



BULLETIN

No. 18 (750), 13 February 2015 © PISM

Editors: Marcin Zaborowski (Editor-in-Chief) • Katarzyna Staniewska (Managing Editor)
Jarosław Ćwiek-Karpowicz • Aleksandra Gawlikowska-Fyk • Artur Gradziuk
Piotr Kościński • Sebastian Płociennik • Patrycja Sasnal • Marcin Terlikowski

Corporate Cultural Responsibility and the Promotion of Polish Business Abroad

Patryk Kugiel

Culture can be a powerful marketing and branding tool for corporations and states alike. As Polish companies strengthen the Corporate Social Responsibility model while competing on global markets, they should also pay special attention to supporting culture. The stronger engagement of business in cultural diplomacy would bring extra resources and create a synergy between the efforts of the private and public sectors to build Poland as a positive brand. To facilitate this cooperation, the government can create new mechanisms and regulations that will attract greater business involvement in such promotion.

From CSR to CCR. Corporate Social Responsibility (CSR) is an increasingly popular business model in the global economy. The European Commission defines it as “the responsibility of enterprises for their impacts on society.” In short, companies should care not only for financial and economic gains, but also integrate social, environmental, ethical, human rights and consumer concerns into their commercial operations. Yet CSR is not about charity; its proper implementation also brings tangible long-term benefits for companies in terms of image building, better risk management and relations with local communities and customers, promotion and marketing, and overall increased competitiveness. CSR is especially encouraged by international organisations and the public in investments and commercial operations in developing countries (see: United Nations Global Compact, ISO 26000 Guidance Standard on Social Responsibility).

A particular form of CSR is support for culture, which can be termed Corporate Cultural Responsibility (CCR). Companies financing arts and cultural events and organisations enrich the variety of and access to culture in specific areas, and enhance the social and cultural capital of communities in line with CSR. At the same time, they boost their visibility and get better access to new customers. When operating on foreign markets, they also build a positive image of their country of origin. In this sense, CCR could also be understood as the responsibility of business for the promotion of national culture and cultural cooperation with other nations. Many developed countries understand this well, and use culture for building cultural, educational or people to people links abroad. Although cultural promotion is primarily a responsibility of a state (done mostly via diplomatic missions and institutes of culture such as the British Council, the Goethe Institute, etc.), the private sector plays an increasingly important role.

There are many forms and models of such cooperation. Companies can finance residential stays for artists, education contests, study visits, collaborative projects, exhibitions, shows, and more. They may fund special scholarships for foreigners to study at prestigious universities (like, for instance the Gates Millennium Scholars in the United States, or Gazprom scholarships at Warsaw University). Some directly support cultural events organised by diplomats abroad through public private partnerships (PPP). This gives their commercial activities a certain prestige and credibility, as well as providing an opportunity for the direct promotion and exhibition of their products and technologies, while the public sector gains extra resources to organise bigger events with enhanced visibility and recognition for the national brand. For instance, to celebrate the 60th anniversary of relations with India in 2012, the German government organised a special programme called “Indo-German Urban Mela” in collaboration with the biggest companies (Bosch, Siemens, etc.). This allowed them to hold major events in five of India’s largest cities, which attracted thousands of

visitors and was a great show of German strength in culture, innovation and economy. This example illustrates the synergy of public diplomacy and the private sector in the promotion of a nation's brand.

The “Poland” Brand and Expansion in New Markets. Numerous surveys and reports confirm that Poland's low recognition internationally is among the major obstacles hampering Polish exports and investments in new markets. The limited knowledge and visibility of the country translates into a lack of positive associations with its products, and affect customer choices negatively. This is especially important in developing countries and distant states, where Poland has been less engaged in the past 25 years and is often unknown to the majority of the population. In order to diversify exports beyond the EU (now the destination for 75% of Poland's exports) and attract more investment, tourism and students, it will need to pay special attention to national branding.

The Polish administration has already pursued activities to enhance the country's image around the world. For instance, the Ministry of Economy launched the “Made in Poland” campaign in 2013, to raise awareness about Polish products from 15 sectors in five focus countries. The inter-ministerial Council for the Promotion of Poland developed “Rules for Communicating the POLSKA Brand” in 2013, describing uniform norms for promotional activity. In 2014, the first image-building campaign under the new guidelines (“Polska. Spring Into New”) was launched, and a fresh logo (a spiral design) was presented. Three round anniversaries in 2014 (25 years of systemic transformation, 15 years in NATO and 10 years in the European Union) served as a good opportunities for numerous campaigns (such as “Freedom: Made in Poland”) and events that exposed Poland in a good light in the international media. Other public institutions, such as the Polish Tourism Organisation (POT), the Polish Information and Foreign Investment Agency (PALiIZ), and the Polish Chamber of Commerce (KIG), have also contributed to the popularisation of Poland abroad.

Culture has become more eagerly employed as a tool for national branding. Poland has enlarged its network of cultural institutes, with the latest two opening in New Delhi in 2012 and Beijing in 2014. The Adam Mickiewicz Institute (IAM), a major body involved in the promotion of Polish culture abroad, organised successful campaigns (“I, Culture” and “Polska! Year”), and launched special programmes to reach new audiences in Asia, Turkey and Brazil. Other institutions, such as the Polish Film Institute, Book Institute, and International Cultural Centre, also supported international projects. More traditionally, numerous cultural events presenting Polish cinema, music, literature, and art are organised by Polish embassies. Yet, due to the low starting point, and limited financial resources, these official activities can bring only modest results unless Polish entrepreneurs and business organisations take up cultural diplomacy.

The Role of Business in the Promotion of Culture. In Poland, companies have already recognised sport as useful tool of international promotion, and are more likely to sponsor sports teams and big events. Some have started exploring the field of culture, and give financial support to film productions, individual art exhibitions, or shows abroad. Others have developed patronage of certain cultural institutes in Poland. Still, they rarely cooperate closely with the Polish administration in cultural promotion abroad, although there are some positive examples. For instance, KGHM Polska Miedź S.A. supports an ongoing arts exhibition in Beijing (“Treasures from Chopin's Country”). More cooperation like this would generate extra resources, allowing for bigger and longer-term projects or campaigns. It seems that the modest experience of cooperation and the low level of trust between the public and private sectors, as well as a weak legal framework (for instance, the complicated rules of forming private public partnerships) are among the major obstacles for joint actions.

Therefore, a new approach to cultural promotion is necessary, based on closer cooperation between the public and private sectors. The government should attach even more attention to culture as a crucial tool for image building and expanding economic opportunities abroad, and invite private business to collaborate in this field more willingly. For Polish companies entering new markets, it would be helpful not only to include Corporate Social Responsibility into their strategies, but also to develop Corporate Cultural Responsibility and sponsor activities in culture, education and science. Besides supporting local culture, they will also contribute to the creation of “Poland” as a positive brand. In this way, they would not only serve national interests, but also their own long-term profits. As private companies become more capable of seeking new customers and investments beyond Europe, they share a greater responsibility for building a positive image of Poland.

While large companies with global aims can coordinate and co-finance long-term campaigns with central institutions (such as the MFA, and IAM), smaller firms can work more closely with diplomatic missions in a given country on joint cultural activities tailored to the local context and specific needs. Culture sections in embassies, and Polish institutes, could serve as coordinators of collaborative cultural projects. Companies could be encouraged to pool their resources into special funds that would allow bigger projects with larger and longer-term impacts to be organised. Such a fund could, for instance, serve to help finance cultural events, establish Polish studies centres at foreign universities or scholarships for studies in Poland, awards in arts competitions, and collaboration between artists from Poland and a given country. To encourage more firms to cooperate with the state in the realisation of such a task, the government may consider the simplification of the law on public private partnerships, and special incentives (such as tax reductions).