University of San Diego
Digital USD

Copley Library: Faculty Scholarship Copley Library

Winter 12-15-2001

Cross-Cultural Acceptance Of The Euro: Assessing The Effectiveness Of Public Information Marketing

Steven W. Staninger

Follow this and additional works at: https://digital.sandiego.edu/library_facpub

Part of the Library and Information Science Commons, Marketing Commons, and the Public Relations and Advertising Commons

Cross-Cultural Acceptance Of The Euro: Assessing The Effectiveness Of Public Information Marketing

Description, Abstract, or Artist's Statement

The introduction of the euro currency is a major social, cultural, and economic event in the history of Europe. A massive public information marketing campaign has failed to encourage widespread acceptance of the new currency. This paper analyzes the reasons for this failure, and suggests strategies for future campaigns.

Keywords

Euro, currency, public information marketing, cross-cultural

Disciplines

Library and Information Science | Marketing | Public Relations and Advertising

Notes

From the Eighth Cross-Cultural Research Conference, December 12-15, 2001, Turtle Bay Resort, Kahuku, Oahu, Hawaii.

Taken from the conference program.

Conference Program

Eighth Cross-Cultural Research Conference

December 12-15, 2001
Turtle Bay Resort
Kahuku, Oahu, Hawaii

Program Chair:
Terrence H. Witkowski, California State University, Long Beach

Proceedings Editor & Local Arrangements:
Scott M. Smith, Brigham Young University

Area Coordinators:

Julie Yu, Chinese University of Hong Kong (South/Southeast Asia)
Kim Chung-Hyun, Sogang University (North/East Asia)
Søren Askegaard, University of Southern Denmark, Odense (Europe/Middle East/Africa)
Marcus Schmidt, Copenhagen Business School (Europe/Middle East/Africa)
Michael J. Polonsky, Victoria University (Australia/New Zealand/ Oceania)
Lenard Huff, Brigham Young University, Hawaii (North/South America)

Cross-Cutural Acceptance Of The Euro: Assessing The Effectiveness Of Public Information Marketing

Steven W. Staninger, University of San Diego

Abstract

The introduction of the euro currency is a major social, cultural, and economic event in the history of Europe. A massive public information marketing campaign has failed to encourage widespread acceptance of the new currency. This paper analyzes the reasons for this failure, and suggests strategies for future campaigns.

The economic and monetary union of Europe was established in 1957 by the Treaty of Rome. (European Union [EU], *Chronology*, 1999) From its original six members, the European Union (EU) has grown to fifteen members, with several eastern European countries waiting for approval of their applications. (*Ibid*.) Of the fifteen current members, eleven have chosen to participate in the launching of the European Currency Unit (ECU), which, after much debate, was named the *euro* in 1995. (Ungerer, 1997) The 1992 Treaty on European Union, also known as the Maastricht Treaty, created a means by which those EU countries that met certain economic criteria *and* chose to participate could abandon their national currencies and adopt the euro. (EU: *Treaty on European Union*, 1992) This is an unprecedented act of political will and cross-cultural homogenization. Consumers of public information in the EU were exposed to marketing campaigns from both their home countries and the EU directorate in Brussels.

The extraordinary amount of public information to be disseminated in the eleven official languages of the EU and among many cultures and countries represents a tremendous challenge to the EU information office. (EU: *Europa*, 1999) The harmonization the methodologies of organization and public information regimes in the participating countries is a reflection of the degree to which each country has achieved a sense of political and social integration as Europeans. In those countries where this process has been successful, many citizens feel themselves to be part of the EU and citizens of Europe, not just their native country. These countries have chosen to adopt the euro. Those countries where this process has been less successful have - for now - opted out of the currency union.

The launching of the euro represents a profound relinquishing of economic and budgetary sovereignty among the participating countries. The European Union has consolidated many functions of government over the past several years, but no single event has directly affected citizens like the impending disappearance of their national currencies and the establishment of a common European currency. This event has forced European citizens to ask what it means to be European, and to decide whether or not they want to be a part of a united states of Europe. To date, Great Britain, Denmark, and Sweden have chosen to reject adoption of the euro, more for cultural and political than economic reasons.

The euro has become a manifestation of the cultural, political, and economic integration imagined by *some* of the founding members of the European Community in 1957. Great Britain did not join the Community until 1973. Denmark also joined in 1973, and Sweden not until 1995. (EU: *Chronology*, 1999) These three countries are not founding members and are still in the process of evolving a eurocentric cultural identity. The launch of the euro has been largely dependent upon the degree to which the EU has usurped national sovereignty in the realm of information dissemination. In the eleven EU states where information integration has been successful, the euro has been adopted either by referendum or by Parliament. Where the EU has been less successful in distributing information about the new currency, the euro was not adopted.

The eleven countries that have accepted the euro have had surprisingly little public debate. The EU has had successful public information marketing campaigns in these countries. (Parguez, 1999) Citizens in Great Britain, Denmark and Sweden all maintain that they want to retain the option to participate in the single currency and frequently discuss this possibility both in government and in the popular press. (Nordic Business Report, 1998) Instead of seeing the euro as integral to EU membership, "...in these countries, the EMU was a still-undecided extension of the EU membership issue." (Pesonen, Gilljam and Jenssen, 1998) Public information marketers and the EU information regime have been unable to create the consensus of opinion necessary for the adoption of the euro in these countries.

When the idea of a common currency and central bank for the EU was first proposed in 1988, it would have been impossible to imagine the extent of the explosion of electronic information. (Ungerer, 1997) The Internet has the tendency to standardize information, making all data conform to a particular electronic style. The EU has struggled with consistent dissemination of information. Each EU country has its own traditions of information organization. The degree of internet connectivity varies widely between and within EU countries. The availability and quality of libraries also varies widely within the EU. Economic and political integration, as manifested by the introduction of the euro, has necessitated the development of new methodologies of organization to deal with not only official EU documents, but basic public information. The introduction of the euro in the participating countries is a case study of how public information is made to conform to a central authority in a multi-lingual, multi-cultural environment.

European monetary union is not just an economic project; it has required an extraordinary amount of political organization and cultural integration. The tremendous financial and cultural costs of implementing the euro were small, in the opinion of European politicians, compared to the costs of maintaining the status quo. The euro represents an important step in the cultural integration of Europe. One analyst notes that if the goal were merely economic, the benefits of a common currency could be "achieved at much lower economic cost by taking the deutsche mark as the common currency." (Meltzer, 1997) This was politically impossible, particularly given the historical rifts between the two major continental powers, France and Germany. Each of these countries brings with it spheres of political, economic, and cultural influence. In his essay on the American perspective on the euro, Allan H. Meltzer observes, "Each of the partners brings along some junior partners. The Benelux countries and Austria are small economies in the German orbit. They have no prospect of operating an independent central bank or conducting monetary policy that is independent of Germany's." (Meltzer, 1997)

The euro is very much a German and French project. The smaller countries and economies of the EU "have not been asked to decide whether the single currency is a good idea; only to decide whether to join a project that would go ahead anyway. Not surprisingly, most have chosen to be in not out." (Economist, 1998, December 5) The euro is more a cultural than an economic event. The eurozone is multilingual and multicultural, and reaches far beyond the member countries into Africa and Eastern Europe. France has Spain and Italy within its spheres of influence, as well as many African countries and other current and former French colonies which currently use the French Franc as their currency. French Overseas departments and territories, as well as the French Currency Area (Communaté Financière Africaine [CFA]) of central and west Africa will also be in the euro zone. (World Currency Yearbook, 1996) There is the distinct possibility of "euroization", i.e., the adoption of the euro as legal tender in the developing economies of eastern Europe. This will have a profound effect on the stability of the new currency, and "the ECB is desperately looking for a way to stop them." (Covill, 1999) The popularity of the euro creates a tremendous challenge for the EU to distribute both accurate and timely information about the new currency.

One of the primary challenges in the ongoing attempts to integrate the European states is the variety of languages spoken within the Union. Most printed EU documents are not widely available in all EU member languages, and are generally printed only in English and French. Germany, France, the Netherlands, Austria, Italy, Belgium, Spain, Ireland, Portugal, Luxembourg, and Finland have opted to adopt the euro as their national currency. Information on the euro is available in eleven languages on the EU internet site, but internet availability varies widely in the EU. (EU: *Europa*, 1999) The EU homepage has a great variety of vital information about the EU and the euro, but its use assumes access to computers, internet connectivity, and the knowledge necessary to navigate the homepage once logged on. Information on an event of the importance of a new currency must reach *all* citizens, not just the educational and technological elite. To compensate for this insufficiency of information, virtually every bank and financial institution publishes brochures about the euro for their customers. This is an example of one of the primary problems of a multi-cultural, multi-governmental organization like the EU. Much vital public information is distributed not by the EU, but by private enterprises and local governments attempting to interpret EU directives for their local constituencies. The result is often inconsistencies, errors, and misunderstandings. The EU has the unenviable task of attempting to distribute detailed information about the euro to a wide variety of countries; not just the eleven participating members, but trading partners who will be affected by the introduction of a new currency. The diversity of languages within the eurozone is one of their biggest challenges.

German is by far the most widely spoken native language in the EU, with approximately 110 million speakers in Germany, Austria, and the northeastern province of Italy. French, with 57 million speakers in France and 4 million in Belgium, is the second largest, followed by Italian (57 million speakers), English (56 million), and Spanish (40 million). The smaller official languages of the EU include Dutch, with 15 million speakers in the Netherlands and 6 million in Belgium, Greek (10 million), Portugese (9.5 million), Swedish (8 million), Danish (5.2 million) and Finnish (4.9 million). (Price, 1998) These are the eleven official languages of the EU. Not included are languages like Gaelic, Basque, Luxembourgish, and other small languages and dialects which are spoken by a significant number of people in Europe. An event like the euro necessitates a clear understanding of what is to occur not just by multilingual citizens, but by every member of society. For example, there are large numbers of ethnic Turks in living and working in Germany, particularly in the large cities. Turkish is not one of the languages in which EU information is distributed. Central and west African countries and countries in eastern Europe that will - officially or unofficially - use the euro as their currency do not have official EU publications available in their languages. Since the EU central offices in Brussels cannot hope to achieve the necessary level of information distribution in so many different languages, it is left to the popular press and financial institutions of the member countries to educate and inform the public, with predictably uneven results.

Consistency, timeliness, and accuracy are vital components of public information. The EU information regime is attempting to overcome barriers of language as well as cultural traditions of public information distribution. The move to information integration is crucial, especially as the intensity of political and economic integration as represented by the euro accelerates. The EU must rely on a public/private partnership for the distribution of public information, particularly in countries where German, French, or English are not widely spoken. The EU has relinquished much of its control over the distribution of official information because of the linguistic complexity of Europe.

Distribution of information on the internet and the use of English on the internet and in computer jargon has created a new regime of public information that is technocratic and anglocentric. The introduction of the euro has coincided with the expansion of the internet as the most efficient - but not necessarily effective - means of distributing public information. The EU professes to support a multicultural vision of a European information society. One recent report analyzing the growth of the internet in Europe observes that “although connectivity is becoming a precondition for economic growth in all regions, the sheer existence of the information super-highway does not guarantee development.” (Preston, 1997) Many of the more traditional societies and cultures within the EU resist change, even though they may have access to the latest information technology. The cultural shaping of EU public information efforts are clearly seen with the introduction of the euro. The lines between public and private, official and unofficial information is blurring, much like the traditional geographic borders between European countries.

The cross-cultural message communicated by the currency itself is worth noting. There are to be seven euro notes of differing sizes and colors. To avoid any show of political or cultural favoritism, the designs of each note “...are symbolic of Europe’s architectural heritage. They do not represent any existing monuments.” (EU: *Coins-Notes-Sign*, 1999). The eight coins also represent a compromise of national sensitivities. Each coin has a common European face, with the obverse being a unique national design chosen by each of the eleven participating euro states. The result is that each euro coin will have eleven different varieties in circulation. The EU makes it clear that “No matter which motif is on the coins they can be used anywhere inside the 11 Member States.” (*Ibid*.) Public information about the common currency is always presented in a positive light, and close attention is paid to national and cultural considerations.

The EU bureaucracy is well aware of the importance of information literacy, and the challenges posed by multiple languages. The EU has gradually attempted to shift the center for public policy decision making from the national capitals to Brussels, the seat of most EU bureaucracies. Nowhere is this more important than in disseminating information about the euro. Information policy is motivated in part by the "perception that a unified approach to electronic communications would help cement that project of increased political, economic, and socio-cultural integration in the EU." (Preston, 1997, p. 279) This policy has met with resistance. Some countries in the EU, notably Great Britain and Denmark, have chosen to opt out of the euro in part because of fears of increasing centralization of authority in Brussels, and concerns about losing their cultural identity to a over-broad, eurocentric view of politics and culture.

The euro is here to stay. As the *Economist* reports, a "striking feature of the single-currency arrangements is they make no provision, legal or practical, for any participant's withdrawal or expulsion." (*Economist*, 1998, October 17) As other countries, particularly in eastern Europe, clamor to join the EU and officially adopt the euro, accurate public information efficiently distributed is still lacking in the EU. A cross-cultural currency must appeal to diverse national identities, as well as political and economic realities. (Pepermans and Verleye, 1998) The marketing of the idea of the euro to diverse European cultures has been an overlooked element of the EUs public information campaign.

When it was introduced on January 1, 1999, the euro instantly became the world's second largest currency. The political and economic problems in Europe, particularly persistent high unemployment, can be solved in part by sustained economic growth. The euro is an vital part of this strategy. If the euro is to be adopted by those countries with pending EU membership applications, the distribution of public information in the native languages must be considered. The lessons learned by the rejection of the euro by Great Britian, Denmark, and Sweden can be used as a model for establishing effective information regimes in new EU countries. Addressing the cross-cultural issues surrounding the introduction of the euro is essential to its success. If these countries adopt the new currency, it will mark the success of the EU's public information marketing campaigns, and the integration of the concept of a united European cultural identity into the collective consciousness of these countries.

References

Covill, L. "The quick and dirty way into Emu" Euromoney, 366 (October 1999), 30.

"Denmark to consider euro-linking, Sweden to decide on moves" (1998, July 20). Nordic Business Report**.** London: M2 Communications Ltd.

"Euro Brief: Eleven into one may go" (1998, October 17). Economist, 349:8090, 81-82.

"Euro Brief: The power of eleven" (1998, December 5) Economist, 349:8097, 97-98.

European Union (October 15, 1999) Chronology of the European Union: Enlargement. [On-line]

Available:http://europa.eu.int/abc/obj/chrono/en/them8.htm

European Union (October 15, 1999)
Coins-Notes-Sign. [On-line]
Available:http://europa.eu.int/euro/heml/rubrique-default5.html?lang=5&rubrique=100

European Union (October 15, 1999)
Europa. [On-line]
Available: http://europa.eu.int

European Union (October 15, 1999)
Treaty on European Union**.** [On-line]
Available:http://europa.eu.int/abc/obj/treaties/en/entoc01.htm

"Finance and economics: Ever closer to the euro club" (2000, January 22)
Economist, 354:8154, 71.

Kaminski, M. (2000) "Denmark, Sweden step towards adopting euro" (2000, March 10) Wall Street Journal, 235:50, A11

Parguez, A. (1999). "The expected failure of the European economic and monetary union: A false money against the real economy" Eastern Economic Journal, 25:1 (Winter 1999), 63.

Pepermans, R. and Verleye, G. (1998) "A unified Europe? How euro-attitudes relate to psychological differences between countries" Journal of Economic Psychology, 19:6 (December 1998), 682.

Pesonen, Pl, Gilljam, M. and Jenssen, A. (1998). "Postscript: Developments after the EU referendums" In: A. Jenssen, P. Pesonen and M Gilljam (Eds.), To join or not to join: Three Nordic referendums on membership in the European Union. Oslo: Scandinavian University Press.

Preston, P. (1997). "The information superhighway and the less developed regions/smaller entities: Implications for policy in the EU" In: H. Kubicek, W. Dutton and R. Williams (Eds.), The Social shaping of information superhighways: European and American roads to the information society. New York: St. Martin's Press.

Price, G. (Ed.). (1998). Encyclopedia of the languages of Europe.
Malden, Mass.: Blackwell Publishers.

Ungerer, H. (1997). A concise history of european monetary union.
Westport, Connecticut: Quorum Books.

World Currency Yearbook (27th Ed. 1996), "French Franc" New York: Currency Data & Intelligence. 621.