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**FUNCTIONAL MODELS OF ECONOMIC PROPAGANDA
IN DIFFERENT POLITICAL AND ECONOMIC SYSTEMS
– SOCIALISM AND CAPITALISM.
EXAMPLE OF SELECTED FORMS OF BROADCAST
ADVERTISING MESSAGES IN POLAND
IN THE SECOND HALF OF THE TWENTIETH CENTURY¹**

Abstract. Marketing communication in modern times is similar to the propaganda model, i.e. persuasive communication in all possible fields of exploitation. The last three decades in Central and Eastern Europe constituted a time of transformation in many areas of social, political and economic life. Thanks to immanent changes depending on the economic situation and the clash of demand and supply, it was possible to create functional models in three selected time intervals distinguished by the author (socialism, transformational period and capitalism). The use of functional models gives the opportunity to indicate how many changes have taken place in such a short period of time both in terms of consumer mentality and in satisfying the needs of producers. The basis for the application of this type of operationalization of the idea is the statement that “the functional model consists in mapping the functioning of a given system. It should give an idea of the functions and processes taking place in a given system” (Sabryła, Trzciniecki 1986). The purpose of this article is also to start a discussion on contemporary models of product communication.

Keywords: economic propaganda, advertising, transformation, PRL, III RP, socialism, capitalism.

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Introduction. Definitions and types of propaganda

The source of the term propaganda stems from the Latin *propagare*, understood as “spreading”, which in its original context was used strictly in a biological sense not a social one. The change in the semantics of this word, as contemporary scholars point out (including Tylor 2003: 2–7), began with the appointment by Pope Gregory XV of the *Sacra Congregatio de*

Propaganda Fide (Sacred Congregation for the Propagation of the Faith). The task of this commission was to “spread” the Catholic faith in countries dominated by dissenters (Praktsanis, Aronson 2008). There are two extreme approaches today in attempts to define propaganda. Some scholars refer to Jacques Driencourt, who claimed that everything is propaganda, because everything in the political and economic spheres seems to be a deliberate action aimed at achieving certain goals through media influence. In the second approach, the definition of propaganda departs from the fact that it is impossible to define its precise, scope-logical definition (Benes 2014). The literature on the subject assumes that research on the social aspects of propaganda began with the end of the First World War and was initiated by Edward Bernays, who combined the ideas of Gustav Le Bon and his work entitled *Psychologie des Foules* (Psychology of crowds) and the thoughts of German-speaking psychologists, among others Sigmund Freud (Ellul 1973, Laswell 1938). What is worth mentioning as an important item on the impact of propaganda on attitudes and social needs, is Harold D. Laswell’s book *Propaganda Techniques in the World War*. Laswell attempted to explain the influence of propaganda on the attitudes of citizens during the war and outlined the basic propaganda techniques used by governments. In his propaganda concept, apart from references to behaviourism (which in the opinion of the majority of his contemporaries explained the impact of social mass media), he also referred to Freudianism. Laswellian propaganda theory refers to the phenomenon of “social fascination”. In the opinion of Laswell, the effectiveness of propaganda activities contained in media messages did not result from their content or special attractiveness but from the weakness of society which, plagued by an intensifying economic and political crisis, showed increased susceptibility to this type of activity (Sporule 1997). Harold Laswell’s propaganda theory is the foundation of modern thinking on propaganda understood as a multi-level action. The analysis of available English-language literature allows us to cite several basic definitions of propaganda. Bernays defined propaganda as a tool by [...] *which [people] can fight for beneficial goals and help in ordering chaos* (Bernays, 2005: 159). Jacques Ellul (1973: 61) considers propaganda a set of methods used by an organized group that wants to actively or passively participate in their actions as individuals ... Terence H. Qualter (after Adler 1964), points out that in propaganda [...] *the message must be adapted to the specific needs of the situation and the target audience. Such an indication is important from the point of view of economic propaganda and the theory of market segmentation*. Leonard Dobb and AJ Mackenzie after him, propaganda activities as an element of social engineering recognizing propaganda as an attempt to

influence the functioning of the impact of an unconscious or systematic action aimed at implementing certain goals and values in the social patterns, to influence other members of society with the aid of prominent leaders to accept some values as being appropriate (Welch, 2003). Karen S. Johnson-Cartee (2004), points to the fact that propaganda stands on four pillars: simplicity, addressing emotions, selection of target groups, repeatability. Oliver Thomson (1999), in his book *Easily Led: A History of Propaganda*,² distinguishes the following types of propaganda: rational, partly rational – emotional. The characteristics of these types of propaganda are presented in Figure 1.

Figure 1. Thomson's propaganda types

Type of propaganda	Characteristics
Rational	The principle of relying on facts and the criterion of rationality and logic prevails. Tactics of propaganda activities are based on the selection of facts corresponding with its objective and omitting facts that do not serve this purpose.
Partly rational	Partly rational approach to the issue dominates, while propaganda uses the allusions and similar techniques aimed at strengthening weak argumentation
Emotional	Is based solely on emotions and is subjective. An important element are promises and actions calculated to evoke strong emotions – hatred, fear, faith, prejudices.

Source: Own study based on Thomson (2001).

Another typology of propaganda activity is that proposed by Jaques Ellul (1973) who divides propaganda into white, grey and black. White propaganda is characterized by a well-identified sender who does not hide its origin and character and the sender's intentions and ideology are not in any way concealed, it can be assumed that white propaganda is institutionalized, and the institution that is the sender is well known. In grey propaganda, the source of information may or may not be disclosed or be commonly known. Here, true information mixes with false information and, either in whole or in part, is often imprecise. It is directed against an opponent in order to discredit him in the eyes of those receiving the message, largely by bringing into question the rival's integrity and competence. Black propaganda, also called disinformation, is portrayed as the complete opposite of white propaganda. Not only is the identity of the propagandist concealed here but so too the true characteristics of the medium. It presents non-existent sources of information or as a source it presents an unaware person

to legitimize and authenticate the facts presented. Such facts in black propaganda are false and created specifically to mislead or deceive. The success of black propaganda depends on effectively hiding its true source and the characteristics of the propagandist (Dziomdziora 2008). In the author's opinion, it is also worth proposing a division of propaganda into political, economic and social types and to consider each separately. In political propaganda, the most important goal is to obtain political power and all tools and techniques are created and implemented for this purpose. Economic propaganda adopts a less obvious form and its aim is to obtain rational and irrational benefits in the consumer relationship as well as to educate attitudes and pro-consumer values. Social propaganda uses mass media and a media apparatus to shape and model social attitudes, including creating social myths and managing collective memory. In the proposed typology, propaganda covers a wide range of forms. It can be a visual art, consisting in the transmission of bright and well-known symbols and objects, as well as photography, phonography, interactive and reactive media, as well as literature (in all forms including the distribution of leaflets), theater and cinema. In relation to a specific time segment, the author is of the opinion that propaganda and advertising should be divided. In terms of propaganda, he proposes to name this a communication act in the mass media that has an impact on the emotional sphere, building into it a sense of pride in the use of a given product or the product of a given country, region or city. In contrast, advertising can be used to determine any commercially persuasive message emitted or published in the mass media, the intention of which is to create a purchasing need or to satisfy the need for information relating to a product or its use, unique functions and/or its composition. The political concepts influencing the formation of the media ecosystem are of key importance in the concept of termination of terminological propaganda from advertising presented. In the analyzed period, one can distinguish three stages of periodization. In the first period it can be assumed that there was a propaganda phenomenon, the media ecosystem was hermetically sealed for private persuasive communication initiatives. The state authorities decided on the form and legitimacy of broadcasting. It was aimed at ideological promotion not the stimulation of consumer needs and its sole purpose was to generate mental values which, in the opinion of the authorities, would lead to positive behaviour and social attitudes. In the second – hybrid – period, the media system was opened to private factors and the intentional sphere of the message changed. Product communication assumed the nature of intentional persuasion, stimulating demand and informing about new business entities. At the same time, space was developed for the inclusion of messages

generated by political institutions for the purpose of economic propaganda. The third period is characterized by the total opening up of the market and marginalization of the role of political factors in favour of private factors. The communication observed at that time is a commercial stimulation of needs and propaganda messages constitute only a small percentage of those present in the media space.

Economic propaganda as a specific type of propaganda

Among contemporary researchers of the propaganda phenomenon (e.g. Partick 2015), the main interest of mass media and media recipients from political issues to economic issues is transferred. In connection with such a thematic reorientation of the media content, reconfiguration of propaganda methods and techniques for economic matters takes place. As Krzysztof Dziomdziora (2008) points out: *Economic propaganda concerns all content related to the economy or the economic system in a given country. All areas of the economy that relate directly or indirectly to entities such as interest rates, the state of foreign exchange reserves, inflation forecasts, taxation, savings, work system, etc., are appropriate for economic propaganda* (Dziomdziora 2008: 17). Another researcher, H.M. Kula (2005), indicates that the main goal of economic propaganda is to create social images related to economic stability. In Kula's idea, the superiority of economic propaganda is to stop society from undertaking irrational economic activities and to create a conviction about the economic superiority of a given country. Some theoreticians of the phenomenon (Argenti 2009, Dutton, Ottermayer 1987) distinguish two types of economic communication (propaganda): state and corporate. In the first case, the goal of the state is to build a positive image internally and externally so as to acquire rational benefits for the country (increase in sales of national products, obtain lower interest rates on bonds, increased interest in the sale of debt securities) and to gain prestige (obtain membership in prestigious economic bodies, delegate its own representatives to international bodies, increase the level of participation in international certification organizations). In the second case, corporate propaganda refers to information disseminated by corporations to manipulate public opinion in relation to their business and its activities, both in terms of the internal and external market environment. The use of corporate propaganda can be widely found in the fields of advertising, marketing, politics, history (including the creation of myths) and in public relations. An inherent element of corporate propaganda is the creation and cultivation of a corporate brand.

A corporate brand is the perception of a company that links a group of products or services to the public under a common name and a common logo. The corporate branding process is about creating positive associations and a positive reputation among both internal and external stakeholders. The purpose of the corporate branding initiative is usually to hide corporate motives or improve business opportunities. (Nayyar 1990). Corporate branding is used when there is a significant degree of “information asymmetry” between the company and its clients. The phenomenon of information asymmetry is defined as a state in which customers are much less informed about the company’s products than the company itself or perceive a high level of risk when buying the company’s products or services, or where the brand behind the brand will be relevant to the product or service that the customer is considering to purchase (Brown, Dacin 1997). Economic propaganda at both levels affects the circulation of social and political goods in line with the flow of goods and services as presented in Figure 2.

Figure 2. Circular flow of money and goods

Source: Raworth 2012.

In some studies, it is proposed to identify the word economic propaganda with the word advertising, therefore, for the purposes of this article the author accepts the ideas used by George E. Belch and Michael A. Belch: *Advertising is paid economic propaganda. Advertising activities are characterized by indirect communication (through various means of communication) of companies or other organizations and entities that are identified with the content of the message or they hope to inform or convince members of a certain group of recipients* (Belch 2004). Thanks to the adoption of this concept, it is possible to specify a number of types of propaganda activities with a distinction between capitalist and socialist systems as depicted in Figure 3.

Figure 3. Dichotomy of advertising types depending on the political system

Capitalist	Socialist
subliminal advertising social advertising teaser advertisement information advertising reminder advertisement supporting advertisement shielding advertisement targeted advertising professional advertising comparative advertising competitive advertising company advertisement aggressive advertising prestigious advertising defensive advertising	social advertising teaser advertisement information advertising reminder advertisement supporting advertisement company advertisement

Source: Author's own work.

Functional models of economic propaganda

This paper presents three models of propaganda covering three periods. The first of the discussed models concerns the situation prevalent in the 1960s, 1970s and first half of the 1980s. The second – a hybrid model – concerns the period of transformation, i.e. from the second half of the 1980s to the mid-1990s. The third model covers the period from 1995 to the present day. The above periodization is fixed with political, economic and ideological factors in three different social spaces and in three different political systems. In the first period, the intention was to build national identity in the media and to create specific social attitudes. Here the dominant factor is political considerations. In the second period, economic factors dominated with private entities endeavouring to compete with state-owned enterprises and inform society about their products. In the third period we are dealing with the opening of the media market and the marginalization of ideological initiatives in favour of consumer promotion determined by the mechanisms of an open market economy.

The use of functional models gives the opportunity to indicate how many changes have taken place over the 30-year span of the advertising market in Poland, both in terms of consumer mentality and meeting the needs

of producers. The basis for the application of this type of operationalization of the idea is the statement that the *functional model consists in mapping the functioning of a given system. It should give an idea of the functions and processes taking place in a given system* (Sabryła, Trzcieniecki 1986). For the purposes of this study, three functional socialist, hybrid and capitalist models were distinguished. In the socialist model, the rejection of market rules is accepted. Supply being less than demand. The purpose of implementing enterprise communication is to build the image of the company (product), not information on competition. The overriding goal is to generate a positive image of the country. In this model, static visual forms such as POS and outdoor advertising are most often used. It should also be mentioned that the task of advertising at the time was not to generate profits from sales, rather it was a form of state dialogue with the public. Products were presented based on their usefulness, that is their usefulness for development. Brands were advertised despite lack of competition. Goods presented were not readily available in-store and were only planned to be made available at some time in the unidentified future. The factors shaping the advertising message were based on current ideology (party propaganda), the desire to create a social demand for goods and services ahead of their ready availability on the market (not their deficit), lack of competition between entrepreneurs, current political situation and willingness to pay the media or journalist for coverage (an informal financial support arrangement). It is important to emphasize that in this model it is not appropriate to use the synonyms recipient and consumer, because the recipient was not necessarily a consumer of the advertised goods. The main goal was to create pro-civic and pro-state attitudes and values. This model is presented in graphic form in Figure 4.

Figure 4. Model of economic propaganda in socialism

Source: author's own work.

In the above model, the interesting phenomenon is that it aimed to identify with the recipients of the media message not with consumers. Consequently, given the limited scope of the media and the interference of the authorities in the media messages delivered, the people to whom they were addressed had no influence on the form and content of the information the media presented to them. They were merely passive recipients of such messages. The sender, using his position in the communication process, selected and exhibited the content considered important without carrying out research on the needs of the audience. At the same time, changes in consumer methods and behaviours in the subsequent years this model functioned should also be noted. Changes in relation to specific consumption became evident in the 1970s and 1980s. The model presented only describes the broadcasting intent, leaving the media impact in subsequent time periods as a subject for further research. Of significant importance in that further research work is the phenomenon of 'role' transformation in the perception of the media message. In particular, the change of attitudes towards media content. In the initial period, in a large part of the society, the media attained considerable confidence, determined by the rationing of content and the small number of media outlets available. In the later period, in connection with the creation of the so-called "second circulation", a change occurred in the way the media was received for critical reception along with its division into official, governmental and non-official presentations.

Semantic analysis of advertising slogans allows us to draw some interesting conclusions. On the one hand, they supported monopoly companies (so in essence there was no need to create advertising campaigns anyway) and on the other hand, they promoted products imported from friendly countries. Examples of such slogans are e.g. the slogan advertising the Polish insurance company PZU *"Insure your life with PZU"*, the promotion of watches imported from the USSR *"Soviet watches – precision and perfection"* or, absolutely incomprehensible from the point of view of the consumer message, *"Use the services of ZURT"* (a nationwide state-owned chain whose monopoly in the supply and servicing of radios, televisions and other household electrical goods was absolute). There were also advertising slogans that would be totally unacceptable in today's media, e.g. *"For children and adults, healthy and ill, for breakfast, lunch and dinner delicious and nutritious dishes from eggs, poultry and poultry preserves recommend POLDRÓB"*. Furthermore, in the socialist model, social advertising had the task of creating appropriate attitudes and social behaviours consistent with the canon adopted in a given society. Examples of social advertising can be seen in Figures 5 and 6 below, along with an example of commercial advertising of the same period in Figure 7.

Figure 5. Example of social advertising in the PRL which reads: *I don't drink because I'm saving money for my new car*

Source: <https://bufetprl.com/tag/reklamy-prl/>

Figure 6. Example of social advertising in the PRL which reads: *Soviet Union. Peacekeeper and friend of children*

Source: <https://bufetprl.com/tag/reklamy-prl/>

Figure 7. Example of commercial advertising in the PRL which reads: *Don't be a conservative – shave only with an electric razor*

Source: <https://bufetprl.com/tag/reklamy-prl/>

At the time of the political transformation in Poland, the factors influencing media presentation made it possible to create a hybrid model that combined the socialist model with emerging commercial needs. There was also a visible change in the orientation of shaping social attitudes towards consumer attitudes, i.e. those that stimulated purchase decisions rather than ethical attitudes. In addition, the phenomenon of intersectoral competition appeared, this related to the opening up of the market to private initiatives and rationed foreign capital. There was also a visible inspiration from the West regarding advertising, albeit at the time with limited technical capabilities. The factors shaping the propaganda message were, as new elements – demand, awareness of the existence of market competition, the influence of Western cultural patterns on local pop culture and a high level of trust in information published in the media. Thanks to such a variable advertising message, it created consumer demand and, to a limited extent, constituted a response to the needs of the population. A graphical representation of the model is shown in Figure 8.

There was also a reorientation of consumer needs from utilitarian needs, state needs for higher-order needs such as warranty, utility traits, the need to confirm prestige (Figure 9).

Figure 8. Hybrid model of economic propaganda

Source: author's own work.

Figure 9. Example of advertising in the hybrid model which illustrates that Toyota provides a 3-year or 300,000 km warranty

Source: <https://be-media.com.pl/jak-to-z-reklama-w-czasach-prl-bywalo/>

From the moment the transition to the capitalist system occurred, the input factors changed yet again. Now, the factors affecting the advertising message are related to the need for consumption not to political ideology. An important factor in the creation of advertising needs is the seasonality of advertised products, e.g. advertisements for ice cream only appeared in the summer months in the PRL, whereas now they are present in the media throughout the year. An additional factor is the element of prestige and the preservation of competitive rivalry as a means to shape messages. Thanks to this approach, it became possible to create specific methods for conveying

messages such as comparative advertising. The advertising message itself has to achieve the following: create emotional bonds with the client-brand line, stimulate and target consumer needs and monetize production processes (i.e. correlation of the impact of advertising on sales and the association of advertising agencies' profits, the so-called conversion factor). Graphically, this model is presented in Figure 10.

Figure 10. Model of the functioning of economic propaganda in the capitalist system

Source: Author's own study summary.

In relation to the above model, one should mention the development of private media content creation companies (information agencies, advertising agencies, public relations agencies and media relations) and the change in the way the media functions, understood as a transition from the system of financing media market entities from public funds to one privately financed and driven by commercial interests and competition on the open market; which in turn led to changes in the paradigm of information quality for the paradigm of news information in the journalist's work ethic, as well as changes in the way content is exposed through both sharing and antennas for content openly or secretly sponsored by other market players.

Closing remarks

The last three decades of functioning of the PRL and the Republic of Poland became a research laboratory for those involved in marketing communication. The transition from a centrally planned economy to a free market economy was a huge challenge, not only for economists, but also for those involved in advertising. In addition, the rapid technological development of promotional tools, exemplified by video advertising originally

created in the VHS standard to that currently using 4K technology, the emergence of new global forms of advertising and the adaptation of foreign advertising techniques to local needs has changed the media image, product communication and enabled the foundations for creating large national and multi-national corporations. To a large extent, it is these entities that have taken over from public and political bodies the task of promoting a positive image of the state and the nation. The functional models presented in this article are also intended to start a discussion on product communication, which discussion is not currently being carried out in a satisfactory manner.

N O T E S

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² Translated and published in Polish (2001) under the title *Historia Propagandy* and referenced as such in the Bibliography.

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