisting in this field. It seems thus that banks' challenge in the years to come will be attracting customers from competition or through growing sale of products

**Figure 3: Importance and evaluation of particular aspects of banks' activities - 2015 (range 1 - 5)**



Source: TNS (2015), p. 126

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme

under cross selling activities, rather than attracting new, non-banked customers (especially as their economic attractiveness is definitely lower). It should result in growth in competitiveness, which will be favorable for customers. A certain role will be played by competition from the part of non-banking institutions.

2) A relatively low number of products per one customer (below the EU average) induces banks to intensify sales efforts within the present customer portfolio. It is fostered by the use of still poorly developed and not often used new sales methods. However, the slow character of this process does not indicate fast progress in financialization in Poland.

3) The question of whether Poles will follow highly developed European countries and will focus on one, main bank, or whether their interest in offers of various institutions will increase remains open. The process of enhancing transparency of the banking market, pricing competition, restriction in physical and psychological barriers related to change in a bank, growing criticism etc. should bring about growth in parallel interest in other service providers. However, this direction of action does not enjoy great popularity among customers in a large part of Europe. Moreover, certainly a significant role will be played by a noticeable clear increase in fees in banks, which induces a customer to consolidate service in one entity, rather than use the service of several of them.

## CONCLUSION

The cultural aspects of the attitude towards banking and finance and banking are relatively fixed and their essence should be attributed to experiences of a given society from past years and even epochs. Undeniably, the period of real socialism, when the role of money was not crucial, left its strong impact on Polish society. When Poles started to build the foundations of a market economy, they had to get out of the non-normal situation of a marginalized role of financial relations. As a result of the transition period, it was possible to create the basis of capitalism. These effects have been praised, but such opinions have been expressed mainly abroad. Poland has

gotten closer to other highly developed countries. These economies aren't characterized only by the advantages of capitalism: one of the disadvantages is financialization. Today, it can be concluded that from the economic point of view the condition of the Polish economy (including the banking sector) indicates quite a high level of maturity. There are several proofs for the confirmation of this statement. Banks can be proud of the return of assets, cost/income ratio, European leading position in on-line banking and m-banking, popularity of contactless cards, risk management skills, etc. However, major disparities and developmental delays in front of Western European countries still exist. The cultural sphere shows even more crucial differences. After all, an early stage of the development of the financial market and banking customs show a rather low importance of the financialization problem in Poland. On the other hand, some problems have arisen, which are now favorable for the excessive impact of money and finances on the society, and thus financialization. These are, for instance, the dangerous scale of household mortgage debt in foreign currencies or fast achievement of the EU level of consumer loans, resulting from strong preferences for consumption rather than savings. That's why the present social and economic situation of Poland has to be taken into consideration in front of the global phenomena. The various aspects of some tendencies toward financialization should be analyzed. It could be useful to mention the debate instigated after the last financial crisis. The evaluation and recommendations proposed by the different international institutions (e.g. the World Bank, IMF, Basel Committee, European Commission) are mainly related to overbanked economies, where "slimming" treatment is fully rational. For Poland and other Central European countries, it may imply some or new "health" problems for macroeconomic growth and the banking industry. Nevertheless, the cultural sphere cannot be neglected, at least in the area of enhancing the knowledge and financial skills of Polish society, which should restrict the financialization tendency. Unfortunately, in this respect Poles stand out from other nations, including neighbors from Central and Eastern Europe.

## REFERENCES

- Atkinson, A., Messy, F. (2012). *Measuring Financial Literacy: Results of the OECD/ International Network on Financial Education (INFE) Pilot Study*. OECD Working Papers on Finance, Insurance and Private Pensions. No. 15, OECD Publishing, <http://dx.doi.org/10.1787/5k9csfs90fr4-en> (30.10.2015).
- Boski, P. (2009). *Kulturowe ramy zachowań społecznych. Podręcznik psychologii międzykulturowej*. Warsaw: Polish Scientific Publishers PWN.
- Breuer, W., Salzmänn, A.J. (2009). *National Culture and Corporate Governance*. SSRN eLibrary, <http://dx.doi.org/10.2139/ssrn.1260746> (28.04.2015).
- Czapiński, J., Panek, T. (2013). Diagnoza społeczna 2013. Warunki i jakość życia Polaków. *Contemporary Economics*, Vol. 7, special issue. Warsaw: Quarterly of University of Finance and Management.
- Czerwonka, M., Buczkowski, R. (2013). *Finanse kulturowe*. Studia i Prace Kolegium Zarządzania i Finansów. Zeszyty Naukowe, No. 132. Warsaw: Warsaw School of Economics.
- Deeg, R. (2014). Financialization and Institutional Change in Capitalisms: A Comparison of the US and Germany. *The Journal of Comparative Economic Studies*, Vol. 9, 47–68.
- Dzimwasha, T. (2015). 20 Global Banks have Paid \$235bn in Fines since the 2008 Financial Crisis. *International Business Times*, <http://www.ibtimes.co.uk/20-global-banks-have-paid-235bn-fines-since-2008-financial-crisis-1502794> (20.10.2015).
- EIL (2013). *A Crisis of Culture. Valuing Ethics and Knowledge in Financial Services*. London: The Economist Intelligence Limited.
- Flejterski, S. (2010). *W poszukiwaniu nowego paradygmatu zarządzania przedsiębiorstwami bankowymi* (pp. 109-121). Zeszyty Naukowe, No. 145. Poznań: University of Economics.
- Gąsiorowska, A. (2008). *Różnice indywidualne jako determinanty postaw wobec pieniędzy*. Ph. D. thesis. Wrocław: Faculty of History and Pedagogy, Institute of Psychology, University of Wrocław.
- Janowski, M. (2013). Znaczenie kodeksów etycznych w procesie gospodarowania. In *Współczesne problemy ekonomiczne: wybrane zagadnienia teoretyczne a praktyka gospodarcza* (pp. 238-248). Studia Ekonomiczne, No. 129, Katowice: University of Economics.
- KNF (2013). *Report on Activities of the Polish Financial Supervision Authority in 2012*. Warsaw: Polish Financial Supervision Authority.
- Kraciuk, J. (2006). Procesy konsolidacji w polskim sektorze bankowym. *Problemy Rolnictwa Światowego* vol. XV, 282-292.
- Kula, M. (2011). Pieniądz jako zjawisko kultury. *Kultura i Społeczeństwo*, No. 2-3.
- Kwok, C., Tadesse, S. (2006). National Culture and Financial Systems. *Journal of International Business Studies*, Vol. 37, No. 2, 227–247.
- Lewicki, M. (2014). Za mała, by sfinansjalizować? Procesy finansjalizacji i polska gospodarka. *Prakseologia*, No. 155, 125-173.
- Mikuła, P. (2008). Bilans przemian społecznych i gospodarczych w Polsce w latach 1989-2006. *Zeszyty Naukowe Zakładu Europeistyki WSiIZ* No. 2.
- Nogalski, B., Śniadecki, J. (2007). Zachowania etyczne przedsiębiorców w zarządzaniu polskimi przedsiębiorstwami – ujęcie kontekstowe. In P. Kulawczuk, A. Poszewiecki (Ed.), *Wpływ społecznej odpowiedzialności biznesu i etyki biznesu na zarządzanie przedsiębiorstwami*. Warsaw: Research Institute on Democracy and Private Entrepreneurship.
- NBP (2001). *The Polish Banking System in the Nineties*. Warsaw: National Bank of Poland.
- NBP (2006). *Banking Supervision in the Years 1989-2006*. Warsaw: National Bank of Poland.
- NBP (2014). *Financial System Development in Poland in 2013..* Warsaw: National Bank of Poland.
- Nogalski, B., Wójcik-Karpacz, A., Karpacz, J. (2010). Zjawisko uchylania się od podatków wśród przedsiębiorców. In J. Toruński, H. Wyrębek (Ed.), *Zrównoważony rozwój regionów*. Warsaw: Studio Emka.
- Pawłowska, M. (2014). *Konkurencja w sektorze bankowym. Teoria i wyniki empiryczne*. Warsaw: Wydawnictwo C.H. Beck.
- PwC (2011). *Global Economic Crime Survey 2011*. Pricewaterhouse Coopers, <http://www.pwc.com/gx/en/economic-crime-survey/data/index.html> (14.05.2014).
- Ratajczak, M. (2012). Finansyzacja gospodarki. *Ekonomista*, No. 3, 281–301.
- Stańczyk, Z.J. (2004). *Konsensus waszyngtoński a reformy w krajach postkomunistycznych*. Zeszyty Naukowe, Polskie Towarzystwo Ekonomistów No. 2. Kraków: Polish Economic Society.
- TNS (2014a). *Wizerunek polskiego sektora bankowego*. Edycja 2014. Warsaw: TNS Polska.
- TNS (2014b). *Oszczędzanie długoterminowe - opinie, postawy i oczekiwania polskiego społeczeństwa*. Warsaw: TNS Polska.
- TNS (2015). *Wizerunek polskiego sektora bankowego*. Edycja 2015. Warszawa: TNS Polska.

The article is an effect of the project – „Financialization- impact on the economy and society”- international conference, conducted by the University of Information Technology and Management in Rzeszów with Narodowy Bank Polski under the scope of economic education programme



- KNF (2009). *Report on the Condition of Polish Banks in 2008*. Warsaw: Polish Financial Supervision Authority Office.
- KNF (2015a). *Banking Sector's Concentration*. Warsaw: Polish Financial Supervision Authority Office.
- KNF (2015b). *Report on the Condition of Banks in the First Half of 2015*. Warsaw: Polish Financial Supervision Authority Office.
- Walicki, A. (2010). *Idee i ludzie. Próba autobiografii*. Warsaw: Instytut Historii Nauki PAN, ASPRA-JR, 345–346.
- Wyżnikiewicz, B. (2015). *Kredyty we frankach. Rzeczywista skala problemu dla polskiej gospodarki. Konsekwencje realizacji proponowanych rozwiązań*. Warsaw: Gdansk Institute for Market Economics.
- Zieliński, T. (2013). Współczesny bank wobec paradygmatu zaufania publicznego. *Annales Universitatis Mariae Curie-Skłodowska*. Vol. XLVII, No. 3, 673-683.