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Social enterprise as an element of the modern order of capitalist economy

Streszczenie: Celem artykułu jest wskazanie na kształtujące się procesy współczesnego kapitalizmu. Cechą współczesnego kapitalizmu jest długookresowe utrzymywanie się strukturalnej nadpodaży produkcji. W konsekwencji, występowanie nadwyżki ekonomicznej prowadzi do strukturalnej nierównowagi między mocami wytwórczymi a granicami konsumpcji. W społeczeństwach bogatych i średnio zamożnych obserwujemy swoiste przesuwanie kapitału z bezpośrednich inwestycji produkcyjnych w sferę usług mających zapewnić zbywalność wytwarzanych produktów (marketing z agresywną reklamą i promocją, obsługa konsumenta, kształtowanie wzorców konsumpcji i in.). Jednak nauki społeczne coraz częściej dostrzegają potrzebę upodmiotowienia człowieka w procesach społeczno-gospodarczych. Obecny wiek przynosi potwierdzenie powyższych, rewolucyjnych konstatacji. Obserwujemy humanizację ekonomii. Dokonuje się ona wielopłaszczyznowo, natomiast warunkiem uspołeczniania kapitalizmu na poziomie makroekonomicznym jest kształtowanie ładu. Takie zmiany jakościowe są możliwe do wprowadzenia w ujęciu holistycznym w perspektywie długookresowej. W warstwie teoretycznej, ale również praktycznej, uspołecznienie pełne kapitalizmu następuje wtedy gdy przedsiębiorstwo społeczne funkcjonuje w prospołecznym ładzie ordoliberalnym. Natomiast na poziomie mikroekonomicznym rolę humanizacji gospodarki pełni przedsiębiorstwo społeczne.

Słowa kluczowe: kapitalizm, uspołecznienie kapitalizmu, ordoliberalizm, społeczna gospodarka rynkowa, ład gospodarczy, przedsiębiorstwo społeczne, nierówności społeczne

Social enterprise as an element of the modern order of capitalist economy

Summary: The purpose of the article is to indicate the emerging processes of modern capitalism. A feature of modern capitalism is the long-term persistence of the structural oversupply of production. Consequently, the existence of an economic surplus leads to a structural imbalance between production capacity and consumption limits. In rich and medium affluent societies, we observe a kind of capital shift from direct productive investments into the sphere of services to ensure the marketability of manufactured products (marketing with aggressive advertising and promotion, consumer service, shaping consumption patterns, etc.). However, social sciences increasingly recognize the need for human empowerment in socio-economic processes. The current age confirms the above revolutionary statements. We are observing the humanization of economics. It is multifaceted, while the condition for socializing capitalism at the macroeconomic level is shaping the order and such qualitative changes are possible to

be implemented in a holistic perspective in the long term. In the theoretical but also practical aspect, socialization full of capitalism occurs when the social enterprise operates in the prosocial ordoliberal order. At the microeconomic level, the social enterprise plays the role of humanizing the economies in the economic lives of regions and the world caused by the coronavirus epidemic.

Keywords: capitalism, socialization of capitalism, ordoliberalism, social market economy, economic order, social enterprise, social inequalities

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Limitations of modern capitalism

We have the opportunity, and perhaps also the privilege, to observe extremely interesting processes in the development of socio-economic life, which are not always positive, on a personal, local, regional, international, and ultimately global level. Humanity is developing rapidly in quantitative terms, while at the same time scientific and technological progress allows us to better communicate with each other. The global social and spatial awareness of emerging development tensions is growing. The socio-economic life around us is becoming increasingly complex and is constantly accelerating. Globalisation is a more and more unlimited movement of people, capital, production factors, goods, services, technologies, information, knowledge, and ideas (Kuciński, 2015, p. 453). In economic terms, this phenomenon is defined as: *a process of widening and deepening interdependences between countries and regions as a result of growing international movements and the activities of transnational corporations, leading to qualitatively new links between companies, markets, and economies* (Liberska, 2002, p. 20). It seems that only some unimaginable disaster could disrupt these processes (for example, a global thermonuclear conflict, a space disaster, a pandemic).

The driving force behind the globalisation of socio-economic processes remains capitalist production relations. Even if there are countries in the world that declaratively believe that it does not apply to their economies (North Korea, Venezuela, Cuba), they are currently only relatively isolated socio-economic enclaves. Considering the dynamically changing situation, capitalism is facing serious developmental challenges that will determine the quality of human life in the near future. We have pointed out that the search for ways of developing capitalism and the ways of its socially accepted reconfiguration is arousing increasing interest among scientists and business practitioners (Brdulak, Florczak, Gardziński, 2019a, p. 66-87; Brdulak, Florczak, Gardziński, 2019c, p. 74). The point is to identify the most important developmental threats and to seek rational ways to counteract their negative effects.

A feature of modern capitalism is the long-term persistence of structural oversupply of production. This applies to contemporary centres of economic activity in Western Europe, North America, and the Far East, with Japan, South Korea, and China. A category of economic surplus has developed in the global economy, which means the difference between what a society produces and the amount of production necessary for the reproduction of that society (Wrenn, 2018, p. 149). The accumulation cycle drives all capitalist systems, and this is happening, paradoxically, with the profound diversity of the living conditions of societies. It is in the interest of enterprises to constantly expand their production. Capital can earn money if it is well spent. There are currently no major restrictions on enterprises, and especially transnational corporations, while acquiring financial investment resources. In addition to the financialization of

economic life, factors favouring investment include scientific and technical progress, technology development, robotization and automation of manufacturing processes, their virtualisation reducing the cost of spatial distance, and the absence of major barriers to international cooperation.

The existence of an economic surplus leads to a structural imbalance between production capacities and consumption limits. In rich and moderately wealthy societies, we observe a kind of shift of capital from direct production investments into the sphere of services aimed at ensuring marketability of manufactured products (marketing with aggressive advertising and promotion, consumer service, shaping consumption patterns, etc.). We have demonstrated that *the economic surplus also undermines the basic assumptions of the neoliberal order, which assumes the rational adaptation of economic activity to the requirements of the market and the prices shaped on it. It turns out that neither we are so rational in our production and investment decisions, nor the movement of prices is without the interference of manufacturers* (see: Brdulak, Florczak, Gardziński, 2019c, p. 75). If we add the delays and difficulties in costly production capacity reductions to the discussed facts, it means that the capitalist economy has been facing stagnation globally for many years. This is associated with the high degree of its monopolization, or rather oligopolisation, which additionally perpetuates the persistence of developmental disproportions of the global economy (Palley, 2012). It can be added at this point that 10% of the richest people in the world control 90% of the financial flows of the global economy, and the potential of the thirty strongest economic countries decides on more than 90% of the world's economic activity.

The problems of economic surplus, waste, stagnation, and persistent developmental disproportions in the global economy are closely linked to other growing developmental problems of the world. Growing consumption in the wealthiest countries is becoming wasteful consumptionism. The development of production requires resources, and these are limited and there are already severe deficits (e.g. lack of rare metals, which are essential in the most modern areas of industrial production). The type of resourceful economic growth where countries base their competitive advantage on the exploitation of mineral resources or extensive agricultural areas is slowly becoming history. In general, we care about investment and, above all, innovative economic growth, but at the same time, T. Piketty draws attention to the growing role in rich societies of the so-called welfare growth. It involves the use of accumulated historical and generational wealth (Piketty, 2015, p. 749), and not the creation of new jobs and faster increase of the gross domestic product (GDP). This type of economic growth is not the most effective one and, unfortunately, all too often perpetuates a consumerist, socially selfish lifestyle.

The conditions of changes in capitalist production relations are systemic, interdependent and therefore the above statements are multi-threaded. At this point, it is particularly important to emphasise the growing developmental constraints which will soon become a "hard" barrier to the development of the world economy and, at the same time, will radically re-evaluate the social awareness of humanity. It is linked to the "man-environment relationship." We observe with concern the acceleration of degradation of the biosphere as a result of increased human production activity. Its scale is already so large that people feel that the distinct consequences of their own activities overlap with the natural processes. It has been known since the last century that the area of land that can be used for agricultural purposes remains finite. The food situation of humanity is saved by the increase in the intensity of agricultural production. As a result, the agri-food production in the world's most developed countries has

been brought to an unimaginable, artificially modified level, which is resource-intensive and inimitable to most countries in the world. Optimists have been pointing, since the famous U Thant Report in the late 1960s, to the untapped resources of the so-called World Ocean. Meanwhile, we find out that fish become carriers of heavy metals, and that oceans are dominated by plastics, which is lethal to the ichthyofauna, and which turns into micro-plastic that is omnipresent in living organisms. Greenhouse gas emissions cause climate disorders. The lack of drinking water intensifies migratory movements and the escape of people from the tropical zone. The socially irresponsible pursuit of profit leads to deforestation in many regions of the world. Awareness of the threat to the most biologically active tropical forests is rapidly expanding to include the forests of the temperate zone (see: Niedziółka, 2012, p. 350; Brdulak, 2007; Brdulak, 2014, pp. 223-234).

Experts point out that: *“Green capitalism” has not brought about any qualitative change. In 2015, only 3% of the world’s energy came from renewable sources. It can be expected that a tax on carbon dioxide emissions will be imposed and upper limits will be set for its emission by companies and countries* (Klementowicz, 2018; see: Hemwille, 2017, pp. 1-48).

Just the introduction of these measures to put pressure on producers on a supra-regional or even global scale will mean significant state interference in the neoliberal conditions of the functioning of the global economy, so far accustomed in a declarative and doctrinal manner to almost full market freedom in the search for profit maximisation.

Socialisation of costs of capitalism’s constraints

Overcoming the constraints of modern capitalism can ultimately be reduced to a kind of common denominator, which is the quality of human capital. It is expressed in culture, i.e. human behaviour, awareness of the surrounding conditions, knowledge, accumulated experience, intelligence – including emotional, entrepreneurship, communication skills, readiness to participate in the changes. These and many other factors have, for hundreds of years, escaped the attention of scientists trying to understand economic reality, locking it in model simplifications. In manufacturing and management processes people were treated as a reproducing workforce, they became part of the production line, they competed with machines. The second half of the last century brought the greatest, downright shameful discovery. It is the man who is the hegemon, it is he who, with his decisions, builds market relations and gives shape to different varieties of capitalism. There are no universal economic laws (Drucker, 1994). People fill better or worse intellectual proposals of scientists with decisions and sometimes they can be practically verified. Most often, however, we are surprised by the manifestations of socio-economic practices.

This age brings confirmation of the above revolutionary statements. We are seeing the humanisation of economics. This is happening on many levels. Human labour itself becomes the subject of serious analyses. We will probably be working differently in the near future, and not all changes must mean job losses, robotization or automation of production processes, or growing fears of change. It is to be assumed that global labour market changes will accelerate (Dirksen, 2018, pp. 1-6). Deep changes are taking place in the practical sphere of management decision making. Since in social and economic life decisions are the domain of people, with their unpredictability, emotions, and cultural notions, the economic practice is primarily conditioned by non-economic factors

such as culture, psychology, social psychology, social and economic policy, sociology. The effects of economic decision-making and the competitiveness associated with their quality force us to take into account broadly understood humanistic and behavioural conditions (see: Miroński, 2013, pp. 1-190; Leśniewski, 2015, pp. 1-256).

The changes taking place in the modern, globalising and humanising capitalism give a deeper meaning to the economic principles formulated earlier. We previously drew attention to the insufficient results of scientific and technical progress, which is now clearly being commercialised in the search for sales and profit by capitalists. The logical conclusion would be to look for and finance inventions that would significantly change the quality of social life. The global scale of such actions would immediately have social consequences, which, although necessary, would not always have to be properly appreciated politically. Nobel laureate J.R. Hicks, analysing the relationship between capital and economic growth, wrote (Hicks, 1978, p. 420): *Every technical invention entails a loss of capital: capital measured in units of consumption, which must be renounced in order to be able to renew the production capacity objectified in physical production tools.* So the search for innovative quality means a social choice. Most often also an extra cost, although we can be comforted that the marginal productivity of capital (understood in this case as the rate of return) for innovative investments is likely to increase.

Thus, the question arises: how to rationally and evolutionarily change socio-economic relations in contemporary capitalism? Economists are also interested in the problem of reducing the costs of existing conflicts and social tensions. The authors postulate, within the scope of their respective interests, the creation of market conditions for the operation of commercial enterprises that pursue pro-social objectives with the approval of states. The share of such companies in the GDP of the United States of America is estimated at 4.5 percent. In Western Europe, social commercial enterprises are included in the so-called social economy sector together with non-governmental organizations, non-profit organisations, cooperatives, and social institutions (Brzuska, Kukulak-Dolata, Nyk, 2007, p. 27). In Poland, on the other hand, the category of “social enterprise” is poorly researched (see: Brdulak, Florczaek, 2011, pp. 15-36; Brdulak, Florczaek, 2016, pp. 203). Since it is to be expected that the importance of commercial social enterprises will gradually increase in the coming years, we are constantly taking the view that *a commercial, state-supported social enterprise will be an increasingly important factor in socialising capital and improving the quality of social and economic life. Thus, the effects of self-replicating accumulation of capital will also gradually become socialised* (Brdulak, Florczaek, Gardziński, 2019c, p. 78).

Developing the role of commercial social enterprises will weaken the existing conflicts in social and economic life, contribute to the reduction of tensions in capitalist production relations, and, at the same time, contribute to a systematic reduction in the costs of the global economy and social life.

Social enterprise in the economy

When adopting the definition of a social enterprise for this topic, the authors take into account the criterion of concentrating profit on social objectives together with any institutional and legal form of an enterprise. Therefore, a social enterprise is defined as an enterprise which pursues social objectives within its fair share of profits – significant because of the objective pursued.

The social objectives are reduced to 5 groups:

- economic (allowing to operate under market conditions),

- human (quantitative, qualitative),
- environmental,
- scientific and technological progress,
- legal-institutional-international.

In such a perspective, the formal and legal category is not conclusive, but the actual social activity of an enterprise, taking into account the individual situation in the context of social profit management. Such a context of recognising an enterprise corresponds, in the first place, to the desire to harmonise social tensions and the social costs associated with them.

The development of social entrepreneurship is described as a response to the crisis of the bipolar paradigm (state and market) and introduces mechanisms of the so-called active social policy (Rymsza, 2003, p. 22-31). Such opinion is also expressed by C. Borzaga (in Rymsza, 2003, pp. 81-82). He argues that the market (which has been responsible for the production and allocation of private goods, the distribution of resources according to the criterion of contribution and individual commitment) and the state (responsible for the production and distribution of public goods and goods which the market has not undertaken to produce) do not play their part in creating a sense of security and quality of life for citizens. Therefore, a new structure *based on a logic of pluralism of actors, areas and regulations, taking into account the different actors of civil society*, must be sought. The bipolar model assumes that (Rymsza, 2003, pp. 81-83):

- a) it is possible to strictly distinguish between private goods:
 - - produced by the market and public,
 - - the production entrusted to the state administration;
- market regulation is possible to increase the efficiency of the services produced in a context oriented on the principles of individual input and involvement;
- it is possible to identify the preferences of citizens by state institutions regarding public goods and goods not produced by the market.

The development of the social economy is always linked to external social, economic, and political conditions in a given state or community of states – especially the European Union. That is why we treat the presence of social enterprises in the economy as part of mitigating socio-economic developmental constraints.

When analysing the problem of social and economic inequality, there is a need for the social enterprise to be recognised by the market and to indicate the attributes that show its impact on correcting inequalities in the socio-economic structure. At this point, an important reflection comes to mind, also supported by the conclusions of empirical studies on social enterprises (Florczak, Gardziński, 2018, pp. 101-116).

The basic argument here is the local rooting of the enterprise and basing its activities on local resources and local social capital, which is related to the assumptions of the local development presented by K. Birkhölzer (Birkhölzer, 2007, p. 30-36):

- *activities for the common good* – the basis of this aspect is the assumption that individual local economic undertakings are linked to a sense of local identification and community involvement;
- *integrated holistic approach* – refers primarily to reproductive and reinvestment activities aimed at the local socio-economic space;
- *meeting unmet needs* – local economic development should be aimed at the market “demand side”;

- *building and improving social capital* – this refers to the assumption that the key resource is the intellectual and social potential.

As K. Duczkowska-Małysz (Duczkowska-Małysz, 2012, p. 492) rightly points out, the development of social economy enterprises was observed in the 1970s and 1990s – every time the global economy was recording economic and social signs of crisis. Then, forms of entrepreneurship are sought that can be adapted for a specific group of beneficiaries and can affect the corrective effects of supply deficit (e.g. on specific services) and labour market problems. Even though social entrepreneurship is already being talked about on a global scale, it is an attribute of local areas, and its effectiveness and impact on the local environment should be considered in such categories. On the other hand, this understanding of social entrepreneurship can lead to its extreme identification with problem areas. The presented position is represented by a group of scientists, identifying social enterprises with a particular type of area defined as holistic peripheral and economically lagging behind. This is, of course, a legitimate idea of using the attributes of a social enterprise to create pro-development impulses. According to literature, social enterprises are established in the areas where (Duczkowska-Małysz, 2012, p. 503):

- The unemployment rate is much higher than average, and the permanently unemployed have no chance of finding work. This indicates that social enterprises are directed towards socially excluded environments.
- Defective economic structures are unable to modernise on their own and produce innovative products. The shortcomings of technical and infrastructural facilities in the local economy are supplemented with social capital, local solidarity, and cooperation.
- Defective demographic structures indicate difficulties in the labour market, which will require special solutions, which also indicate a specific type of demand for services reported by the local community.
- The degradation of the natural and cultural functions of the region's resources is recorded.
- Poorly developed technical and social infrastructure blocks economic development processes.

The circumstances of the establishment and functioning of social enterprises determine their function related to reducing social costs. Social enterprises are created for people who are professionally and socially excluded, the long-term unemployed, the unqualified, young people burdened with the pathology of the environment in which they grew up, the physically and mentally disabled. In addition, social enterprises build their economic activity on social capital and on the potential for opportunities that exists in the specificity of local communities and that does not seem to be exploited. This is why a social economy entity gives an opportunity for the members of the community to concentrate on a common goal, to develop a sense of responsibility, cooperation, and solidarity. A social enterprise engages people to address the problems of social exclusion, unemployment, and the lack of goods and services that are in demand and to take independent initiatives in the name of changing the environment they live in. In such undertakings, the feature of innovation is emphasised. This is important because turning to human needs, giving up the primacy of profit maximisation (the surpluses generated are allocated to broadly defined social objectives) and, above all, the search for innovative solutions, refer to the “Schumpeter’s” approach to an entrepreneur.

For this reason, a social enterprise should be placed in the category of endogenous local development because, to this extent, the effects of its activities can help to correct economic and social inequalities. This statement can be linked to the results of the research entitled: *Quantitative and qualitative research carried out in 2010-2015 [Badania ilościowe-jakościowe przeprowadzone w latach 2010-2015]* (Brdulak, Florczak, 2016) concerning social enterprises, and above all, to the category of objectives and functions of a social enterprise as an economic operator.

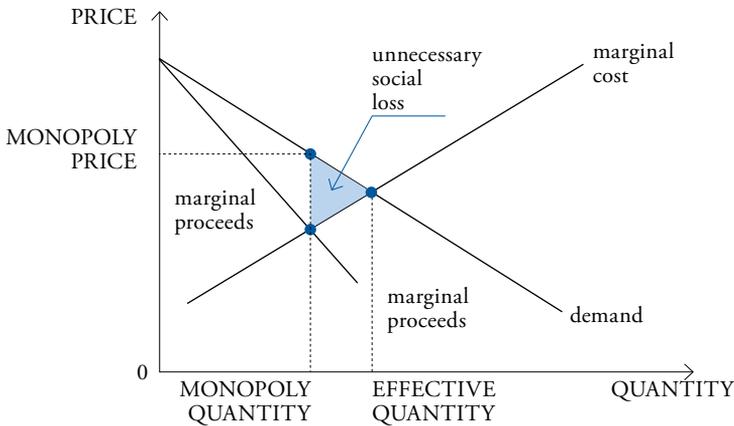
Identifying an enterprise with a mission at the local and regional level causes the economic and social value from work to emerge as the main added value of the enterprise, and thus it is an important stimulator of reducing local disproportions (see also Florczak, 2016, pp. 27-38). The quickest qualitative change in the socio-economic reality can take place from the bottom up because it depends on us, which means that socialisation takes place through a social enterprise at the microeconomic level. Wider socialisation of capitalism can take place through the formation of economic order by the state at the macroeconomic level.

Competitive ordoliberal order taking account of social enterprise

The condition for socialising capitalism at the macroeconomic level is to shape the order, and such qualitative changes are possible to be implemented holistically in the long term. In theory, but also in practice, full socialisation of capitalism occurs when a social enterprise operates in a pro-social ordoliberal order. However, the existence of the order does not preclude a social enterprise from operating without it.

The objectives of a social market economy based on freedom, responsibility, the principle of social justice, human dignity, the principle of competition, and a strong rule of law, to a large extent, relate to the function of social enterprises operating also outside the classical order of the social market economy (Florczak, Gardziński, 2019, p. 140). The existence of the social and economic order in the state ensures less social inequality, so the complementary function of a social enterprise is stronger on such a macroeconomic basis in terms of pro-social issues. As noted by G.W. Kołodko, economic growth is more sustainable in countries with a relatively low level of income inequality, and what is more, income relations there were of more importance to dynamics than trade liberalisation and the quality of political institutions (Kołodko, 2013, p. 378). This undoubtedly reduces social tensions, and the activity of a social enterprise in such an economic order reduces the costs they cause. Costs are also reduced by socialising capitalism at the macroeconomic level through the design of economic policies that take account of social issues. Let us stress that social issues do not equate to social transfers alone, but social benefits are already achieved through the very existence of the economic order. As emphasised by L. Erhard himself, the best social policy is a good economic policy, where the policy of shaping economic order itself is social in nature, as long as it promotes economic progress and productivity growth (Erhard, 2000, p. 159).

Let us then take a look at the central aspect of the state's activities in the scope of creating order, which according to W. Eucken is competition policy (Eucken, 2004, p. 31). The ordoliberal principle of competition and the anti-trust policy counteracting concentration prevent unnecessary social losses, as shown in Figure 1. Since the monopolist sets the price above the marginal cost, not all consumers for whom the value of the good is greater than the cost of its generation will decide to buy it and therefore the quantity produced and sold by the monopolist is less than the socially effective quantity. The resulting unnecessary social loss defines the field of the triangle between

Figure 1 **Inefficiency of monopoly**

Source: own work based on N.G. Mankiw, M.P. Taylor, 2015, p. 466.

the demand curve – reflecting the value of the good for consumers – and the marginal cost curve – reflecting the cost incurred by the monopolist (Mankiw, Taylor, 2015, p. 466).

Competition and anti-trust policy maximises social benefits if it is effective. A free competitive market ensures that the first claim of prosperity is fulfilled (Varian, 2002, p. 20, more on this subject: Gardziński, 2019). This matches the phrase of the L. Erhard: *Prosperity for all and Prosperity through competition are inseparably connected; the first postulate identifies the goal, the second the path that leads to it.* (Erhard, 2011, p. 20). The inevitable conclusion is that the welfare state can only be built through competition. It is a full (effective) competition, where the main force organizing the market is efficiency-oriented competition, rather than a form of market organisation created by perfect competition in the sense of neoclassical economics (Moszyński, 2016, p. 35). Competition not only ensures proper relations between supply and demand but is, therefore, one of the conditions for an optimal allocation of goods and resources leading to social welfare, because it reduces the social costs caused by the monopoly. The objective of the competition order proposed in the ordoliberalism is, above all, a fair distribution of income generated by the society (Dahl, 2015, p. 68). Competition not only prevents social costs in the case of a monopoly but also embodies a fairer distribution of income. As noted by W. Eucken, *free competition is not about fighting man against man. It is not competition to obstruct or harm, but competition of achievements* (Eucken, 2005, p. 289). Competition that triggers productivity and quality creates economic efficiency leading to “prosperity for all”, in which social cohesion is maintained by dividing income with weaker participants, hence competition that prevents market concentration with monopolies, today often in the form of transnational corporations threatening small and medium-sized enterprises building the middle class in the society, also triggers innovation through new technologies, not only in the largest market players but also in the medium and smaller ones (Gardziński, 2016, p. 268). It is no longer the cheap labour force as a comparative advantage of the countries of the Eastern Bloc, but innovation at the entrepreneurial and state level that determine social and economic development. J. Schumpeter distinguishes its following types:

- introducing new products or improving existing ones,
- introducing new or improved production method,

- opening up a new market,
- applying a new method of selling or purchasing,
- using new sources of raw materials or semi-finished products,
- introducing new production organisation or new market structures (Schumpeter, 1962, p. 60).

Competitiveness will be determined not only by the innovativeness of enterprises but also by the state support for an innovative economy in the research and development segment, the so-called R&D. Competition will become synonymous with innovation. According to G.W. Kołodko, competitiveness depends on technology and the quality of human capital, managerial and marketing skills, but also on the quality of the state, on the level of public services it provides to the population and entrepreneurs, and above all on the quality of institutions, i.e. norms, standards and legal regulations in which private entrepreneurship, now competing in the global market, has to spread their wings (Kołodko, 2014, p. 10).

It turns out that, in the long term, production, and, in the opinion of the authors, economic growth and social development with it, depends on (in O. Blanchard): *education, advancement of scientific research, propensity to save, and the quality of governance in the long run* (Blanchard, 2011, p. 51). Shaping the order is therefore the key, the means, and the tool for social and economic development. As far as development is concerned, the economy should be orientated rationally and pragmatically to equalise the chances of competing in the social and economic order, which at the same time should be shaped in such a way that it is sustainable. This is the attitude of two economists.

P. Pysz sets the following tasks for the rational economic policy:

- 1) it should contribute to reducing the scarcity of goods and resources in the economy;
- 2) it should create conditions conducive to the achievement and stabilisation of freedom of governing units;
- 3) it should aim at balancing the formal and material opportunities of the governing human individuals in the process of market competition (Pysz, 2008, p. 35).

G.W. Kołodko sees pragmatic opportunities for the upturn not only of the order but of the world in the implementation of the triple-sustainable, long-term development strategy, i.e. growth that is economically, socially, and ecologically sustainable (Mączyńska, Pysz, 2019, p. 56), where socially sustainable growth means, above all, a fair distribution of income and fair access to public services for different groups of the population (Kołodko, 2014, p. 19). Sustainable development, which has become popular and is being put into practice in economics, is thus also about the order. But let us define what it really is. The economic order comprises stable forms and framework conditions of the management process, defining the rules of the economic game within which the state, businesses, households, and individuals make decisions and implement economic activities (Pysz, 2008, p. 37). The economic order based on the values of social freedom, responsibility, and justice is defined by consistent, comprehensive, and interdependent constitutional and regulatory principles (Table 1), designed to be implemented over a long time, but at a specific historical moment and with a developed indigenous shape of the ordoliberal concept of a social market economy, adapted to political, geographical, cultural, institutional and other circumstances that are essential for adaptation.

Table 1 **List of constitutional and regulatory principles**

CONSTITUTIONAL PRINCIPLES	REGULATORY PRINCIPLES
System of prices of perfect competition that properly serves as an indicator of the scarcity of goods and resources	If natural and local monopolies exist
Stabilisation of money purchasing power	If there are income differences that are unacceptable for reasons of social justice
Open markets	If the economic calculation does not take into account externalities
Private ownership of the means of production	In the event of abnormal behaviour on the supply side, especially labour supply
Freedom of contract between economic operators	
Material liability of economic operators for damage caused to others	
Stability and consistency of economic policies	

Source: P. Pysz, 2005, p. 42.

The above principles, which define the sub-orders of the economic order, require an anthropological and sociological, moral, and finally institutional foundation. It is necessary not only for the economic transition from a central planning system to a free market economy system but also afterwards, because the economic order is constantly changing. As A. Grabska emphasises, the success of institutional changes in the economy depends not only on the convergence of formal institutions and the values and preferences of the society. Developing an economic system based on the rules of the order also requires formal institutions that change the values and preferences of the society in the desired direction (Grabska, 2012, p. 128). It is also important to develop an indigenous concept of the order, which in Poland, for example, after 1989, was configured by G.W. Kołodko to be the closest to the ideas of a social market economy, which is an optimal arrangement of institutional solutions with parameters of the macroeconomic policy defined as the “golden sequence”. It consists in setting growth rates for the basic macroeconomic categories in such a way that, with a noticeable improvement in the extent to which social needs are met, the conditions for future economic growth are systematically created. This involves the coupling of eight basic categories: investment, exports, GDP, individual consumption, labour productivity, collective consumption, budget revenue, budget expenditure (Kołodko, 2008, p. 325).

Summary

In the social market economy in line with the principle of subsidiarity, only when all possibilities for self-help have been exhausted should citizens receive state aid (Dahl, 2013, p. 76). Individuals living in the social and economic order, out of a sense of responsibility, try to ensure economic security themselves in the first place. In this way, in the ordoliberal order of the social market economy, there is a natural place for a social enterprise based on cooperation, which, as part of self-help based on trust and a sense of common cause, relieves the state (Brdulak, Florczak, Gardziński, 2017, p. 107). A social enterprise so embodied in the ordoliberal order, regardless of its social mission, is also subject to the competitive requirements of the market, which it has to meet just as well as market enterprises, which also encourages it to exploit innovation. Although a social enterprise is an innovative phenomenon itself (Gardziński, 2019, p. 443), it also uses innovation and is subject to the principle of cost minimisation, including

specific technologies, on a par with a market enterprise. In conclusion, in carrying out its activities, a social enterprise minimises costs by using innovation, while at the same time being an innovation itself, it reduces disproportions and reduces the costs of tensions in the modern capitalism by overcoming its limitations.

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