

HOW TO MORE HOLISTICALLY DEFINE TERM TRANSITION

KAKO SVEOBUHVAATNIJE DEFINIRATI POJAM TRANZICIJE

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Abstract: Transition has become an important issue and often discussed topic in literature and practice, but its holistically understanding is still an open issue. Therefore we determine term institutional transition and term real transition. Institutional view of transition declares if a country is ready to enter into innovative society from legal point of view (e.g. macroeconomic data). This view does not explain real state of transition of a country and could be misleading. Therefore we introduce term real transition, which refers to the state and/or process of real transition towards innovative society and also addresses readiness of people for transition.

Key words: transition, definition of transition, institutional transition, real transition, innovative society

Sažetak: Tranzicija je postala važna i često raspravljana tema, ali njeno cjelovito razumijevanje još uvijek je otvoren predmet rasprava. Stoga ćemo obraditi pojmove institucionalna tranzicija i stvarna tranzicija. Institucionalni pogled na tranziciju određuje je li zemlja spremna ući u novo inovativno društvo s pravnog stanovišta (npr. makroekonomski podaci). Taj pogled ne objašnjava pravo stanje tranzicije u nekoj zemlji i može biti pogrešan. Stoga uvodimo izraz prava tranzicija koji se odnosi na državu i/ili proces prave tranzicije prema inovativnom društvu a on također određuje i spremnost ljudi na tranziciju.

Ključne riječi: tranzicija, definicija tranzicije, institucionalna tranzicija, stvarna tranzicija, inovativno društvo



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1. Introduction

The term transition has been applied interchangeably by authors from different areas of researching (e.g. genetics, economics, gender studies) (Wiki, 2008; Marangos, 2006; Potočan & Mulej, 2007). A simple definition defines transition as a process of change from one state, form, style of place to another, therefore from old (and/or current) state to a new state (Wiki, 2008; Agnes, 2004).

Although that term transition is used by researchers in many different fields, a great proportion of literature about transition is dealing with economic transition (Marangos, 2006; Mencinger, 1993; Bučar & Stare, 2003, Papava, 2005). For the purpose of our paper we use term transition in “economic context”.

Our assumptions and suggestions how more holistically define term transition are mainly based on the cognitions from recently finished project about transition in Slovenia, which importantly contribute to more holistically understanding of transition, especially in Slovenia (Potočan & Mulej, 2007).

2. Understanding transition

There are various different definitions of term transition (in economic literature) proposed by different authors (Marangos, 2006; Mencinger, 1993; Bučar & Stare, 2003; Papava, 2005; Potočan & Mulej, 2007). Most commonly is transition defined as a movement from a centrally administered (or only partially market-based economy) to a market-based economy (see: Marangos, 2006; Papava, 2005). Transition could also be defined as a way from economic conditions with no need for innovation to conditions where innovations are considered as a basic prerequisite for country's future development (e.g. into innovative society) (Potočan & Mulej, 2007). According to this definition of transition the main purpose of transition is move economy (and also its organizations) more towards innovative society. In innovative society all achievements of the development around the globe are used; own and also foreign inventions, suggestions, potential innovations, and innovations are quickly accepted; and own knowledge is (also) upgraded with foreign knowledge and experiences (Potočan & Mulej, 2007).

There has been growing interest about transition issues among researchers, especially from the beginning of 1990s, in Central and East European Countries (CEEC) (Dyck & Mulej, 1998; Papava, 2005; Marangos, 2006; Potočan & Mulej, 2007). Different countries and/or group of countries (e.g. CEEC) with similar characteristics (e.g. previous development, current state of transition) have similar starting points and conditions for transition. Therefore countries (and/or group of them) experiences differences in their transition process (i.e. CEEC, Mexico, China) (Marangos, 2006; Papava, 2005; Dyck & Mulej, 1998; Harvie, 1999).

But it is important to emphasize that issues about transition are mainly dealt with separately from the issues about innovativeness, which is a basis (and also prerequisite) for transition into (more) developed society (i.e. innovative society) (Ovin & Borak, 1997; Potočan & Mulej, 2007). On the other hand management

literature speaks a lot about innovations but more or less separately from the issues about transition (Potočan, 2006; Potočan & Mulej, 2007).

After review of literature dealing with transition, we assume that the main body of literature dealing with transition issues neglect and/or put aside the complexity of transition process in the terms that term transition (see above definitions) does not explicitly capture all the complexities which are involved in the transition process of a economy and/or organization (Marangos, 2006; Rosser, 2002). There is a substantial lack of interdisciplinary in discussion about transition in literature (Potočan & Mulej, 2007). This becomes an important issue recently (e.g. assessment of current state of transition of a country).

Therefore we introduce an attempt how to more holistically dealt with issues and problematic of transition in order to avoid (and/or reduce) misleading conclusions about issues about transition.

3. How to more holistically define term transition

For more holistically view and/or dealing with transition issues and also for presentation of real state of transition of whole society (and also its business objects) is necessary to distinguish between two interdependent views of transition (see: Potočan & Mulej, 2007):

- Legal view of transition – i.e. institutional transition, and
- Readiness of people for transition into innovative society – i.e. real transition.

Institutional transition defines legal passage from current state into a new state (e.g. innovative society). Institutional transition is viewed in economical, legal and political reorganization and/or reformation. On the other hand it is very difficult to perceive and define real transition.

Real transition is never ending process, because all societies always converge to the higher levels of its development and its level of innovativeness, even world's most innovative societies (e.g. EU 15, USA, Japan).

Both transitions (institutional and real) are required, because only institutional transition is not enough, since people are not ready for transition into innovative society in terms of their personal values, culture, ethics and norms (VCEN) (Potočan & Mulej, 2007; Ralston, 2008).

Therefore is important that simultaneously with institutional transition also the innovation and/or change of values /culture/ norms/ethics of all society members are done (Ralston, 2008; Marangos, 2006).

A way from institutional to a real transition is usually long-lasting, even few decades and is importantly dependent upon several factors (e.g. level of development of a society, its historical development, macroeconomic regulation, values/culture/ethics/norms of people) (Rokeach, 1973; Ralston, 2008; Potočan & Mulej, 2007).

In the case of Slovenia the institutional transition was done with entrance of Slovenia in European Union. Also according to more important macroeconomic data (e.g. GDP/p.c.) is Slovenia successfully brought to an end institutional transition (see:

Potočan & Mulej, 2007). From this point of view is Slovenia comparable with high developed countries in EU 15 and world (e.g. USA, Japan).

But on the other hand, from the view of real transition Slovenia is keep lagging behind high (and/or most) developed societies (i.e. innovative societies), due to the several important open issues (e.g. lack of innovative capacity of managers, low overall competitiveness of a country) (Bučar & Stare, 2003; Ženko et al., 2004; Potočan & Mulej, 2007). These open issues emphasize that real transition in Slovenia is not over yet.

Many researchers are dealing with issues about transition, but limited mainly to institutional view and often also to the macroeconomic level (Ovin & Borak, 1997; Mencinger, 1993; Marangos, 2006). Since many authors addressing transition in their discussion only in terms of institutional transition, such a view could be misleading and could lead to false conclusions about actual state of real transition of economy. Therefore also actions and strategies for future development of a transition country could be inappropriate, according to assessed (un)real state of transition.

Proposed definition of transition (institutional, real) has become an important starting point for future research about transition issues in Slovenia. Such a way of understanding transition importantly contribute to the disclosure of real state of transition in a country, by focusing on the readiness of people for transition into innovative society. Therefore more holistically defined transition prevents to keep problems of real transition behind institutional view of transition.

4. Conclusion

According to our proposed understanding of term transition (e.g. institutional and real) we can conclude, that great proportion of literature dealing with transition mainly from institutional view point (and also often from macroeconomic point of view). There is perceived substantial lack of discussions which address both views of transition and lack of discussions about transition on organizational level.

More holistically definition of term transition and its usage is important to prevent (and/or reduce) misleading conclusions about transition issues, which are very often evident when addressing and/or judging about current state of transition in a country. Often is emphasized that transition is finished (according to macroeconomic data), but on the other hand the view of real transition (i.e. how people are ready for real transition) is often neglected.

With more holistically definition of term transition, an important starting points for more holistically approach to dealing with transition issues is set. This is especially important when dealing with strategies and plans for future development, which are based on assessed current state of transition of a country.

5. References

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