OPEN EYES BOOK 2

KRAKÓW, 14–15 XI 2017

English version

WWW.OEES.PL

Open Eyes Book 2

Bartłomiej Biga
Hubert Izdebski
Jerzy Hausner
Michał Kudłacz
Krzysztof Obłój
Wojciech Paprocki
Piotr Sztompka
Mateusz Zmyślony

OPEN EYES BOOK 2

PUBLISHED BY
Fundacja Gospodarki
i Administracji Publicznej

ul. ks. bp. W. Bandurskiego 58/11
31-515 Kraków
tel.: 12 423 76 05
www.fundacjagap.pl

REVIEWED BY
prof. dr hab. Jerzy Wilkin

TRANSLATED BY
Rafał Śmietana

EDITED AND PROOFREAD BY
Anna Chrabąszcz

GRAPHIC DESIGN
Magdalena Ciepielowska

GRAPHICS (p. 69, 195, 203, 212, 214, 215, 220)
Karolina Wróblewska-Leśniak

LAYOUT AND TYPESETTING
Anna Papiernik

PARTNER OF THE PROJECT
Fundacja Kronenberga citi handlowy Inspiration to Act

ISBN 978-83-947017-6-5
Kraków 2017

Table of Contents

Foreword

Currently, we find ourselves at a nodal point. We are facing diverse challenges and threats posed by the depletion of the traditional raw materials, recurring environmental disasters, climate change, social unrest caused by wealth stratification and the clash of cultures, as well as the threat that the borders, now open to trade and exchange of ideas, will be closed. Our societies, our political and intellectual leaders cannot provide any answers as to how to confront the future.

Previous solutions have failed. More power? More capital? More technology? More production? More consumption? More of the same that we already have? These are pointless suggestions. We need a completely new approach, a new path that will allow us to preserve and develop the world in an undamaged state.

We need values. We talk and think about them more and more often. We feel that we are losing what we cherished so much not so long ago: solidarity, stability, security, and the improving quality of life. Will we regain it at some point? However, the longings and declarations of attachment to values do not go hand in hand with the awareness of how values are generated and how each of us can create them.

The Open Eyes Economy as an intellectual movement focusses not only on economic values. Our actions aim to involve in the discussion as many representatives of various professional and social groups as possible. Such a creative diversity offers the basis for making the necessary changes. We involve people in both conceptual and practical discourse. The tangible aspects of the movement include seminars and conferences organised not only in Cracow, but also in other Polish cities and abroad.

The Open Eyes Economy Summit is the culmination of our year-round intellectual and organisational efforts. We engage in discussion in order to

define the process of value creation specific to each organization or structure. There are no one-size-fits-all solutions. We use such concepts as Firm-Idea and City-Idea, but we can equally well talk about University-Idea or Theatre--Idea. We are trying to capture the operating ideas of these organizations.

Before we answer the question "How?", we must always answer "Why?" We know that the existing socio-economic goals and ideas do not offer us an opportunity for full satisfaction. If we do not want to be lost, new ideas must come before actions. The associated movements and decisions must be shared, collective, and therefore the ideas that we follow and the values that we want to achieve must also be shared. The Open Eyes Economy Summit is a summit that we are climbing in order to make it easier to see the paths leading to development. Such a summit cannot be scaled without a well-organised effort, without putting up successive base camps. Every year, we want to continue climbing in a larger group, to organise discussions in different places – in Poland and abroad – mobilising those who are dissatisfied with the current state of the economy and economics. We want to discover and disseminate different views, focus points, and practical solutions. The Open Eyes Economy Summit is not an ordinary event, like dozens of congresses and economic conferences in Poland. It is a collaborative journey into the future.

Two companion volumes – the *Open Eyes Book* (OEB) and the *Open Eyes Magazine* (OEM) – have been prepared by the congress organisers. In the OEM, we present specific undertakings and actions motivated by and resulting from the different, new perspective on economic activity. The OEB is conceived as a generator of theoretical thinking. The articles are written by our keynote speakers and constitute the basis for their talks at the Open Eyes Economy Summit 2. They are intended to stimulate reflection and discourse. All in all, they are meant to shape a cognitive perspective whose acceptance and assimilation will pave the way for the economy of values and the economic practice that draws on it.

Prof. dr hab. Jerzy Hausner
Chairman of the Programme Council
Open Eyes Economy Summit

Piotr Sztompka

Values – a prerequisite for the well-being and development of society

Without values,
civilisation as we know it today, could not exist
(Jon Elster 1989, p. 149)

The sociological model of a human being

Each discipline in the social sciences and in the humanities adopts a certain model of a human being: economic sciences – *homo oeconomicus*, political sciences – *homo politicus*, historical sciences – *homo historicus*, art sciences – *homo ludens*, etc. Sociology has its own model, sometimes referred to as *homo sociologicus* (Dahrendorf 1968, p. 19).

The fundamental existential situation of *homo sociologicus* is his/her presence and functioning in the inter-human space. The most important existential fact for man – defined since antiquity as his "social nature" (Aristotle)– is that people always live and act surrounded by other people, enter into certain kinds of relationships with others, and are never alone. As Józef Tischner wrote, "we always live with someone, next to someone, close to someone, towards someone and for someone" (2006, p. 68). We need other people for a variety of reasons: in infancy and old age – as those who care for us, without whom we would not be able to survive, throughout our lives we need others as manufacturers and suppliers of various goods and services, without which our lives would become much more difficult or which we cannot supply ourselves, we need others as listeners and partners in conversation – the most common of human activities, and finally, as spectators in front of whom we play our social roles.

To be more precise, when we take a more analytic look, the concept of *homo sociologicus* consists of three assumptions which form a specific 'ontological triangle.' First, man is a being who endows phenomena with meanings and interprets them. Let us quote two very apt observations: "Human interaction is mediated by the use of symbols, by interpretation, or by ascertaining the meaning of one another's actions." (Mead 1975). "Man is an animal suspended in webs of significance he himself has spun." (Geertz 2005).

Second, man is a being placed in a network of relationships with other people. Again, let us cite two authors. "Man, his essence and external manifestations are determined by the fact that his life elapses in the mutual relationships with other people." (Simmel 2008, p. 63). "At the final ontological level, all social, meso and macro phenomena are constituted by repetitive interactions. In the last instance, social structures consist of chains of meetings between people." (Turner 2002, p. 245).

Third, man is a being who implements and follows social rules. This is what Ralf Dahrendorf considers to be the most important feature of *homo sociologicus*: "For every position a person can occupy – whether it is described in terms of age, family, occupation, nationality, class membership, or what have you – 'society' has defined certain personal qualities and modes of behaviour." (Dahrendorf 1968, p. 31). The contemporary social psychologist J.Q. Wilson puts it into a similar perspective: "Man is a social animal, but his socialization differs significantly from the social character of animals in that he tends to regulate his behaviour in a normative way." (Wilson 1993, p. 78).

The three parameters – meanings + relationships + rules – determine the inter-human space in which people exist. Social reality is a significant, relational, and normative reality.

Values as the rules of freedom

The basic existential dilemma of a human being closed in the inter-human space are the limits of freedom. On the one hand, we are always guided by two aspirations, namely the aspiration to autonomy and independence, as well as to agency and empowerment. On the other hand, we are always aware of the limitations resulting from our dependence on others. The fact is we live our lives in continuous relationships with others, therefore we cannot realize all our intentions against others or next to others, but with others and through others. Not in isolation, but in cooperation. "In order to act effectively, individuals need, seek and benefit from ties with others," writes the contemporary sociologist Stein Ringen (2007).

The solution to this dilemma is provided by values. **Values are the social and normative determinants of the field of freedom.** This field is bounded by two vectors. The first is negative freedom, "freedom from something" or freedom to act: "Freedom is as a rule measured by the extent to which no one interferes with our activities." (Berlin 1980). Such freedom is never complete. People enjoy only limited independence, partial autonomy, because they have to take others into consideration. The other vector of freedom is positive freedom, "freedom to do something," or the subjective sense of agency. Yet such freedom is not complete either. Peoples' agency always remains limited, because they need others to achieve their goals.

Values set the boundaries and opportunities both for negative and positive freedom. And so, first of all, they delineate the limits of negative freedom, or "freedom from:" I am free to act if I do not infringe the freedom of others, I must take into account the others and the requirements of their freedom.

Paraphrasing the Kantian categorical imperative in everyday language, one can identify the following ethical meta-rule: behave towards others as you would have others behave towards you, refrain from doing to others what you would not have others do to you.

Second, values define the opportunities for positive freedom, or "freedom to." Taking advantage of the relationships with others – the social capital – to achieve one's own goals is admissible, as long as I do not harm others. Again, we can formulate the following ethical meta-imperative: when trying to achieve your own goals, act in such a way that you do not jeopardise the interests or goals of other people.

Values have special meanings, related to duty, i.e. they indicate what is socially desirable, proper, right, just, dignified, and noble. What do they describe? When we consider the denotation of values, we can see that they control interpersonal relations. What values refer to is the most important aspect of human existence, namely the relationships with other people. Society is the name for what 'occurs in-between.' **Society is all that happens among people, it is the sum of events in inter-human space.** And human freedom is never realized in a vacuum, always in the space of relationships with others. Our actions within these relationships, which are not indifferent to the good of other people, are subject to axiological regulation by means of values. "Values concern the shape of inter-human relationships." (Wilson 1993).

Duty applies to three aspects of inter-human relations: acting, thinking, and feeling. First of all, the rules associate duty with the behavioural level, with actions (they regulate what we should do). An example in the relationship of friendship: we should be loyal to our partner in our actions. Second, values associate duty with the mental level, with aspirations, desires, and ambitions (they regulate what we should want). An example in the relationship of friendship: we should wish our partner well. Third, values relate duty to the level of emotional expression (they regulate the nature and intensity of our emotions). An example in the relationship of friendship: we should sympathize with our partner in his troubles and enjoy his / her success; the death of a loved person should fill us with sadness and grief.

The ontological status of values

What are values? Value is not simply an ethical belief held by one person or another. It is a social fact in the sense given to it by Émile Durkheim: a coercion shared by the community, common to the community, external, present for each member of the community and exerting particular pressure on individual members of the community. "Values are essentially a social phenomenon. Perhaps they are a prototype of all social phenomena, which reveals the essence of social reality." (Joubert 1992, p. 176).

They are common, or intersubjective for communities at different levels: there are family values, professional values, ethnic, national, national, human and global values, such as human rights. They constitute the axio-normative core of the culture of a given community, they are agreed upon in the course of a multi-generational dialogue, debate, discourse, established by the "industry of meanings" (the media, art, literature) and thus are sustained and reproduced. "It is in the public debate that values are created, recreated, and transformed." (ibid., p. 63).

For each member of the community, values are external and previously established. They come to exist earlier than we appear in this world, and they will exist when we are no longer here, although they can be somewhat modified by us and every subsequent generation.

When values are thus agreed upon and accepted by the community, they exert compelling pressure through two kinds of sanctions. First, there are external sanctions: irony, ridicule, condemnation, reprimand, indignation, contempt, disdain, isolation, stigmatisation, banishment from the group, up to the ultimate exclusion from society, or the death penalty. The application of external sanctions is also subject to rules. We can speak of meta-values, which indicate how the first-level values should be enforced. One pair of such opposing meta-values, that unfolds between the spectrum of different specific situations, is rigorism as opposed to permissiveness, in other words, 'zero tolerance' versus futile bans or unenforceable orders. The second pair of meta-values refers to the reaction to the violation of values: on the one hand, personal involvement in their defence, and on the other hand, callous indifference to the instances of violation of the first-level values. The third pair of meta-values involves the category of people subject to sanctions: on the one hand, the rule of law, or universal enforcement of identical rules for everyone, on the other hand, selectivity and impunity for some.

When values become internalized in our individual personality as a result of the process of socialisation, upbringing or education, they acquire the status of a 'second nature.' Compliance with them becomes obvious, spontaneous, and every instance of violation triggers strong internal sanctions of two kinds: a sense of guilt and a sense of shame. The

sense of guilt as a kind of dissonance occurs when an act committed by an individual contravenes his/her internalised rules. It is autonomous in nature. The appeal "Be true to yourself!" is a demand to recognise such dissonance. The culprit's reaction is to seek justification in certain external circumstances, to shift responsibility beyond him/herself. The sense of shame is something different, it involves imagining how the people important to me would react to what I have done: the parents, the friends, the acquaintances. It is relative with respect to a specific reference group. On the other hand, the appeal "Shame on you!" enjoins one to recognise the values shared by such a community. The response involves either concealing the fact that values have been violated or an ostentatious rejection of values and their patent violation (negativism, "counterformity").

Changeability and relativity of values

Values are not established once and for all, and are not universal – they keep changing and acquire different contents in different communities. They are relative in three ways. Their **historical relativization** consists in treating certain values as outdated, anachronistic, e.g. gallantry towards women, chivalry, nobility, romantic love, salvation. They are replaced by different values: material success, making money, career, conspicuous consumption, sex, or physical fitness. Their **civilizational relativization** involves rejecting the values held by other civilisations, such as nirvana, jihad, or magic. **Environmental relativization** is the treatment of certain values as incompatible with a given professional environment, social class or group, e.g. the aristocratic virtues as unacceptable to peasants, violence and physical strength in family relations, conformism and obedience in bohemian circles.

Instead of a complete rejection and the ensuing failure to recognise certain values, they may udergo slow erosion or **atrophy**, when they are cherished in the declarative sphere, but most people remain indifferent to them or ignore instances of their violation. The suspension of sanctions leads to an ever increasing number of cases of "institutionalised evasion of rules" (Merton 1959) and their ultimate disappearance.

Moral capital

The space of inter-human relations regulated by values can be defined as a moral space, and the individuals and communities operating within that space can be described as having moral capital. What are the most important values? Moral capital generates six core values governing inter-human relationships: trust, loyalty, reciprocity, solidarity, respect, and justice. These constitute specific positive and negative vectors of moral space.

Trust – this fundamental relationship responds to the ever-present uncertainty as to the intentions and actions of other people with whom we interact. Trust allows us to expect that our partner will act in accordance with our wishes and hopes, that is to say, depending on what we expect, he/she will be: competent (when I board a taxi or a plane), honest and truthful (when I attend a lecture or watch a politician on TV), helpful and compassionate (when I need to consult a doctor), caring for my interests (when I hire a lawyer or I ask an MP to intervene). Still, I can never be sure of what the other person will do, I always take a risk, in a way, I make a wager on the future and uncertain actions of others. Trust allows me to construct a bridge over the valley of uncertainty, at least conditionally ('until further notice' if my trust is betrayed) to act in a positive, optimistic and creative manner. I do not treat the other person as a threat, but as someone who can help me fulfil my aspirations. When the tendency to trust others spreads, the culture of trust develops in society. People smile and greet strangers in the street. (Unfortunately, usually not in Polish streets). The opposite of trust is paranoid mistrust, the suspicion that everyone around us is plotting and conspiring against me: my wife is cheating on me, my friends deceive me, all the doctors accept bribes, all the officials are corrupt, and all the politicians with different views from mine conspire to organize a coup. There is no bridge over the abyss of distrust. I must face the untrustworthy others alone, nobody will defend me, nobody will help me, and the only thing I can resort to is force, violence, or cynical manipulation. I deliberately isolate myself from others, I am afraid of getting in touch with others, I avoid risks by sticking to routine activities, I surround myself with a small group of devoted supporters.

Such an attitude is contagious, turns into a moral panic and perpetuates itself in the form of the culture of suspicion. From this moment on, we scowl and snap at strangers, and we treat every gesture of trust on their part as a provocation or a premeditated attempt to start a row.

Loyalty is the reverse side of trust, a duty to someone who trusts us. Loyalty allows us to believe that someone whom we trust and whom we treat considerately will not take advantage of it against us, will not bad-mouth us behind our backs, will defend us against third parties, and will properly protect and return in due time whatever we have entrusted to him (a cash loan, a car, an apartment, a child, etc.). We can also count on him/her to support our views and help us in what we do. The opposite of loyalty is opportunistic obedience imposed by force or threat of repression. The concept of loyalty does not apply to fawners. Obsequious yes-men obey their boss without reservations, because they do not wish to be thrown out of the party or sect, which gives them numerous benefits, and if one belongs to the mafia, one does not want to end up in a lake with bricks attached to legs. Such opportunism becomes uncomfortable, so yes-men quickly rationalise their conduct, begin to really believe in the infallibility and genius of their leader. The American psychologist Irving Janis called this phenomenon *groupthink*. It consists in people losing, or rather dissolving their personalities in a closed group, whose members mutually strengthen their beliefs and gradually move further and further away from reality.

Reciprocity allows us to expect that the person to whom we have given something will feel obliged to return the favour, even if postponed in time or of a different kind (metaphorically speaking, in a different currency). Conversely, reciprocity requires us to reciprocate for the goods we have received from them. As Marcel Mauss wrote (1971), a 'gift' initiates a network of relationships between the donors and the beneficiaries, and forms the basis of a community. The essence of a gift is spontaneity and selflessness. The opposite of a gift is a bribe, a benefit conveyed with an instrumental intention to obtain something specific. It contributes to the emergence of a 'corrupt community,' only outwardly based on mutual trust, but in fact united by a common fear of sanctions. Such a community is only apparently based on loyalty, but in reality on mutual blackmail, on the fact that both parties can blackmail each other.

Solidarity means the readiness to sacrifice one's own interests for a larger or smaller community (family, neighbours, professional, ethnic, religious, national, continental, all-human) in the hope that such a community will show concern for our problems and will reciprocate with compassion, help and care when we are in need. We show solidarity with those whom we refer to in our conversations and thoughts as "we" or "us." The personal effect of solidarity is social identity linking our individual aspirations, goals, and hopes with the aspirations, goals, and hopes of a certain narrower or broader community. When authentic solidarity is lacking, a pathological, xenophobic and intolerant form of solidarity emerges, which was described by the British social anthropologist Edward Banfield as "amoral familism." It denotes solidarity within a limited group – once a tribe, today a professional circle, trade union, political party, religious sect, or mafia organisation. The strength of such a solidarity relies on blind internal loyalty and absolute obedience to the leader, while being separated from society at large by a tight wall of reluctance and aggression. Such a solidarity does not unite, but divides, does not integrate, but excludes, creating an insuperable dichotomy of "Us vs. Them," reserving all the virtues to us, and attributing all the sins to strangers, or even denying them human dignity. This is not a solidarity of cooperation, but a solidarity of the besieged fortress. A common ethical space exists only inside a closed group, while outside, tolerance towards others is replaced by xenophobia, trust – by paranoid suspicion, kindness – by brutal hostility, debate – by insults, and the common good – by particularistic group interest.

Respect allows us to believe that our services, achievements and successes will be noticed and appreciated in proportion to our efforts, talents, and contribution. By the same token, we are compelled to treat the achievements of others in the same way. The opposite of respect is, on the one hand, contempt and, on the other hand, flattery, false compliments, sham applause, the purpose of which is to make others dependent on flattery or to force the flattered person to give us something in

return (e.g. to shortlist us on the election slate or give us a lucrative job in a state company).

Justice is supposed to ensure a fair balance between what we give to others and what others feel they owe us (e.g. between our effort at work and pay, the value of our book and what we get paid by the publishing house, the amount of taxes and social benefits provided by the state). The opposites of justice include partiality, nepotism, undeserved privileges, and unjustified pay gaps.

In conclusion, regardless of the specific contents of the six relationships mentioned above or of the individuals bound by them, and hence irrespective of what these relationships concern and with whom they bind us, partners should be reliable, fulfil their mutual obligations, act loyally, reciprocate the good deeds of others, acknowledge their achievements, reward others commensurately with their effort, and are ready to make sacrifices for the benefit of their community. Moral capital cannot be built if others fail our trust, act disloyally, take advantage of us to promote their selfish interests, refuse to respect us, ignore the achievements of others, unfairly distribute the available goods, honours and privileges, or egoistically turn their backs on their community.

The origin of values

Where do values come from? Several theories attempt to explain their origins. The **evolutionary-functional theory** assumes that values are initiated, produced, sustained and reproduced in the long course of social evolution. They constitute spontaneously emerging beneficial adaptive mechanisms, which respond to the functional imperatives of society and ensure the survival and development of communities. The **eminent individuals theory** points to a different, top-down, intentional mechanism of creating values by charismatic leaders, religious prophets, great social reformers, leaders of social movements, revolutionaries, artists, and even contemporary celebrities, the so-called trendsetters (examples: the Ten Commandments, the Bible, the Koran, aesthetic manifestations, the dictates of fashion). The **emergence of values theory** describes a bottom-up, spontaneous cycle: the emergence of new attractive practices, their spread, the emergence of the impression of universality and normality, the intensifying conviction that "this is how it is done." The new rules are reinforced by the "meaning industry" (debates, representations in literature, art, etc.), spread through cultural diffusion and are inherited by tradition and social memory. Examples include the 'sexual revolution,' women's enfranchisement, and the recognition of multiple sexual orientations. On the other hand, the **innate human nature theory** treats values as an emanation of a natural human tendency, moral instinct, moral feeling, moral sense, affiliative tendencies, empathy – triggered by successful socialization and education.

Conditions for prosperity and development

What do the values serve? "No free society shall survive long, writes the contemporary British philosopher John Gray (1994), without solid moral traditions and social conventions. The alternative to such standards is not individualism and autonomy, but coercion and social pathologies."

The prerequisite for the influence of values on the actions of individuals and on the functioning of the community, is the multiplicity of options, the opportunities to choose from. "A value is a conception of the desirable which influences selective behaviour with respect to a wide range of methods, means and objectives of action." (Kluckhohn 1951). When such a choice is possible, it brings about multiple benefits.

Values permit individuals to be open, innovative, creative thanks to the sense of existential security, to a strong social identity (strong and inclusive "Us," which acknowledges my values), the predictability of others' actions and the ability to plan one's own actions. Without a place in the inter-human space and without recognized values, the fate of a person, as Thomas Hobbes wrote, is "solitary, poor, nasty, brutish, and short," entangled in "the war of all against all."

The benefits for the community are vitality, efficiency and developmental dynamics (social order and social emergence) thanks to community

integration (metaphorically speaking, values constitute "the cement of society," to use Jon Elster's expression (1989)), cooperation with others (they mesh together "the gears of the machine" – Richard Sennett (2012)), and the coordination of various activities (these are the "social lubricant" which enables harmonious relations – Maria Ossowska (1968)).

Only when I live and work in a civil society united by such bonds, which affirms such values, can my freedom become reality. It is not just a promise but a fulfilment, not only an opportunity, but a means of achieving my goals. Only when I occupy a common moral space with the community around me, I do feel existential security, the predictability of the reactions I encounter, I am ready to be open to others, creative and innovative. I become an active citizen, not just a resident, a committed member of society, not just a free-rider. Only then does the subjective activity of all of us together and individually provide a certain measure of personal happiness to everyone, and the development and progress to the whole community. The existence of a citizens' community based on strong values is the key to the well-being and progress of society.

Bibliography

Berlin I. (1980). *Concepts and Categories*, Oxford University Press, Oxford.

Dahrendorf R. (1968). *Essays in the Theory of Society*, Stanford University Press, Stanford.

Durkheim É. (1968). *Zasady metody socjologicznej,* PWN, Warszawa.

Elster J. (1989). *The Cement of Society. A Study of Social Order*, Cambridge University Press, Cambridge.

Geertz C. (2005). *Interpretacja kultur,* Wydawnictwo UJ, Kraków.

Gouldner A. (1960). *The norm of reciprocity; a preliminary statement,* „American Sociological Review" 25(2).

Gray J. (1994). *Liberalism*, Znak, Kraków.

Joubert D. (1992*). Reflections on Social Values,* Human Sciences Research Council, Pretoria.

Kluckhohn C. (1951). *Values and value-orientations in the theory of action*, in: T. Parsons, E.A. Shils (eds), *Toward a General Theory of Action*, Harvard University Press, Cambridge.

Mauss M. (1971 [1923]). *Essais de sociologie*, Editions de Minuit, Paris.

Mead G.H. (1975). *Umysł, osobowość i społeczeństwo*, przekład Zofia Wolińska, Państwowe Wydawnictwo Naukowe, Warszawa.

Merton R.K. (1959). *Social conformity, deviation and opportunity structure*, „American Sociological Review" 24(2).

Ossowska M. (1968). *Socjologia moralności*, PWN, Warszawa.

Ringen S. (2007). *What Democracy is For?; On Freedom and Moral Government,* Princeton University Press, Princeton.

Sennett R. (2012). *Razem; rytuały, zalety i zasady współpracy*, Wydawnictwo Muza, Warszawa.

Simmel G. (2008). *Pisma socjologiczne*, Oficyna Naukowa, Warszawa.

Tischner J. (2006). *Filozofia dramatu*, Wydawnictwo Znak, Kraków.

Turner J.H. (2002). *Face to Face. Toward a Sociological Theory of Interpersonal Behavior*, Stanford University Press, Stanford.

Wilson J.Q. (1993). *The Moral Sense*, Free Press, New York.

Jerzy Hausner

Value economics vs. economic value[1]

Introduction

An increasing number of analysts suggest that one of the critical problems affecting the capitalist system is the disruption of the linkage between the market and social values. Such opinions concern not only the contemporary market economy, but also economic theory. On the latter point, Daniel Bell's opinion is worth mentioning: "Modern economics has become a positive science in which the ends to be pursued are assumed to be individual and varied, and economics is only a science of 'means,' or of rational choice in the allocation of resources among competing individual ends." (2014, p. 10). This opinion reflects to a practical observation made by Lester Thurow (1999, p. 358), who believes that capitalism does not provide answers on the subject of values. These depend on individual preferences. Thus, such ideals as honesty and equality are missing from capitalism.

Although the neoclassical economists (mainstream economics) have disparaged and marginalised values long ago, the concept of 'economic value' is constantly present in the economic discourse, especially in relation to companies and the issues related to managing them. The problem is that its frequent use goes hand in hand with the freedom to understand and interpret it, which makes the discussion about economic value pompous and empty. In this text, I am not suggesting that the notion should

1 I would like to thank the Professors Anna Giza and Piotr Augustyniak for their insightful comments and suggestions.

be abandoned. It is necessary, but only when it becomes a component of a broader economic concept (paradigm). For me, such a concept is the 'economics of values.' I treat it as a theoretical-cognitive perspective, which is expected to demonstrate where the values come from, what their nature is and how broadly conceived values generate economic value.

Amartya Sen (1991, p. 76) pointed out that modern economics has two distinct sources. The first one originates with Aristotle, and continues through Adam Smith, John Stuart Mill, Henry Sidgwick, Francis Edgeworth, Knut Wicksell, Alfred Marshall and Arthur C. Pigou. It is the tradition of economics as a social science rooted in philosophy, especially in ethics. The other one leads to such figures as William Petty, François Quesnay, Antoine Lavoisier, David Ricardo, Antoine Augustin Cournot, and Léon Walras. It is a tradition of linking economics with natural and exact sciences. Sen believes that while the former source allows for combining economics with the complexity of human behaviour and reflection, the latter leads to highlighting the problems with technology, tastes, cost-benefit relationships and other correlations of the kind. At the same time, he emphasises that none of these traditions should suggest that the discipline of economics should break away from the latter (cf. Nowak-Posadzy 2015, p. 22).

I accept Sen's view. Both traditions in economics should co-exist, confront and enrich each other. The problem is that the former tradition has been almost eliminated from mainstream economics, and now it needs to be renewed and revitalised. The concept of value economics seems to me to be really necessary and relevant in the context of efforts made by various centres to revise the neoclassical economics in depth, since it has become fossilized and run aground – there is no current of thinking in it, because it is devoid of intellectual life.

At this point, Benedetto Croce's thought comes to mind. He once stated that "a system of economics from which value is omitted, is like a logic without the concept, ethics without duty and aesthetics without expression." (Croce 1914, cited in Dobb 1937, p. 3 and Nowak-Posadzy 2015, p. 51).

My attempt to outline the principles of 'value economics' belongs in a broader intellectual-research movement, which is the Open Eyes Economy.

Anthropology and the nature of values

I shall start my considerations with Roman Ingarden's reflections. The philosopher said that man "is deeply unhappy when he feels reduced to the level of an animal, or when he sees that all his strength and all his efforts do not allow him to really overcome the limitations set by Nature. Thus he begins to live beyond his powers and Nature: he creates a new world for himself, a new reality around himself and in himself. He creates a world of culture and endows it with a human aspect." (1987a, p. 15). And further, "human nature consists in a constant effort to overcome the boundaries of animalness in man and to exceed them him with humanity and the role of man as a creator of values." (ibid., p. 25).

In commenting on the position of Heinrich Rickert, Michel H. Kowalewicz (2015), states that "sensible activity" of the primitive man could not have been accomplished without at least the most primitive "system of values," which cannot be reduced only to the distinction between "pleasure" and "unpleasantness" of the flesh also known to other animals.

If so, the questions arise as to where such a "primitive system of values" originated from in humans and what generated it. If values and systems of values are assigned social nature, it becomes clear that the generator is the regulated interaction of people who have to work together in order to survive in a difficult environment. Repeated interactions produce standards, including general norms, relating to its necessity, not only to its instrumental or technical aspects. In order to act together, even in unpredictable situations, people had to create an imperative of cooperation and thus build a primeval community. It survived, provided that cooperation became the norm and was regulated by the community. The overarching existential imperative of cooperation was translated in the practice of cooperation into a set of general norms and instrumental--technical rules. It required a mental consolidation in the form of a value system that could be invoked in the event of a conflict between norms and the need to establish new ones. These values referred to what was most important in the relationships among people without which neither the community nor its constituent individuals could survive. Therefore, these

were existential values in a literal sense, and as such, they did not need to be justified – they were self-justifying. Therefore, they were intrinsic.

Thus, the original community norms gave rise to original values and together with them formed the primordial axionormative order, in which values defined the sense of actions and norms regulate community action. While values determine the significance of actions, the norms specify their mode.

The social world is an ontologically different being from the world of nature. Man belongs to both – he is an animal and a person. The social world was created by humans. It does not exist, because we perceive it, but it becomes what we perceive it to be. This corresponds to Maurice Merleau-Ponty's view that "we must not, therefore, wonder whether we really perceive a world, we must instead say: the world is what we perceive." (2001, p. 14).

Therefore, man creates his own world – the social world – and values are the products of his actions. At the same time, they are a necessary product, because without them, there would be no social world and human beings would not survive.

The fact that man creates his own world and the values that sustain it means that he is endowed with social awareness. He does not live only here and now. As a producer and carrier of values, he lives in space-time. As Maria Potocka (2016, p. 57) emphasises, man goes beyond the present time and simultaneously perceives himself in the past and in the future. Man as an individual and as a species cannot survive without creative cognition, or the formation of the world.

Following the thought of Władysław Tatarkiewicz, I do not intend to define the concept of values, but to present its understanding and interpretation within the broader concept of the "social nature of values." Tatarkiewicz believes that "defining' 'values' is difficult, if at all possible. This expression seems to mean a specific, simple, irreducible phenomenon, *ein Urphänomen*, as Germans put it. Just like the words 'being' or 'consciousness.' What appears to be a definition of 'value' is rather tantamount to replacing one word with another with more or less the same meaning, for example 'good.' Or it is a periphrasis. Such a periphrasis usually assumes one of two forms: either it says that the value of a thing is its property, which makes it better for it to exist rather than not exist, or it says that value is the property of a thing due to which we want to have it, due to which we need it." (1978, pp. 61–62). I would add that with regard to social categories, I reject the belief that it is justified to develop universal definitions. In this case, the definition constitutes a component of the cognitive perspective. And hence there are numerous such perspectives in the social sciences, they must be confronted with one another.

Reflections on value usually begin with a simple question "what for?," and the answer starts with "In order to…" I do not underestimate the importance of the issue of who needs values and why. However, I think that in order to take it seriously, the starting point should be the nature of values, namely what the values are derived from.

For me, value has an objective and a subjective nature. The objectivity is due, among others, to the fact that it is produced in a reality that precedes and determines action. And subjectivity comes from the fact that value is socially generated. Therefore, value is an emanation of subjectivity.

Value is the essence, not the thing, it is a phenomenon, not an object. Value cannot be owned – one may own a valuable thing, value-carrying goods, but not value itself. Interpersonal social relations are the carrier of existential values.

Value exists not as a being or a state, but as a social phenomenon which is produced and serves to produce. Value exists both objectively and subjectively: it results from social interactions and sustains these interactions if it is recognised (and appreciated). It is a product of both action and cognition. Value is a phenomenon that maintains social reality and leads to its change. We need values not because of ourselves, but because of others. Otherwise we cannot act sensibly. It gives meaning to our actions. The meaning results from our actions and, at the same time, it authorises them socially. Value is a kind of synthesis of activity and cognition. Thanks to it we achieve empowerment. Value universalizes a single existence, which should not to be taken to mean that value occurs outside being and outside time. Value is not absolute and does absolutize itself. It preserves the social world, but at the same time, makes it more coherent and transforms it. And that is the essence of its universalising

power, always resulting from and sustained by specific – creative and reflective – action.

The universalizing power of value also means that it becomes inherent and self-evident, which does not mean that it is absolute. Once produced, it begets a production community. However, value is not eternal. If the production community disappears, value disappears as well, because it ceases to be produced. In this way, value reveals its existential nature. Its production maintains the existence of a community. It is obvious in the sense that it implies norm and duty. Community participants act in a certain way, because it is appropriate, even if it is not individually beneficial at a given time. If they act differently, contrary to the norm, the community will not survive and thus cease to produce value. Conversely, if a given norm is respected, the community is preserved and the process of value-building is sustained, and thus the process of community institutionalisation occurs, understood as the consolidation of its axionormative formation.

Values are also universalised by the fact that they generate a publicly accessible good, which can also be used by those who do not themselves produce values such as knowledge or trust. In this sense, the general good generated in the value-creation process is a resource used by others, whether by creating other values or by instrumentalising and processing values in order to produce specific goods or simply to be able to operate.

The process of value creation is a universalising one, but it does not imply a subjective and axiological homogeneity. Value creation is a social process, which means that it is based on co-production involving different and autonomous actors. Only the coexistence and interaction of independent actors can create value. Otherwise it is impossible to generate value. The multitude of autonomous actors translates into a variety of cognitive needs and perspectives. It is the *conditio sine qua non* of value creation. At the same time, it means that mankind's survival depends on the creation of values. There is no social world with a single subjectivity and a single value. Multi-subjectivity and axiological diversity make it possible for the social world to develop and to survive.

This point of view is reflected by Edmund Husserl's position summarised by Maurice Merleau-Ponty as follows: "If the other is truly for himself alone, beyond his being for me, and if we are for each other and not both for God, we must necessarily have some appearance for each other. He must and I must have an outer appearance, and there must be, besides the perspective of the For Oneself – my view of myself and the other's of himself – a perspective of For Others – my view of others and theirs of me." (2001, p. 10).

There is no value creation without multi-subjectivity and there is no subjectivity without value co-generation. A being becomes a subject if it participates in value co-generation. It is a being-for-itself inasmuch as it is a being-for-others, as long as it generates existential values with others.

The process of value generation is complex. Not only because it requires multiple subjects, but also because it does not generate a single value, but rather a bundle of values. Some values influence the production of others. As a result, however, we are doomed to associate and reconcile different values. A conflict of values is inevitable. For that reason, we need to develop standards that allow us to reconcile different values, agree upon them, and to resolve conflicts among them.

Bell (2014, p. 45) is obviously right, when he emphasises that society is not integral, but disjunctive: its individual segments have different rhythms of transformation and are governed by different axial principles with different norms. This results in tensions and conflicts, which under certain conditions can lead to the disintegration of the social order. That is why it is so important to bring society into harmony, for which an institutional mechanism of reconciling and resolving the conflicts of norms and values is necessary.

However, it is impossible if certain actors understand and approach such values in a fundamentalistic way, i.e. regard them as absolute and indisputable. Fundamentalisms cannot be reconciled. The options are a peaceful coexistence and ecumenism or open war (Šnajder 1997, p. 91).

The absolutisation of values may consist in establishing the hegemony of one system of values and in excluding any other system from the public sphere, and thus the actors who support it. On the other hand, it may also consist in recognizing one specific value as unconditionally superior and inviolable, and in instrumentally subordinating all others

to it. This is the case with the libertarian understanding of individual freedom. Bell points out that the laissez-faire approach is transformed into an "unbridled individualism" (2014, p. 51).

Values, including the existential ones, must be balanced. And to that end, we need an institutional mechanism whose core is discourse and axiological deliberation. If there is no such mechanism, what remains is an extreme fundamentalisation of values on one hand, and on the other hand, their extreme instrumentalisation. In such a context totalising or anarchistic societies emerge. Yet these polar opposites attract each other.

My approach to the nature of values presented here contradicts the psychological approach, the main tenets of which are thus summarised by Shalom H. H. Schwartz (2009):

1. Beliefs intrinsically related to emotion that, when activated, generate positive and negative feelings.
2. A motivational construct that drives people to act in an appropriate manner.
3. Something that transcends specific situations and actions, differing from social attitudes and norms, in addition to guiding people in various social contexts.
4. Something that guides the selection and evaluation of actions, policies, people and events and that composes criteria for judgements.
5. Something that is ordered according to the relative importance given to the other values, and, thus, forming an ordered system of axiological priorities.

There are at least several differences between my approach and the psychological one as presented by Schwartz. For me, values are not individual beliefs, but rather a subjective and objective products made by people, which result from communityism and support it. Social relations, not individuals themselves are the primary carries of values. Values do not refer to the objectives of action, but to its sense. Values do not constitute a hierarchy by themselves; the hierarchy can be imposed. There is a constant tension between different values. In extreme situations, an arbitrary resolution of the conflict of values is necessary. Such decisions determine the direction of development.

The most important thing, however, is to emphasise that the approach I propose and develop is incompatible with the psychological interpretation of values, because the latter is based on philosophical subjectivism. Tatarkiewicz captured it aptly, emphasising that "subjectivism by its very nature has led to a psychological interpretation of the theory of values." (1978, p. 64).

In my view, values are relational in a dual sense – the subjective and the objective one. The former relationship objectivises values, whereas the latter subjectivises them. They are not differentiated by the issue of need. It occurs in both cases, but it is a different kind of need – one is the need for sense, the other is the need for use. It is necessary to satisfy both. Values do not meet the needs directly, but indirectly – through good in the case of existential values and through goods in the case of instrumental values.

Two dimensions of human existence: the individual and the community

People are guided by different instincts and motives. Their behaviour is often impulsive and spontaneous, yet somewhat routine and schematic. But it is also thought out and reflective without being focused on direct advantage. People likely do not ask themselves questions about the sense of their existence and action on a daily basis, but they cannot free themselves from it. However, when they ask such questions and try to answer them, they go beyond the routine and self-calculated behaviour into the sphere of a culturally conditioned rightful (axionormative) order, and thus refer to and generate non-instrumental values. As a result, they become the sovereign subjects/actors – not only as the executors of specific acts, but also as the (co-)creators of the social world. In this respect, I believe that the generation of norms is partly spontaneous and partly constituted. The latter mechanism must be linked with subjectivity. Norms can be only laid down by subjects/actors (they must be capable of interacting with others).

What is important is that actors gain subjectivity by relating their actions to value. Thus, subjectivity is related to the creation of value, which

means that sense results from subjectivity and constitutes its attribute. In order to create norms, social actors must 'achieve' subjectivity, be able to give up the ad hoc benefits in favour of fulfilling their duties. This requires a reference to values – to respecting and producing them. As a result, the actions of actors gain integrity. It is how they define the idea of their actions that constitutes or fails to constitute their subjectivity. This entails their ability to reflect, engage in discourse, formulate and follow norms. As a result, although embedded in social spontaneous interactions, norms are not merely their derivative. They are also generated by subjects. Ingarden's position corresponds with this approach: "A decision and an action can only be regarded as a person' s 'own' act if it comes directly from the centre of the person's 'self,' if it has its true origin in it, and if the centre of 'I' controls and directs the action that emerges from it." (Ingarden 1987a, p. 85).

However, it means that the values are based on facts and lead to facts, but it occurs through subjectivity. The transition from (self-)knowledge to norms is not purely cumulative. A different mechanism must be switched on than a single experience of participation in community games. A mechanism is needed in which actors deliberately and intentionally organise themselves in order to establish or change the rules of the game. Thus, they become subjective. But then they must be prepared for axiological reflection, namely one that relates to what is right for the community, not just individually or particularly advantageous. The subjectivity results from generating value. However, it does not mean that it is self-referential, or monadic.

Society, itself not being an actor, becomes a real social entity if it is animated by subjects sharing a common system of values and the procedural norms connected with it. Both are necessary. Norms alone are not enough, among other things because it will not be possible to agree on the direction of their modification.

The issue of generating norms (institutions) is crucial for the development of social sciences. It has become a fundamental issue for many schools of thought, including economic ones. It has also become the focus of special attention of the 'Austrian School' represented, among others by

such scholars as Carl Menger or Friedrich Hayek. The points of difference between their position and mine can be summarised as follows:

1. Norms emerge as a result of interactions among individuals. The role of the community is secondary. In my opinion, however, there are no norms without a community.
2. The adoption of norms is a consequence of evolution, which consists in the selection of rules of conduct as applied by individuals: those which are more favourable to individuals are perpetuated. In my opinion, social evolution is not about utilitarian selection, but about modifying axionormative orders.
3. Norms are derived from the interplay of individual interests. They are the overarching operational order of the social system. For me, they are first of all a consequence of the values generated and recognised in a given community. Together with values they constitute the rightful foundation of the social structure.

The consequence of the approach developed by the 'Austrian School' is that methodological individualism is recognised as the basis of social sciences. For me, it is only one of the cognitive perspectives – a fruitful, but not the only one. I myself prefer social subjectivity as a perspective of this kind. And I ask the supporters of methodological individualism the question about the link between their research perspective and the theory of values. I expect that their response will lead to the appreciation of instrumental (utilitarian) values and to the disregard of existential ones.

In my opinion, the line of reasoning proposed by the recognised representatives of the 'Austrian School' is not only a simplification, but also has very serious social consequences, since it precludes the existence of a community capable of development.

For me, institutional order generates interdependence and regularity in the actions of individuals, while at the same time it creates the necessary scope for autonomy of action, which enables them to achieve subjectivity. Thanks to this, not only do societies reproduce, but they also transform. Hence the discussion about their development makes sense.

The investigation of the essence of values must be based on the recognition that relations between people have a different nature than the

relations between people and things. The nature of the latter boils down to objectification – instrumental treatment of things by people. Whether a specific way of instrumentalising or using things is beneficial to people, rational or unreasonable, is a secondary issue. What is important is that things are objects, objects used by people, and the way they are used exerts a significant influence on them.

The relations among people can also be instrumentalised: some people can treat others as instruments, objectify them, treat them as tools. And that is what happens quite often. However, in order for people to be able to create a community, which determines their survival as individuals and as a species, they must work together (at least to a minimum extent under given circumstances), to wit respect their autonomy, communicate and agree on the norms of conduct. This means that they create the subjective and social dimension of their existence. This cannot happen thoughtlessly, without dialogue. Nicolas Bourriaud (2012, p. 132) fittingly said that polyphony is a simple form of subjectivity and the opposite of crushing and separating, which lead to reification.

In order for any norms of social coexistence to subsist, the people who form a particular community, in order to reach an agreement, must create a common space of axiological meanings, or define what is necessary and beneficial for them in order to exist as a community, thus achieving their individual goals and consequently to survive. As a result, they produce common values and agree on standards that must be met if these values are to be achieved. In doing this, they specify what is good and what is bad for them as a community of people. In fact, it means that they also determine the process of value creation.

Accepting such an interpretation means that we give values a social nature and recognise that existential values cannot be possessed (unlike things) – they can only be generated in an organized process of human cooperation. Values have a social nature not only because they are socially defined, but above all, because they are socially produced. And the ability to produce them is a key sign of subjectivity. If so, we also recognize that subjectivity has a social nature and is generated/reproduced, not given. Subjectivity grows out of social bonds and leads to their formation. The

empowerment of self requires the empowerment of others, just as the objectification of others leads to the objectification of self, because it means that new ways/processes of value creation cannot be invented – what remains is the reproduction of the already used ones, or a routine.

Paradoxically, subjectivity implies dependence, or to be more accurate, interdependence. Complete independence would require a complete objectification of the environment, or breaking the social bonds. But the consequences of this are opposite to those expected. By self-isolating, the individual (or group) is lost. The description of this process was presented long ago by Émil Durkheim (2011), who demonstrated that the atrophy of a community leads to an anomie, which, among other things, contributes to increased suicide rates.

Such a line of thinking excludes the opposition between individuals and communities: both kinds of being are indispensable for the functioning of society. By their very nature, both are also social – there is no person without community and community without persons. Instead, subjectivity and objectivity should be contrasted as forms of organisation of social life. Which leads to a practical question: To what extent is communityism enforced and to what extent is it voluntary? To what extent does it lead to empowerment to what extent to incapacitation?

The issue of what binds society together is being considered, among others, by Mirosława Marody and Anna Giza (2006). They identify three types of social (interpersonal) ties: impacts, relationships and links. The ties form the strongest links, because they are based on complementarity. Thanks to them, a given social group becomes a "survival unit" in that it "generates behaviours which serve to sustain its existence." (Marody, Giza-Poleszczuk 2004). For me, it means that the group becomes a community and achieves subjectivity. It also states that the complementarity cited by the authors mentioned above, which binds the group together, also results from the community of values. Thus, the collection of individuals does not function only as an interest group based solely on the division of labour and exchange. It is also united by its common fate – its heritage and future. Communityism simultaneously exists in two dimensions – the synchronous and the diachronous one.

The reflections, later elaborated by Marody (2014, pp. 30–35), imply that individual, even repetitive interactions alone do not form a community. The process also requires relatively stable bonds among the individuals. One of its components is the awareness of membership in a group, in which the interaction of individuals has a significant impact on their personal success. Community arises from the sense and experience of the dependence of the fate of individuals on the actions of the given group. It also means that community is also formulated by norms regulating the actions of this group, including the fulfilment of specific social roles by certain individuals. Community emerges from standardised cooperation of a group of individuals – normalised as a result of the bonds that unite individuals. The emergence of bonds allows the group to generate common values.

In this sense, the community exists if it is constantly created by its participants. It does not happen randomly, it is intentional and conscious. But it is not permanent, it may disappear, and that is what happens if it fails to produce values that allow it to develop, to persist and to change. Community is not an absolute being, but a relational one, since it exists in so far as it keeps happening: it should be approached in a processual and contingent way (Bourriaud 2012, p. 24).

There are no absolute, perfect, universal or eternal forms of community and subjectivity. Subjectivity excludes immutability. Its attribute is its dynamic identity in Ingarden's sense (1987b, pp. 224–225), which is constituted by both continuity and change.

Society draws its strength from free individuals who need to cooperate with others in order to be free. Freedom from and freedom to are mutually interdependent and socially conditioned. Even though existential values are a social product, individuals contribute to their creation, especially those who are role models or authorities for others. They become the special nodes of social bonds.

Values have a dual nature – they are subjectivised and objectivised on an individual basis. Subjectivity individualizes, whereas community objectivises, and society needs both forms of cognitive activity. Without them, subjectivity and value creation capacity will not develop. Subjectivity is born out of the tension between what is individualized and what is shared. It does not comprise only what is individual or only what is collective.

Norms conserve the social system. Its development (evolution) requires a mechanism for criticising and modifying the existing norms. Such a mechanism is born through modal thinking, which reveals axiological reflection.

Invoking values may lead to empowerment, but it may also objectify. The problem is how values are treated, to what extent they are instrumentalised. Such a negative function is performed by totalitarian ideologies which objectify individuals. Modal thinking (reflection, discourse) is also necessary to identify the order of values, including the existential ones, and to prevent their instrumentalisation.

If there is no institutional possibility of agreeing upon (defining) the basic (existential) values among the participants in a given social system, that is, modal thinking is excluded, the alternative to a devastating, fratricidal struggle is dictatorship.

The content of norms must be established in a legitimised process and honoured in order to relate material order to culture understood as an axionormative order. Under no circumstances may such an order be equated with a collective intellect or a set of eternal truths. It is constituted by a community-specific set of core values and norms, which are subject to interpretation and modification. Subjectivity is due both to the fact that there is such an axionormative order and to the ability to interpret and modify it. If so, then the axionormative order is not and cannot be an imposed universal ideology protected by political power. It is born not from giving, but from reflection and discourse, and it is still subordinated to them. It works because it is accepted as right, not because it is sanctioned.

The process of generating existential values is supported by the entities that participate in it. The social actors, on the other hand, achieve empowerment when they are able to shape the conditions of their development and determine its trajectory. It implies that sustaining the process of value creation depends on freedom (autonomy), knowledge, imagination and co-responsibility of social actors.

Value in various philosophical concepts

In order to facilitate the interpretation of my position on the nature of values, and, in particular, on 'value economics,' below I present the approach to values in selected philosophical concepts. In particular, I refer to those in which I notice a number of elements which coincide with my position in order to capture the differences and thus bring out what is specific for the proposed approach.

That is why in this review I deliberately ignore the concept that has dominated neoclassical economics and which I openly dispute, namely utilitarianism. But I shall address it later.

In this section, I present the positions of phenomenologists, Immanuel Kant, Karl Marx, Stanisław Brzozowski, and Georg Simmel. In the first case, I do not discuss the position of a specific author, but those of different authors, especially the representatives of the 'Cracow School of Philosophy' – Roman Ingarden, Adam Węgrzecki and Jacek Filek (guided by the intended purpose of the present text, which will be published in a book accompanying the Open Eyes Economy Summit to be held in Cracow).

The position of phenomenologists

The starting point for me is an article by Jacek Filek titled "Wzlot i upadek 'myślenia według wartości'" [The Ups and Downs of Thinking According to Values"] (2010, pp. 192–218). The author favourably comments on the position of phenomenologists invoking the distinction between concrete value and value in itself (ibid., p. 196). It corresponds with my preferred distinction between existential values, which I also call intrinsic values, and instrumental ones.

Specific values must have a carrier. In the case of ethical values (values in themselves), it is the person. A concrete value is a realization of value in itself by the very fact that it "finds" its carrier (ibid., p. 197). My attention was immediately drawn by the acknowledgement that the value in itself does not need a carrier, it has no subject, and it is not realized. It exists ideally, becoming an appeal, a call (ibid., p. 199). For phenomenologists, a personal subject is not, strictly speaking, the "creator" of values, but it does not create values in themselves (Węgrzecki 1996, p. 121). In my view, man co-creates existential values and objects that enable them to be instrumentalised.

Filek thus describes the 'action' of values: "…value appeals to us, value as if whispers in our ear: this is what you should do, this is good, the world is better when there is justice, so be just." (2010, p. 200). We respond to this appeal, because we have an axiological organ, which conditions our sensitivity to values, as Filek maintains (ibid., p. 201). Values demand from us that we should be righteous, brave, merciful, etc. Hence their impact is strictly individual – they whisper in a specific ear – although the consequences of this can be social: the world is getting better. In this train of thought, what is social emerges at the end, as a final result.

Adam Węgrzecki writes about the "binding nature of values: "… faced with them, the subject is experiencing a kind of 'summons' or 'commitment' of which they are the source." (1996, p. 122). For his mentor Ingarden, positive value has a 'special charm' and can be 'attractive' to the subject, it can in a sense 'appeal to him'.

The following proposition is crucial for grasping the fundamental difference between my approach and that discussed by Filek: "There may be no just act in the world, there may be no just institution, and yet one may have the intuition of justice itself …" (Filek 2010, p. 202). There is no consensus here: if there were no just deeds, there would be no community, and thus no social world, no humanity. The phenomenological standpoint assumes that values themselves exist as an irreal entity, such as the 'objects' of mathematics. For this reason, the ontological status of value becomes unclear. There subsist in a different way from concrete values, but to my mind, we do not know how.

Filek is well aware of the basic weakness of the phenomenological stance and honestly refers to it, emphasising that: "… it means that there is a reality over and above our reality, which somehow affects us, which directs us" (ibid., p. 206). And this observation led most philosophers to abandon "thinking according to values." At best, they thought that the concept of value can be useful in terms of individual sciences, whose

representatives have to develop their own understanding, appropriate only to a given science, as did the economists or psychologists.

For Filek, the phenomenological position raises an additional question, namely "… the relationship of these generally important values to the only value of my person." And he adds, "man turns out to be at a crossroads of two different axiological perspectives, which seemingly clash with each other head-on." (ibid., p. 209).

In my opinion, the problems noted by Filek which concern the adoption of the phenomenological position can be avoided, assuming that the inherent (existential) values are not given, but are produced, and that their "carriers" are social relations; as a result, they are institutionally perpetuated. It does not remove the "dilemma" of the individual, but it is placed in a different sphere – the sphere of reference to various intrinsic values and to the relations between existential values and instrumental ones (ones has to live somehow, but one also has to live for something).

In my opinion, overcoming the problems of the phenomenological stance is possible by assuming that values – both existential and instrumental ones – are social products and thus have an objective and subjective nature. They can be community-directed and individual at the same time. However, the creation of existential values requires an open and imagined axiological space, a space in which the axiological discourse is shared – for me, it is modality.[2] It exists in a real sense that it is sustained by a certain institutional order. And it cannot be eternal, it must be developed precisely as a result of reflection and discourse. Values are individually felt and used, but they are socially produced, and because they are individually felt and used, they can be socially produced. However, such a process requires and leads to subjectivity. And, at the same time, it ensures development.

2 I define modality as a field of discursivity. It generates collective reflection and intelligence. It is a social space in which social systems emerge. Modality is not a space of harmony and consensus, but that of discourse, which makes its participants aware of concordance and difference as well as sets out possible directions of action and the principles of their acceptance and activation. It makes social change possible. Modality is therefore not a structure: it is a communication space (field) with liquid boundaries. It plays the same role for social systems as biocoenosis does for biological organisms.

Filek correctly observes that if the values are removed from their social subsoil, if they work only from the inside of an individual, "… there would be no revolutions, no transformations of ethos, everything, the whole reality, would consist in the preservation of the same values" (ibid., p. 215). Consequently, he does not advocate the phenomenological approach in order to find an opportunity for "thinking according to values" on the basis of the philosophy of dialogue. This brings our positions much closer.

Filek's proposition leads to a different reflection, which refers to the issue of continuity and change. Sometimes social change occurs violently, and what is revolutionary is not only the historical experience, but its inevitability felt by many people. But are we just to accept every change, is every change inevitable and good? No seems to be the obvious response. We should prevent certain changes from happening, but without blocking development. This is what axiological reflection and public discourse is supposed to serve. Modality is the dimension of social space, in which our imagination and responsibility are revealed.

Immanuel Kant's concept of pure practical reason

Immanuel Kant's concept is based on the recognition that "pure reason" is practical, i.e. it "proves its reality and that of its concepts through the deed" (1972, p. 3). The culmination of the Kantian concept (the intellectual structure) is freedom. It is because of it that all the other notions, including God and immortality, "receive permanence and objective reality" (ibid., p. 5). Without freedom, they would be left unsupported. For Kant, freedom is a precondition for moral law. "Whereas the ideas of God and immortality are not the conditions of the moral law, but the only conditions of the necessary object of the will determined by this law, only the practical use of pure reason." (ibid., pp. 5–6). Kant summarizes the

essence of his conception as follows: "…through the concept of freedom, the ideas of God and immortality achieve firmness and objective reality, hence the authorization, and even subjective necessity (need for pure reason) of their adoption…" (ibid., pp. 6–7). Thus, "freedom is the *ratio essendi* of the moral law," and at the same time, "the moral law is the *ratio cognoscendi* of freedom" (ibid., p. 5). In order to ensure that pure reason is not in conflict with itself, man – in Kant's view – is a part of nature and is subject to the laws of nature, but at the same time he is a being in itself and subject to moral law, which is an expression of his freedom. What is important in this construction is that ideas (the moral law, values) are produced by man, because he is free. They are produced, because otherwise man would not be man. He would only be a part of nature. They articulate his existence, since they are a product of an individual pure reason.

Kant understands subjectivity and objectivity in a specific way. He writes: "They are subjective, or maxims, when the condition is regarded by the subject as holding only for her will; [they are] objective, however, or practical laws, when cognized as objective, i.e. as valid for each reason--endowed being." (ibid., p. 31).

Kant's approach is essentially Epicurean, though Kant distances himself from Epicurus, because Epicurus consistently equated sensual pleasure with that resulting from reason (ibid., 40). Kant himself believes that "The awareness of the pleasure of life possessed by a reason-endowed being and constantly accompanying his entire existence, is a happiness, and the principle of treating it as the highest motive determining the will is the principle of the love of oneself." (ibid., p. 37).

What is missing from Kant's reasoning is firstly, the link between what is subjectively objective and what is objectively objective, and secondly, the reduction of the question under consideration to an individual and thereby depriving it of its social foundation.

This makes it possible to see the similarity and difference of his concept in comparison with mine. I agree that values are generated by people and are existential in nature, but I believe that they are not the products of pure reason or individual creation. For me, they are social products and result not only from reflection, but also from people's cooperation.

The Kantian structure has a strong procedural component, which is circumscribed to the mind of the individual. Freedom – law – action is the right sequence. The law is born *a priori*, from intellect. It does not result from social relations, it does not result from experience. Therefore, it cannot be modified. In its own way, it is given and eternal – it is abstract, although it has a concrete application, it is reflective, but procedurally it is closed – circular, but not developmental.

Kant's moral expectations of people are extremely high. This is confirmed by the following thought: "It is of the utmost importance in all moral assessments to consider with the greatest possible rigour the subjective principle of every maxim in order to base all morality of actions on their necessity arising from duty and respect for the law, and not from love and inclination to do what these actions are supposed to achieve. For people and all the intelligent beings, the moral necessity is an instance of enslavement, i.e. a commitment, and each and every action based on it should be presented [to them] as an obligation, and not as a way of doing things which is pleasing by itself or one that may become pleasing." (ibid., p. 135).

And here Kant's conception arouses my fundamental doubts. His reasoning, in my opinion, precludes the individual from taking responsibility for the consequences of his actions. Freedom, as the foundation of the whole structure, is understood as a moral necessity, not a choice. And the question now arises: what would a world of Kantian reason-endowed beings be like? Could it develop and continue to exist? It things are to turn out the way Kant wants, everyone would have to be wise. But not all the people can be transformed into wise people. How? It is not possible to create such an ideal world. Even if all people read and understood Kant. The problem is rather what social and production relationships make it easier for individuals to become wise men, and whether there are enough of them in a given society.

Agata Bielik-Robson (2014) rightly grasped the fact that the Nietzschean gesture of "revaluation of all values" is, in fact, very modern, because it is meant to make the individual the creator of all his ideals, without at the same time undermining their validity. The same was intended by

Kant. The enlightened act of individual maturity states that from now on, the individual himself established laws, which do not cease to be laws. Now it is not the individual who emanates ideas, but the idea becomes the expression of individual life. Life is born, which is brave enough to expand and imposes on itself the necessary self-limitations in the form of ideas created by it.

It sounds lofty. But can the individual himself really impose such restrictions on himself? Can it be effected on a broad, social scale? I believe that such restrictions must result not only from the will and convictions of individuals, but also from the institutional (axionormative) order in which they live and act. Individuals alone are not enough here. But of course, without them it is also impossible.

I am trying hard to combine individual freedom and action with the necessity of the existence of a community co-produced by individuals. I distinguish between belonging to a group (collectivity) and active participation in the formation of a community. It is only in this way that the individual gains subjectivity, which for me means that he becomes a subject, because he becomes a participant in the process of generating existential values. Yet at the same time, it is an instance of self-limitation – one that would not emerge without community participation.

For me, Kantian "pure practical reason" is an equivalent of the axionormative order and the existential dimension of humanity. The rejection of all empiricism, however, means that the instrumental dimension of human activity is missing. This is why this important concept in the history of thought is extreme – one-sided and impractical.

However, if we want to understand the nature of good, let us refer to Kant: "… it is not the concept of good as an object that defines and enables moral law, but vice versa, it is only the moral law that defines and allows the concept of good, inasmuch as it deserves the name unconditionally." (1972, p. 106). But in social life, for existential good to continue and develop, there instrumental goods are also needed. Good cannot be a means, otherwise it is no longer good. But for good to be born, people must use goods, namely something that is and must be instrumental, and conditions human existence, though not its meaning.

Marx's theory of value

Marx's theory of value (labour theory of value, LTV) is based on the contrast between abstract labour (represented by money, which determines the exchangeable value) and living (tangible) labour, which creates value in use.

This and a number of other theories of economic value are based on the assumption that economic value is derived from the amount of outlays incurred order to produce a particular commodity. Krzysztof Nowak-Posadzy identifies two kinds of this type of economic value theory:

1. In the first one, referring to the position adopted by Petty and the physiocrats, it is assumed that the value is derived from the cost of material assets (e.g. food for the employees) required to produce the commodities.
2. In the second one, referring to Marshall (and even to Smith) – it is assumed that value results from the cost determined as the sum of efforts and sacrifices entails by each instance of refraining from consumption, and the labour required to produce the commodity (2015, p. 22).

In my opinion, this approach reveals linear thinking about the economy: the effect equals the expenditure. Then the manufacturing process is interpreted in terms of quantity and technology, yet its social and circular nature is overlooked.

Marx's theory of values appeals to me in that it takes into account not only the physical and quantitative relations, but also the subjective ones. This theory thus applies not only to production, but also to the distribution of economic value.

The concept of value in Marx's theory depends on the context of its use and refers to: (i) the technical interchangeability relations between things (products, goods); (ii) the vertical class relations between the workers and the capitalists; or (iii) the horizontal relations between the various direct producers (employees) (ibid., pp. 29–30).

Therefore, Marx's theory accounts for subjective relationships, but in a clearly quantified manner. This is clear, among others, from the recognition that capital is "dead labour" – it does not create any value, but merely preserves and transfers it. The production process is still linear and its circularity is reduced to a simple, repetitive circulation. Therefore, it follows that labour in Marx's theory is understood as an object.

In general, the theory expresses it as "a certain multiple of the number of hours of work for which one was hired" (ibid., p. 36).

Marx's reasoning leads to the recognition that a market economy can only exist in a form that excludes the possibility of reconciling different values and interests, and as such, is unsustainable – it may grow, but not develop. In his *Economic and philosophical manuscripts* (1844), Marx writes: "The increase in the quantity of objects is therefore accompanied by an extension of the realm of the alien powers to which man is subjected, and every new product represents a new potentiality of mutual swindling and mutual plundering. Man becomes ever poorer as man, his need for money becomes ever greater if he wants to master the hostile power. The power of his money declines in inverse proportion to the increase in the volume of production: that is, his neediness grows as the power of money increases… The need for money is therefore the true need produced by the economic system, and it is the only need which the latter produces. The quantity of money becomes to an ever greater degree its sole effective quality. Just as it reduces everything to its abstract form, so it reduces itself in the course of its own movement to quantitative being. Excess and intemperance come to be its true norm." (2005, p. 44).

My view is different. Different forms of market economy are possible, as confirmed by the historical experience of various countries and civilizations. Thus, sustainable forms of market economy are also possible (as exemplified by the Scandinavian countries). And I am definitely in favour of socialised forms of management, but not so much as an alternative to the market economy, but as an 'economic force' that contributes to the formation of a relational market economy (Hausner 2016).

Such an approach, however, requires going beyond the narrow economization of value categories. Only a broader view and a broader approach to this category makes it possible to define the limits of commercialisation (marketing) resulting from both the internal and external economic system. Marx's theory of values ignores the non-commodity aspect of the ability to work and the non-consumption context of work (Nowak-Posadzy 2015, p. 42).

I do not think that Marx's criticism of the capitalist economy is unjustified or false. Instead, I believe that it is one-sided and therefore leads to erroneous conclusions. To my mind, his one-sidedness is due first, to reducing value to economic value and, second, to the absence of a distinction between existential values and instrumental ones.

Stanisław Brzozowski's philosophy of labour

Brzozowski's conception developed in direct correspondence with Marxism, especially with Marx's early works. Brzozowski was primarily inspired by the idea of liberating man from enslavement resulting from the products of his work and creativity. If man is to be free, Brzozowski repeats after Marx, he must master his work and its results (Brzozowski 1907, p. 5). He adds, "True, free, selfless life and the creation of humanity may begin only after its economic liberation." (ibid., p. 6).

Brzozowski describes a free, active, and creative individual. Free not 'from,' but 'to' – 'to have power over,' capable of imposing his will and hierarchy of values on the world (Walicki 2011, p. 31).

However, in order for such individuals to exist, it is necessary to economically liberate the largest part of the population, the proletarians. He writes fervently, "I want to remind everyone of this axiomatic, truistic truth, that man does not live in order to survive, and that the economic transformations in question are intended precisely to abolish the state of affairs, thus tightening the existence of the largest part of the population. I want to reiterate the truth that man and creativity are equivalents, that man, fighting today for his interests, is fighting for the possibility to become selfless, namely to lead a life of love, art, self, and nature." (Brzozowski 1907, pp. 6–7). The individual is the first and most important for him. It is the beginning and the ultimate objective. But the path to his freedom must lead through changes in social relations, including specifically the economic relations.

However, for Brzozowski, the liberation of man does not amount to economic liberation. This is only a necessary condition. What is important to him in man is non-economic in nature. Yet it cannot be revealed and developed if it is economically dependent. Brzozowski writes, "Culture

and freedom are synonymous with freedom. Only in freedom, in selfless creation does man become acquainted with himself, nature, art, and thought. As long as he struggles for his livelihood, everything is for him is a means or an obstacle, nothing has a significance of its own, everything matters to him. Only a man who is liberated and freed from economism can enter into a relationship with himself and nature." (ibid., p. 10).

Brzozowski perceives the social world as a constant movement which elevates man. He does not set it in any absolute – an absolute being or an absolute idea. For him, the world is a product of action, not thought. In this respect, he remains in opposition to Kant and his a priori pure reason. Brzozowski emphasises, "One has to end once and for all the myth of some absolute truth, which exists outside us, determined forever and ready. The only form in which we get to know existence directly is action. The world is not, but it makes itself, the ultimate solution of the puzzle of existence is freedom." (ibid., p. 54). And further, "The breakthrough in philosophy, of which I am talking, is that **freedom** takes the place so far occupied in past philosophy by the finished and closed being. There is no being. The essence of the world is free creation." (ibid., p. 64).

Brzozowski's attitude towards Kant is ambivalent. He distinguished between the "royal" and the "slavish" faces of Kantism. The former is illustrated by the activist concept of the subject, whereas the latter, rejected by Brzozowski, is reflected in the existence of a "thing in itself" independent of the subject (Walicki 2011, pp. 44–45).

Brzozowski's starting point is freedom – free creativity of the individual. This is the key aspect of his conception. He concludes (Brzozowski 1907, p. 71), "In this sense, art is above society, above life, above conscience."

However, freedom is only important as long as it transforms into action. Only free action generates value. It is not the same as a state of consciousness. Andrzej Walicki (2011, p. 42): emphasises that in Brzozowski's approach, value is not a mental state, but an act which creates value, not a fact, but an act. An act which, by liberating the individual, liberates society.

Brzozowski strongly emphasises that if we adopted a contrary assumption, the question of value would be resolved in the negative. And we need

to understand it positively, because what constitutes value, remains value, it does not cease to be value. It finds himself in a certain higher synthesis. Czesław Miłosz emphasises that "the main value for Brzozowski is the multiplication of values itself, or the increase in human freedom in their realization." (2011, p. 128).

Brzozowski (1990) understands labour in an individual way – as a manifestation of man's struggle with nature and matter. It is not an economic category for him. Unlike Marx, he does not interpret work in its productive sense. Work is necessary for human existence. But for Brzozowski, the point of such existence is thought. But thought must not be opposed to work, it is supposed to serve work. He emphasises, "Pure thought in one form or another must always appeal to work as the ultimate assay: it must appeal even when it creates the conditions for its new forms. When it wants to oppose work, it is left with pure violence or pure falsehood." (ibid., 88). Walicki emphasises that in Brzozowski's conception, "Work is a measure of what is valuable both in life and in cognition: it is a reliable test separating experience from perception, reality from illusion." (2011, p. 78).

Thanks to work, what is created by thought, can last. Work is not only a material foundation of existence, but also its effects accumulate. Miłosz aptly captured this motif of Brzozowski's thought: "The human time is the frozen work of generations. Which means that man in his cognition is not an abstract 'self' who meets 'non-self.' It stands at the top of a pyramid built thanks to the efforts of all those who lived before him. Thus, instead of contrasting the subject with the object, Brzozowski introduces another contrast, that between 'human' and 'non-human.'" (2011, p. 115).

Brzozowski's individualism is not contrasted with communityism. It is not monadic individualism. What is individual and social in his conception is conditioned and sustained. But 'progress' results from actions undertaken by the individual.

I find Brzozowski's conception inspiring, among others because it shows the direction of polemic with Kant's concept. My solution to the problem is different: it leads from the social to the individual. My polemic path is marked by discursive reflective criticism, modality, subject-entity

relationships, and the creation of existential values. For me, it is the foundation of social life and humanity.

Georg Simmel's philosophy of money

The central problem with Simmel's conception begins with the fact that he closely associates value with exchange. He firmly proves that there is no value beyond exchange. He evidently endows it with relativity, but at the same time he does not claim that it is exchange that creates value. He writes: "…what we consider as a proof of value is only the transference of an existing value to a new object. It does not reveal the essence of value …That there is a value at all, however, is a primary phenomenon. Value inferences only make known the conditions under which values are realized, yet without being produced by these conditions, just as theoretical proofs only prepare the conditions that favour the sense of affirmation or of existence. … The question as to what value really is, like the question as to what being is, is unanswerable." (Simmel 2012, p. 46).

I agree with Simmel's initial statement that in that I do not consider it justified or necessary to define 'values.' However, I think that it is necessary to clarify how it is created. Thus, I find it insufficient to show only how it is revealed.

Simmel introduces the distinction between the order of value and the order of reality. He views reality and value as two mutually independent categories. But at the same time he does not contrast one with the other. On the contrary, he proves that the world does not disintegrate into two sterile halves due to the fact that reality and values do not overlap (ibid., pp. 43–44, 27).

On the one hand, for Simmel, value has a distinctly subjective basis: it clings to the objects of subjective desire (ibid., p. 53). He points out that, at least in the case of those goods on which the economy is based, value correlates with need (ibid., 55). On the other hand, he is constantly looking for an objective anchor of value. In order to solve this problem, he adopts takes the following line of reasoning: "The fundamental conceptual question as to the subjectivity or objectivity of value is misconceived. The subjectivity of value is quite erroneously based upon the fact that no object can ever acquire universal value, but that value changes from place to place, from person to person, and even from one hour to the next. This is a case of confusing subjectivity with the individuality of value. The fact that I want to enjoy, or do enjoy, something is indeed subjective in so far as there is no awareness of or interest in the object as such. But then an altogether new process begins: the process of valuation. The content of volition and feeling assumes the form of the object. This object now confronts the subject with a certain degree of independence, surrendering or refusing itself, presenting conditions for its acquisition, placed by his original capricious choice in a law-governed realm of necessary occurrences and restrictions. It is completely irrelevant here that the contents of these forms of objectivity are not the same for all subjects. If we assumed that all human beings evaluated objects in exactly the same way, this would not increase the degree of objectivity beyond that which exists in an individual case."

The above warrants a handful of comments: (i) the objectivisation of value is carried out by the same entity (the subject) that subjectively wants to satisfy its own needs; (ii) it does so by referring to the object (commodity) it desires; (iii) in order to satisfy his need, he exchange what he has for what he needs in a tangible manner; (iv) and in this way gives an objective value to the object (commodity).

The objectivisation of value occurs in the following way: what is beyond the subject, what the subject desires needs to be 'tamed,' the distance between him and the object of his desire must be eliminated. By doing this, he endows it with a concrete subjective value. This is achieved in the process of exchange of objects. But at the same time, it introduces this object into a world of objective values, which lies outside it. The distance that has temporarily disappeared, reappears again, though in a different form.

Significantly, the process value objectivisation does not occur once. It consists of a number of individual exchanges. Thanks to it, what is concrete becomes abstract. And the process occurs in time, including social time.

What does reconciling the order of value and the order of reality – reconciling the subjective with the objective – involve? It involves objectivising our needs in the process of exchange. For me, however, it is not a case

of objectivisation, but rather objectification. I understand objectivising value as a process of empowerment of individuals. The thrust of Simmel's reasoning is, I think, best reflected by the following statement: "… the objectivising effect of what I call distance is particularly visible as a time interval. … The purpose of establishing a distance is that it should be overcome. … Withdrawal and approach are in practice complementary notions, each of which presupposes the other; they are two sides of our relationship to objects, which we call subjectively our desire and objectively their value." (ibid., p. 63).

For Simmel, the world of values is driven (animated) by the subjective needs of individuals, but it is realized through an act of material exchange. "The form taken by value in exchange places value in a category beyond the narrow meaning of subjectivity and objectivity. In exchange, value becomes supra-subjective, supra-individual, yet without becoming an objective quality and reality of the things themselves. Value appears as the demand of the object, transcending its immanent reality, to be exchanged and acquired only for another corresponding value." (ibid., pp. 66–67).

And one more significant thesis by Simmel: "But the objective process, which very often also dominates the individual's consciousness, disregards the fact that values are its material; its specific character is to deal with the equality of values. In much the same way, geometry has as its aim the determination of the relationship between the size of objects without referring to the substances for which these relationships are valid." (ibid., p. 69). This allows me to say that my approach substantially differs from that proposed by Simmel. His conception refers to instrumental values, completely ignoring the existential ones. But in my view, the way in which he accounts the instrumental values is also erroneous, since everything boils down to exchange and equivalence.

Simmel is aware of the fact that there is a social world beyond exchange, but value-generating exchange introduces to it the order of values. For him, value is generated in the exchange relation among individual objects, whereas for me, it is produced in cooperation with people – it has a subjective origin. For Simmel, exchange or instrumental value is

primary, and this is what conditions human existence. For me, existential value is primary, as it determines the creation of instrumental values.

Neoclassical economics attempts to derive value from utility. In my opinion, Simmel also does this. Yet it is existential value that leads to utility as a result of processing.

In order to understand and explain the process of creating values, one has to go back a long way into the experience of humans as a species. It is not inherited biologically, but socially. It is about the social experience of individuals, not their experience of self. It does not involve returning to certain archetypical experiences or patterns of behaviour (norms), but it is an evolutionary and developmental process, in which various experiences accumulate and configure themselves. The point is to come closer from a distance rather than to overcome it.

Having carefully explored Simmel's effort to capture the subjective and objective nature of value, which I find close to my heart, I came to the conclusion that the problem consists in confusing objectivisation with objectification. Objectivisation is an interpersonal process. It occurs through reflection, communication and discourse. For Simmel, objectivisation is the individual's attitude to things (as an abstraction), and value results from this attitude. It is still a very individualistic and subjective approach – with an admixture of metaphysics. Simmel dissociates himself from subjectivism, but falls into subjectivism owing to his individualistic – not social – understanding of value. This is also due to the fact that for him, the objects rather than a social relationships are the carriers of value.

What is interesting for me is the concept of "distance between the subject and the object" as a component of the value-creation process. In my approach, it is followed by co-producing value, not by psychologically assigning it to something. In my opinion, the distance is born between the existential values and the instrumental ones. In order to be able to produce the latter, the former must 'exist.' Values cannot be fully instrumentalised, commercialised, or monetised, since the process of their creation will disappear.

The instrumentalisation of value in a modern market economy

Value may be instrumentalised by individuals or groups. Their actions are then subordinated to the advantage (self-interest). Instead of doing what is becoming, people do what pays off. The instrumentalisation of values may lead to the disintegration of the community and thus the loss of value creation capacity. Such a process is not sustainable. It consists in the exploitation of values, but without producing them.

The instrumentalisation of values and the good that derives from them is based on their subjectivisation and objectification – something contrary to their objectivisation and empowerment, which confers an existential dimension on values.

The instrumentalisation of values is not socially bad. It is necessary. Existential values 'need' a material carrier, which enables them to be instrumentalised, and thus the production of goods without which the functioning of social actors (individuals and groups) would be impossible. The instrumentalisation of values is necessary to generate existential values.

However, such an instrumentalisation should not go so far as to become an end in itself, otherwise the creation of existential values will weaken. Social utility of a good derived from existential values alone does not in itself ensure that can be effectively converted into useful goods. At the same time, the efficient production of useful goods does not guarantee the capacity to generate existential values. These are separate processes, though intertwined with each other. They occur in various social orders: on the one hand, in the axionormative order and on the other hand, in the functional-operational order. It is extremely difficult to render these orders coherent and to harmonise the production of existential and instrumental values.

This aim cannot be achieved if actors have no autonomy, freedom, imagination and refuse to accept responsibility. For me, these are the key attributes of subjectivity. And as such, it manifests itself in the ability to act both in the axionormative and in the functional-operational order.

Value stretches in time – past, present, and future, which will become present and past. Value has a dynamic and cumulative nature. It does not last as much as it occurs. It requires support and supports. It has power and potential. This is particularly true of existential values, but to some extent also the instrumental ones. Therefore, existential values should not be considered functionally, but evolutionally. They not so much *are* as they *emerge*. They cannot be established or given. Hence the problem with defining them and, in general, with defining 'values.'

Maurice Merleau-Ponty expressed a similar thought: "…philosophy itself must not take itself for granted, in so far as it may have managed to say something true; that it is an ever-renewed experiment in making its own beginning; that it consists wholly in the description of this beginning, and finally, that radical reflection amounts to a consciousness of its own dependence on an unreflective life which is its initial situation, unchanging, given once and for all." (2001, p. 12). My view differs in that the understanding of circularity is not that of eternal reproduction, but of evolution, inevitable change. What we undoubtedly have in common is the recognition that "idealism" and "reality" require each other.

I do not claim that the phenomenological perspective excludes the evolutionary perspective. But even if the latter is allowed, it is more like discontinuity than transformation – or development. Husserl did not seek the "absolute Spirit," but he was fascinated by the "Spirit of time," the Hegelian Idea inherent in a given civilisation. Its reading was the intention of the cognitive effort, which thus reached a "genesis of meaning" (*Sinngenesis*) (see Merleau-Ponty 2001, pp. 15–16). I am not concerned with discovering the meaning of the epoch, but with my own reflections, those of others regarding the sense of the value-creation process, which is the resultant of countless continuous and dispersed processes in which different actors are involved. I want to understand the world not in order to give meaning to it, but to make it easier for myself and others to discover it constantly, which changes and makes me different. The sense is not given, it has to be created. Man as a subject is a dramatic being, not a mechanical one. And humanity is based on the creation of a sense of human existence. This is the case when "the affirmation of ordinary life" becomes common in Charles Taylor's sense, who considered it one of the most important ideas of modernity (2001, p. 29).

Therefore if man is described as *homo faber*, it is above all in the sense that he creates values and gives meaning to his life. By co-creating values, people create their social world and this is what makes them human.

When I employ the concept of idea in various contexts (e.g. Firm--Idea, City-Idea), it is not in order to make the social world, or even one of its dimensions, a categorial project, or endow it with its own universal idea, but in the belief that every subjectivity requires its own idea, or its own concept of action and the image of its trajectory. At the same time, its implementation always depends on the ability to interact with other entities (subjects). Subjectivity is the ability to discover one's own limits and, at the same time, go beyond them. Thanks to it, social relations are not only purely functional, but also gain developmental power.

As I understand it, the Idea defines the process of co-producing values, which are supposed to meet important individual and social (community) needs. An important need is a need which, when it remains unfulfilled threatens the survival of the individual or the community, or lowers the quality of life.

Outside communityism, the existential values disappear. The instrumental values, although they are also derived from communityism, can be individualised – put to individual use. The existential values 'work' insofar as they are socially recognised. They are established cognitively. They have a cognitive and socially inclusive power. Their action is revealed on the behavioural-mental, or institutional level. The instrumental values 'exist' in a different way: they are practically utilised. Their action is revealed on the behavioural-practical, or operational level. The existential values have and give sense. The instrumental values have and give form, and since they are individualized, they can socially isolate and exclude.

The existential values are absorbed by practical activities. This allows them to be instrumentalised. And it is a sustainable process, if subsequently, the instrumental values, having absorbed the existential values, are somehow used to produce the former. If not, the process is not sustainable: it is not circular, but linear. Then the existential values are absorbed and trivialised by operational activity. It becomes a kind of assembly line which has lost the source of its propulsion.

Practical activities and instrumental values give the social world concrete forms and structure it in a certain way. The existential values make the world possible and susceptible to transformation. Thanks to them, new senses and social ties emerge, as do the new cognitive perspectives. An additional social space of activity is created, social development slots emerge. Thanks to them, the production structures of goods and services can be modified. It allows us to better use (manage) the available resources, but also to see and access new ones. Subjectivity takes shape and reproduces itself, because we are able to create such slots and rebuild them in a new way. Bourriaud (2012, p. 91) emphasises that what is valuable is born in space-time slots, where the economy steps beyond the current rules. These desired development slots cannot be given or established. They emerge as a result of the formation of new social relations, as a result of spontaneous experimentation and axiological reflection at the same time. This process can be described as a specific space-time delocalisation in contrast to regulated activity, which is always somehow located. Delocalisation thus understood means expanding the social world. Ingarden (1987a, p. 13) expresses it in a similar way, underlining that man produces a world, which keeps taking on ever new historical faces.

The domination of instrumental values results in a gradual disappearance of such development resources (goods) as trust, capacity to learn and strategic imagination. Opportunism, or actions subordinated to short-term and individual benefits is widespread. The optics of short- and narrow-sightedness prevail, and long-term cooperation among different actors is marginalised. The field of joint prospective activities, which are axionormatively oriented towards the key social dilemmas, disappears (see Ostrom 1997).

For the individual to derive a permanent advantage from things, he or she must agree to establish and respect certain rules of their use. In order to satisfy his or her subjective needs, he must accept the objectivity of certain rules of their satisfaction, both in relation to self and to others.

The utilitarians instrumentalise all values. Moreover, they perceive the relationships between them as resultants – cause-effect and linear relationships. In their conception, there is no room for emergence, lateral

relationships or contingency. For them, the individual is a perfectly rationalising homunculus.

Neoclassical economics offers a favourable ground for the instrumentalisation of values, because at the centre of its conceptual construction, it places the managing individual, the economic man whose interest and activity drives the forces of the free market. The economic and methodological individualism is the foundation of market economy. Its supporters look with aversion on other forms of social existence as restricting economic freedom and the market, and undermining economic efficiency (see Sroczyński 2015, in conversation with Marcin Król, p. 13). This is also recognised by Marody, who asserts, "Today, at the systemic level, the idea of progress has replaced economic efficiency as the dominant principle, the implementation of which is subordinated to the functioning of institutions. It is an instrumental principle, not an intrinsic value, and is therefore unable to legitimise the system or give direction to individual action." (2017, p. 125).

The fundamental question is whether breaking the ties between the market and values is inevitable and results from the nature of the market or it is a consequence of a specific capitalist model of the market economy, in which there are no limits to the commercialisation of goods.

The latter line reasoning is suggested to us among others by Michael Sandel (2012), who, citing numerous examples, points out that universal commercialisation leads to a complete instrumentalisation of existential values. According to Bourriaud (2012, p. 133), it results in the homogenization and reification of human behaviour, which is a fundamental reason behind the weakening of the spirit of entrepreneurship and creativity in the free market economy and leads to its collapse, resulting from the fact that the foundation of the process of generating economic value is being undermined. Félix Guattari (1992) believes that integrated capitalism, which transforms existential territories into consumer goods and directs personal energy towards goods, functions in a neurotic mode: it generates "a huge emptiness of subjectivity," and "mechanical solitude." As a result, the free market economy loses its support, becomes wasteful and gradually loses its sustainability.

The negative manifestations of free market capitalism are becoming more widely perceived. The critics mention, among other things, the actual primacy of short-term orientation of economic activity, as well as the phrase 'quarterly capitalism.' Long-term intentions systematically lose out to short--term activity in company management (Barton, Wiseman 2015, pp. 99–100).

Short-sightedness is an acquired defect and results from narrow--sightedness understood as a profit-centred company orientation. A company's ability to generate value and goodwill is identified with profit, which, by definition, is accounted for within one year. Thus, each longer period of company operation is understood as a series of short periods. Such thinking is increasingly anachronistic, as the increasing proportion of company assets is represented by intangible assets, whose use and accumulation takes place in a different cycle (mode) than in the case of tangible assets. Company accounting takes little notice of this, and thus automatically becomes an obstacle to long-term action and business operations focussed on value-creation in the long run.

The manifestations of undermining the axionormative foundations of the market economy are multiplying, which is demonstrated by the functioning of capital market participants. The global financial corporations that dominate these markets have developed products and financial mechanisms that enable them to profit from both market upturns and downturns. They demand high premiums for risk, but they effectively shift the risk on to others. As a result, greed wins, but responsibility disappears. This gives rise to public opposition and rebellion.

Bell discusses this issue with intellectual panache in his classical work on the cultural contradictions of capitalism (2014). He thus characterises the modern economy: "In modern society, the axial principle is *functional rationality*, and the regulative mode is *economizing*. Essentially, economizing means efficiency, least cost, greatest return, maximization, optimization, and similar measures of judgment about the employment and mix of resources. The contrast is one of costs and benefits, and these are usually expressed in monetary terms. The axial structure is bureaucracy and hierarchy, since these derive from the specialization and segmentation of functions and the need to coordinate activities. There is a simple

measure of value, namely utility. And there is a simple principle of change, namely the ability to substitute products or processes because they are more efficient and yield higher return at lesser cost, the principle of productivity. The social structure is a reified world because it is a structure of roles, not persons, and this is laid out in the organizational charts that specify the relationships of hierarchy and function. Authority inheres in the position, not in the individual, and social exchange (in the tasks that have to be dovetailed) is a relation between roles. A person becomes an object or a 'thing,' not because the enterprise is inhumane, but because the performance of a task is subordinated to the organization's ends. Since the tasks are functional and instrumental, the management of enterprise is primarily technocratic in character." (ibid., pp. 45–46).

According to Bell, structural tensions are inevitable in society, such as those between a social structure organised essentially in terms of roles and specialisations, and a culture interested in the development and realization of personality, the 'whole' human being. The key to the author's reasoning is the emphasis that in the past, such structural tensions were kept in check more successfully. It is different today, because "In the early period of capitalism's development, the Puritan temperance and the Protestant ethics curbed the unbridled economic impetus. People worked because of their vocation or in order to fulfil their duty to the community. The Protestant ethics, however, was undermined not by modernism, but by capitalism itself. The most important invention that destroyed it was the instalment sale and instant credit. Beforehand, one had to save money to buy something. Today, we can use our credit cards to satisfy our desires immediately. By creating new needs and new ways of satisfying them, mass production and mass consumption have transformed the entire system." (ibid., p. 56).

In this way, according to Bell, the capitalist system has lost its transcendental ethics, which has devastating consequences: "Only the argument remained that capitalism is the basis of freedom and increased living standards, a victory over poverty. But even if this is true, there is no transcendental bond, the fact that work, the structure of society and its culture do not give people a sense of 'ultimate meaning,' which is destructive to the system." (ibid., pp. 56–57). Consumer hedonism has become capitalism's cultural and moral rationale.

So what does Bell propose to do about it? He asks important questions: How to reconcile the demands of different groups when none are unfounded? How to resolve the conflicts between collective demands and individual rights? How to reconcile freedom with equality, justice with efficiency? And he responds: "The starting point, I believe, has to be a recognition of the public character of resources and needs (not wants), and the principle of relevant differences in deciding the justice of various claims." (ibid., p. 62). He concludes, "The problems are less those of the adequacy of institutions than of the kinds of meanings that sustain a society."

The issue raised by Bell and dozens of other recognised intellectual and moral authorities is fundamental. How to make the normatively--axiologically and functionally-disjunctively differentiated modern society coherent? Bell says it quite clearly – the problem lies in the kinds of values, not in the institutions. Therefore, society must be rooted in values. Religion was one kind of such roots. Therefore Bell eventually turns to religion and says, "Modern societies have substituted utopia for religion. Utopia, which is not a transcendental ideal, but conceived by technology and delivered by revolution goal which is realized by history (progress, rationality, science)." (ibid., p. 64). And he declares, "My concern with religion goes back to what I assume is the constitutive character of culture: the wheel of questions that brings one back to the existential predicaments, the awareness in men of their finiteness and the inexorable limits to their power (the transgression of which is *hamartia*), and the consequent effort to find a coherent answer to reconcile them to the human condition. Since that awareness touches the deepest springs of consciousness, I believe that a culture which has become aware of the limits in exploring the mundane will turn, at some point, to the effort to recover the sacred." (ibid., p. 29).The route proposed by Bell seems to me wrong and dangerous. In his reflections, I detect a religious fundamentalism, which will inevitably lead to restrictions on the freedom and autonomy of social actors, weaken their role, and consequently, to the stagnation of social structures and development. For me, the answer lies precisely in an

institutional order, but I do not separate values from institutions. On the contrary, the generation of existential values requires institutions (as sets of norms) and it leads to the formation of institutions. For Bell, values are constituted by collective beliefs and in this sense they are given to society. My reasoning is based on the belief that values are socially generated.

Of course, I too am looking for ways of making society more cohesive, for which certain balancing constraints are needed. But these constraints result from the institutional order created by people. Institutions create the conditions conducive to the operation of social actors, but they also reflect constraints – one permeates the other. At the same time, no institutional order is universal or eternal. It must evolve, which fosters development. If I search for the sense of human existence in values, as does Bell, I do not have in mind the values given once and for all, and canonized, but in values created and redefined, in values related not to an ideal state, but to the development of individuals and communities.

These balancing limitations, which I seek in the institutional order, are formed as a result of axionormative discourse, which is possible only in the imagined social space that I call modality (as opposed to systems and objects). It is reborn each time as a result of an open confrontation among various cognitive and axiological perspectives. If social actors fail to engage in axionormative reflection, are incapable of it or cannot confront their perspective with others, then modality as an open space of meanings, disappears. And the developmental perspective disappears with it.

The balancing constraints are particularly important and necessary in my reasoning with regard to the balancing of two value generation orders: the axionormative one, in which the existential values are generated, and the operational order, which gives rise to the instrumental ones. That is why I would like to emphasise that e.g. an enterprise should be not only an effective organization, but also an efficient institution – Firm-Idea, and the city is not only *urbs*, but also *civitas* – City-Idea. This empowers the firm and the city, which can sustainably generate various values and shape the trajectories of their development, and thus participate in axionormative discourse with others and jointly shape an institutional order conducive to development.

The opposite of institutionalised balancing constraints is the imposition of a single dominant subsystem or dimension of human activity. A good example of this is modern marketing, which, according to Giza (2016, pp. 116–117), causes human needs to be detached from the sphere of everyday practices, saturated with values and social relations, and implemented in the market sphere as isolated entities. Marketing therefore serves to alienate the individual from his community, whose needs are reduced to consumer needs. If a community appears afterwards, it is a marketing-derived and inorganic community of consumers, not of producers, an anonymous community, which is not united by any strong multilateral bonds. The importance of the needs fulfilled in this way is not a result of developmental subjectivity, but of short-term impulses. Satisfying them may contribute to the sense of well-being, but it does not develop. The individual is focused on consumption rather than on itself. In this way, the individual becomes addicted to it and actually objectified. Individuals subjected to marketing treatment are deprived of their personality and, as such, are incapable of subjectivity. Modern marketing thus leads to an extreme instrumentalisation of existential values – it destroys them and the social process of their production.

If social norms are subordinated to the market's operation, we subordinate all values to market logic. It means that only economic values become important and non-economic values only in so far as they are used to produce or capture economic value. But then we destroy the foundations of economic activity, because we pursue wasteful economic policies. And over time, the economy must collapse. If we instrumentalise social norms via the market, we thereby instrumentalise the existential values. And by doing this, we undermine the basis of the value creation process.

Values vs. good and goods

The existential values are a source of social good. They manifest themselves in such a good. If they disappear, it disappears as well. And its replaced by evil. Good cannot be appropriated. It exists in social space,

because it is communal by nature. It takes various forms. One of them is trust – understood as generalised trust placed in others, trust in the fact that people are generally good and that it is worth opening up to them, that by meeting others and establishing certain relationships with them we gain various opportunities for action and development. Good cannot be stored or preserved. It has no material carrier. It is conveyed by human relationships.

The instrumental values are a source of goods. The manifest themselves in them. Goods do not have purely material in nature, but they need material carriers. This allows them to be collected, stored, and appropriated. Organising human activity is intended to produce various goods efficiently. To that end, the organisational structures and their functions have been developed.

Good is existential, whereas goods are instrumental. This does not mean that goods cannot be used to create existential values. The existential values generate good, which constitutes their manifestation. The instrumental values are used to produce various goods – their carriers.

The lack of this distinction, which is fundamental for my reasoning, causes, among others, that values are considered to be objects, to which people give meaning and importance in a given context, space and time (Bogunia-Borowska 2015, p. 20). It does not apply to the existential values in any way. They cannot be objectified. They are subjective and relational.

If we do not want to permit the instrumental values to eliminate the existential ones, axionormative (institutional) limitations must be imposed on the structures and functions. Organisations are also institutions in that they have their own normative order, which is a form of hologram. It exists because we 'see' it and we reproduce it with our actions.

Institutional balancing is not needed only at the level of organisation (system) – intrasystemically. They are also socially necessary between systems – intersystemically. An example is the constitutional separation of powers. It is particularly difficult to develop an institutional mechanism for intersystemic balancing at macro level.

A constitutional order is born and modified as a result of multisubjective reflectivity, where interests and arguments intermingle, with the latter stemming from the strategic imagination of the actors involved in the discourse. In order for strategic dialogue to be possible at all, they must trust one another at an elementary level. A constitutional order is formed on the basis of trust, which also supports its observance (Sabel 1993).

In my opinion, it cannot be reduced to a binary relationship (e.g. the state vs. the market). A satisfactory solution (i.e. one that offers development opportunities) must be multifaceted and multisystem. In other words, we need a multitude of functionally diverse and relatively autonomous systems (social subsystems), e.g. including the civil sector apart from the market and the state. As a result, hybrid organisations and mixed formulas for the production of goods emerge.

Systemic balancing must not be static. No form of macro-organisation is final. Dynamic solutions are needed, in other words those that permit adjustments and corrections. And here I see the sense of public policy understood as development policy.

In this approach, it is not necessary to create hierarchies of orders. To embrace the social world, it is enough to create an appropriate space and the resulting perspective, in order to generate new ways of action and the resources necessary to implement them.

The economy and the market are embedded in social behaviours and structures. Each form of such embeddedness will be replaced by another one over time, including socio-economic development. Such concepts as Corporate Social Responsibility or Social Economy are the manifestations of the search for new forms of embeddedness. The forces of production must be continuously released and embedded as the driving forces of development. Embeddedness always limits and somehow directs the forces of production; it is natural to aim to release them. Some forms of embeddedness block the forces of production to such an extent that the economy becomes inefficient and uncompetitive, which blocks development, leads to stagnation, and economic decline.

Subsequent social forms of economic embeddedness become more complicated and sophisticated, which is why it is so difficult to establish them effectively. They require a deeper functional diversity of social systems. This requires the setting up of increasingly complex coordination mechanisms.

The natural economy was also socially embedded – a mechanism of gifts and reciprocity. Such forms of behaviour may exist even nowadays on a small scale, but they cannot be dominant. Capitalism did not invent the market, but promoted it. In the monetary economy, non-monetary or mixed (limited and monetary) forms of management should be allowed. At the same time, purely monetary, commercial forms of the economy also require a specific social embeddedness. Such embeddedness cannot solely consist in formal and legal regulations.

A self-steering free market economy is a mirage. The economy is always a social system, a social and communication system whose participants are guided by interests, but also by distinct norms.

Jan Sowa presents the concept of the common good, describing it as 'biopolitical.' The basis for his reasoning is anti-individualistic anthropology, whose main tenet reads: "man is not understood as an individual being, but as a social being by his deepest nature, and thus shaped by immersion in interactions with other people." (2015, p. 197). Referring to Aristotle, Sowa emphasises that both logically and historically, the individual cannot be regarded as a primary with respect to society. In order to bolster his concept, he adopts Marx's optics, according to which man is a being who, in cooperation with other representatives of his species, creates his own world. By creating his own world, man also creates himself as a social being (ibid., p. 201).

Sowa distinctly contrasts his concept with the liberal doctrine, which, in his opinion, is bogged down by a series of contradictions. Among other things, its advocates ground their thinking in an affirmation of individuality and individual freedom, but they do not care about the circumstances that stifle such individuality and condemn it to a fate determined by its class membership (ibid., p. 203).

For Sowa, one of the examples of the common good is language. The author states that "The operation fundamental to the use of language, which is the reference of a sign to its object, is a social relationship formed in the acts of communication, or a symbolic cooperation within the community of speaking persons." (ibid., p. 208). Therefore, there can be no 'private language.' Language, just like other common goods, acts through openness and the most intense circulation, since it is multiplied as a good in this way.

I have a several problems with Sowa's conception. Let me start by saying that I share the basic assumptions of his "anti-individualistic anthropology." However, I think that his contrast between the individual and the community is extreme and unjustified, that the recognition of the individual as a social being does not necessarily and should not lead to an anti-liberal orientation – one-sidedly collectivistic one, because it leads to contrasting common goods with private goods. In fact, common goods are and can be used privately. If this were not the case, there would be no motivation or mechanism for producing common goods. Language is a common good, but we use it individually, in a way we even privatise it. And so it remains vibrant and flexible. It does not ossify or fall into disuse. Too rigid languages become marginalised and die over time.

Sowa (2012) clearly refers to and sympathizes with the views of Michael Hardt and Antonio Negri (2012), who define capitalism as the "republic of ownership" and postulate replacing it with a system in which most goods will be common goods. This is not tantamount to the extreme demand to abolish private ownership, but undoubtedly it implies its significant reduction.

For my part, although this is not the subject of this study, I would like to add that without denying the importance of the ownership structure of the modern economy, I see a positive solution not only in the legal form of ownership itself, but in giving every form of ownership a specific social content – ownership not only as a right, but also as a commitment. In practice, it would mean giving every form of ownership its corresponding social dimension.

I take issue with Sowa's conception primarily because it is impossible to maintain the distinction between existential and instrumental values within its framework, and thus to grasp the relationships between them, which are the driving force of development.

However, I accept it to the extent that it shows the importance of common goods and that their multiplication requires social circularity. But I would say that if part of the pool of produced goods is not communi-

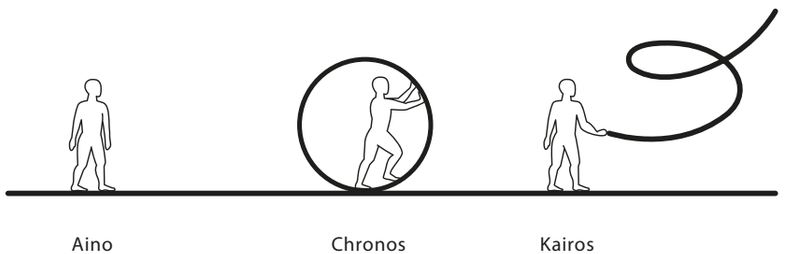
tarised, the mechanism of developmental circularity disappears. Linear production begins to dominate, generating a stagnant circulation.

In order to highlight the difference between Jan Sowa's approach and mine, I would like to cite one more of his propositions: "The problem of language, knowledge and code as common goods is united here in a single whole, and its keystone is Marx's concept of general intellect. It signals the material existence of the productive sphere of non-materiality – knowledge, ideas, practical skills – which we can call the biopolitical common good. Such a common good, as befits Marx's tradition, is not a metaphysical category and should not be understood as an idealistic construct comprising a set of symbols and characters written in library volumes. The general intellect has an increasingly tangible form today and is the system of machines." (2015, p. 228).

The term "general intellect" undoubtedly corresponds with the term "modality," yet it is a completely different category in the ontological sense. For me, it is a space of discourse, whereas Jan Sowa sees it as a machine-based network. What he proposes can be used to produce goods. However, it does not generate good. To that end, an open space for axionormative discourse is needed, not a machine-based network. True, it does stimulate social interactions. However, they can only have reproductive and functional-systemic impacts. In order to have developmental power, they must be modal – reflective and discursive. Not everything that is relational is dialectic and developmental. It may be oscillatory and circular, but not circular and developmental. Social life takes place in two illustrative circles – the circle and the spiral. It pulsates and circulates, but it does not mean that it is developing yet. Ingarden prophetically reminds us that "… man has already repeatedly scaled the same cultural summits and having done so, tumbled down once again and faded away." (1987a, p. 63). In my interpretation, if social life does not have the dimension of developmental spiral, it cannot be sustained in the resultant circle. What is functional is not sustainable without what is variable – and evolutionary. However, development requires a functional basis. The development potential is based on retention. What is fluid requires what is permanent.

And in order for development, which is the resultant of various interactions of many different actors, to occur, the actors must be somehow oriented towards the future, not only towards the present. It means that they must project their (joint) responsibility into the future. Otherwise everything that is axionormative disappears. Axiology becomes homeless. It only makes social sense when we create time. For us, it becomes a *kairos*. If the community is not able to take up its *kairos* – its developmental challenge – it loses the basis of its responsibility and ethicality. Good will not be produced, even if we can produce a number of different goods (see Strzelecki 2017).

Figure 1. Three ways of understanding time in the Greek thought



Source: Own study.

In summary of this point, I would like to emphasise that a new economic theory of values should be embedded in the perception of two conceptual sequences that reflect the dual nature of the production process. These two sequences are as follows:

1. Values – norms – good – the axionormative order (institutional).
2. Values – capital – assets – goods – the operational order (organisational).

If this is taken as the basis for the economic theory of values, then values are both overarching ideas that define the axionormative order of a given community, and important social resources that generate the

capital necessary for the production of goods. On the one hand, values as ideas shape the institutional dimension of a given social structure, and on the other hand, as resources they are transformed in the process of producing goods, which gives the social structure organizational cohesion.

Conclusion

The dispute about values is constantly present at the centre of the discussion on scientific cognition, including the differences in the nature of science and social sciences.

It is impossible to formulate a correct economic theory of values without acknowledging that values have a social nature and that it is the existential values rather than the instrumental ones that give meaning to our existence and to what we become. I believe that it is possible to do it as long as the following provisions are accepted:

1. Values have a social nature and cannot be forced into 'individualism.'
2. They have a subjective and objective nature. The objectivisation occurs as a result of a generalisation of community experience.
3. The existential substructure of values is subjectivity understood dynamically and evolutionarily.
4. A distinction must be made between the existential values, which are subjective and abstract, and the instrumental ones, which are object--bound and concrete.
5. They mutually condition each other, but it is necessary to consider the existential ones as the basic ones and the instrumental ones as their derivatives.
6. The axionormative order is created by the subjects that conduct an axionormative discourse and are capable of modal thinking.
7. The instrumental values (goods) are produced by various kinds of social actors.
8. Values are components of cultural heritage, and are thus handed down to successive generations and communities, which reinterpret and multiply them. This allows them to maintain continuity and change at the same time.
9. Values must be considered not in the context of equilibrium, but in the context of development. Otherwise they become absolutized – the fundamentalisation of thinking and action occurs, which paralyses dialogue and development.
10. The conflict of values is inevitable, which constantly reaffirms the need for axiological reflection and discourse.

The existential values enable community integration, cooperation, and coordination. Values refer to the relationships among people, but their strength stems from the fact that they help people to live sensibly, or to transform, to develop individually, and communally. Creating value requires a particular kind of social space.

The existential values are experienced, whereas the instrumental ones are exploited. The existential values establish a cognitive space and perspective, whereas the instrumental ones create an operating space and operational knowledge.

The balance between the creation of existential values and instrumental values means that individualism does not destroy the community. It is a community-forming individualism. And the social world becomes a community of communities.

The instrumentalisation of values is necessary, but must be subjected to restrictions, in particular as regards market-based instrumentalisation, or commercialisation. The limits of commercialisation were blurred during the neoliberal revolution. Commodification entered into the sphere of life and death, which represents a serious threat to the existential values. The threat is so serious that it must be halted, so that democracy and the market economy can coexist. This is not at all obvious and cannot be taken for granted. Contrary to the neoliberal creed, democracy and the market are not automatically coupled together.

In my opinion, we are unable to set the limits of marketisation (they cannot be rigid) unless we understand and define the social process of value creation. If we psychologise values and deprive them of content, we will not understand how they are generated. We focus only on what they serve, not what they result from. The functional approach to value is not sufficient, because it ignores the problem of their creation.

The instrumentalisation of values may result both from their absolutisation (ideological hegemony) as well as from their relativisation (operational instrumentalisation). Both extreme approaches imply an atrophy of values. There are no bad values. Evil is born out of their absolutisation or instrumentalisation.

There is no lasting hierarchy of values, because there would be no development. However, there must be some sort of hierarchy of values. Its formation requires an institutional mechanism. It results from the discursive reflection on social experience. The social world is 'produced' by civilization – a community of devices and objects created and maintained by people, and at the same time a community of people's ideas, of what is good and bad, of what is valuable and what is not. Civilization is generated by individuals, but it is maintained by communities. Without civilization understood as the world of objects, material things, people would not enter into regular interactions, whose organisation (systematisation, normalisation) requires a deeper reflection on the world of existential values.

The outlined conceptual sequence can be summarised as follows: people's needs – cooperation – existential needs – values – value creation process – axiology – institutions – institutional order – modality – subjectivity – production of goods – economy.

I find the following remark made by Bourriaud especially significant: "Nowadays, after two hundred years of struggling for individualism and against group domination, we have to make a new synthesis that will protect us from … regressive phantasms. … In our post-industrial societies, the most urgent issue is not the emancipation of the individual, but rather interpersonal communication and the liberation of the relational dimension of existence." (2012, p. 94).

In my opinion, this fundamental proposal can only be fulfilled if we, as a community, turn to the existential values, not almost exclusively to the instrumental ones, as has been the case to date. In particular, if we will stop the unrestricted instrumentalisation of existential values, in other words, if we will understand that respect for them is the foundation of the value-creation process in general, which is a condition for the survival of all mankind.

This is the challenge for economists. In order to respond to this challenge, it is necessary to rebuild and revitalise the tradition of its embeddedness in moral philosophy. Economics must not only concern itself with efficiency and growth, but above all with the quality of life and development. The cognitive perspectives and related concepts adopted in it should encourage the empowerment of individuals and communities, though today, they promote their objectification. Economics should become primarily 'value economics.' Then it will be used to generate economic value and ensure sustainability to human economic activity.

Bibliography

Barton D., Wiseman M. (2015). *Perspectives on the long term*, „McKinsey Quaterly" 1.

Bell D. (1998). *Kulturowe sprzeczności kapitalizmu*, Wydawnictwo Naukowe PWN, Warszawa.

Bielik-Robson A. (2014). *Polubić nowoczesność. Esej przeciwko krytyce antysystemowej*, „Zarządzanie Publiczne" 3(29).

Bogunia-Borowska M. (2015). *Życie w dobrym społeczeństwie. Wartości jako fundament dobrego społeczeństwa*, in: M. Bogunia-Borowska (ed.), *Fundamenty dobrego społeczeństwa. Wartości*, Wydawnictwo Znak, Kraków.

Bourriaud N. (2012). *Estetyka relacyjna*, Muzeum Sztuki Współczesnej w Krakowie, Kraków.

Brzozowski S. (1907). *Kultura i życie. Zagadnienia sztuki i twórczości w walce o światopogląd*, Nakładem Księgarni Polskiej B. Połonieckiego, Lwów.

Brzozowski S. (1990). *Idee. Wstęp do filozofii dojrzałości dziejowej*, Wydawnictwo Literackie, Kraków.

Croce B. (1914). *Historical materialism and the economics of Karl Marx*, The Macmillan Company, New York.

Dobb M. (1937). *Political Economy and Capitalism*, Routledge, London.

Durkheim É. (2011) *Samobójstwo. Studium z socjologii*, Oficyna Naukowa, Warszawa.

Filek J. (2010). *Życie, etyka, inni. Scherza i eseje filozoficzno-etyczne*, Homini, Kraków.
Giza A. (2017). *Uczeń czarnoksiężnika, czyli społeczna historia marketingu*, Wydawnictwo Uniwersytetu Warszawskiego, Warszawa.
Guattari F. (1992). *Pour une refondation des pratiques sociales,* „Le Monde diplomatique" (Octobre).
Hardt M., Negri A. (2012) *Rzecz-pospolita. Poza własność prywatną i dobro publiczne*, Korporacja Halart, Kraków.
Hausner J. (2016). *Przyszłość gospodarki rynkowej – od oportunistycznej do relacyjnej gry ekonomicznej*, in: Open Eyes Book 1, Fundacja Gospodarki i Administracji Publicznej, Kraków.
Ingarden R. (1987a). *Książeczka o człowieku*, Wydawnictwo Literackie, Kraków.
Ingarden R. (1987b). *Spór o istnienie świata, t. I: Ontologia egzystencjalna,* PWN, Warszawa.
Kant I. (1972). *Krytyka praktycznego rozumu*, PWN, Warszawa.
Kowalewicz M.H. (2015). *Heinricha Rickerta „system otwarty" na tle historii idei wartości,* referat wygłoszony na seminarium „Koło Krakowskie", Uniwersytet Ekonomiczny w Krakowie (20.04.2015), mimeo.
Marks K. (2005). *Rękopisy ekonomiczno-filozoficzne z 1844 r.*, Studenckie Koło Filozofii Marksistowskiej, Uniwersytet Warszawski, mimeo.
Marody M. (2014). *Jednostka po nowoczesności. Perspektywa socjologiczna*, Wydawnictwo Naukowe Scholar, Warszawa.
Marody M., Giza-Poleszczuk A. (2004). *Przemiany więzi społecznych: zarys teorii zmiany społecznej*, Wydawnictwo Naukowe Scholar, Warszawa.
Marody M., Giza-Poleszczuk A. (2006). *W uwięzi więzi (społecznych)*, „Societas Communitas" 1.
Marody M. (2017). *Wartości w świecie postspołecznym,* „Zarządzanie Publiczne" 1(39).
Merleau-Ponty M. (2001). *Fenomenologia percepcji*, Fundacja Aletheia, Warszawa.
Miłosz Cz. (2011). *Człowiek wśród skorpionów. Studium o Stanisławie Brzozowskim,* Wydawnictwo Krytyki Politycznej, Warszawa.
Nowak-Posadzy K. (2015). *Jaką teorią jest marksowska teoria wartości opartej na pracy?*, „Praktyka Teoretyczna" 1(15).
Ostrom E. (1997). *A Behavioral Approach to the Rational Choice Theory of Collective Action. Presidential Address*, American Political Science Association.
Potocka M.A. (2016). *Nowa estetyka*, Wydawnictwo Aletheia, Warszawa.
Sabel Ch. (1993). *Constitutional Ordering in Historical Context*, in: F. Scharpf (ed.), *Games in Hierarchies and Networks*, Westview Press, Boulder (CO).
Sandel M. (2012). *Czego nie można kupić za pieniądze. Moralne granice rynku*, Kurhaus, Warszawa.
Schwartz S.H. (2009). *Basic Human Values*, paper for Cross-National Comparison Seminar on the Quality and Comparability of Measures for Contructs in Comparative Research: Methods and Applications, Bolzano (Bolzen), Italy, June 10-13.
Sen A. (1991). *Economic Methodology: Heterogeneity and Relevance*, „Methodus" 3(1).
Simmel G. (2012). *Filozofia pieniądza*, Wydawnictwo Aletheia, Warszawa.
Sowa J. (2012). *Wprowadzenie,* in: M. Hardt, A. Negri, *Rzecz-pospolita. Poza własność prywatną i dobro publiczne*, Korporacja Halart, Kraków.
Sowa J. (2015). *Inna Rzeczpospolita jest możliwa! Widma przeszłości, wizje przyszłości*, Grupa Wydawnicza Foksal, Warszawa.
Šnajder S. (1997). *Wąż, diabeł i Bośnia*, „Dialog" 9.
Sroczyński G. (2015). *Świat się chwieje. 20 rozmów o tym, co z nami dalej*, Agora, Warszawa.
Strzelecki R. (2017). *Etyka i czas*, referat wygłoszony na seminarium „Koło Krakowskie", Uniwersytet Ekonomiczny w Krakowie (12.06.2017), mimeo.
Tatarkiewicz W. (1978). *Parerga,* PWN, Warszawa.
Taylor, Ch. (2001). *Źródła podmiotowości. Narodziny tożsamości nowoczesnej*, tłum. M. Gruszczyński, O. Latek, A. Lipszyc, A. Michalak, A. Rostkowska, M. Rychter, Ł. Sommer. Wydawnictwo Naukowe PWN, Warszawa.
Thurow L.C. (1999). *Przyszłość kapitalizmu. Jak dzisiejsze siły ekonomiczne kształtują świat jutra*, Wydawnictwo Dolnośląskie, Wrocław.
Walicki A. (2011*). Stanisław Brzozowski – drogi myśli*, Universitas, Kraków.
Węgrzecki A. (1996). *Zarys fenomenologii podmiotu*, Ossolineum, Wrocław.

Wojciech Paprocki

The transformation towards the digital economy

Introduction

The initiators of the OPEN EYES ECONOMY SUMMIT motivate us to discuss whether it is possible to change the way of perceiving actions and omissions, first of all our own, but also those of other people. The challenge published in 2016 reads: "It is necessary to revise a number well-established economic beliefs and practices" (Hausner 2016, p. 6). The direction of these changes is important. According to Jerzy Hausner, we should embark on a journey into the unknown. It is all the more important to operate under conditions of uncertainty, given the identified risks already related to getting stuck in the established rut of the opportunistic economy. The challenge was formulated thus: "Whoever accepts the generally binding rules of the contemporary global economy, consciously or unconsciously consents to the loss of subjectivity both by businesses and by consumers" (Hausner 2017, p. 4).

This paper is devoted to the analysis of the transformation process towards the digital economy. It is a process of replacing *Old Space* – the post-industrial economic system, which reached its peak at the turn of the 20th and 21st centuries – by *New Space* – a new economic system in which the basic factors of development are the improvement and dissemination of digital technologies. The term *Space* is used because of the fact that civilisation, by conquering outer space, endowed this word

with special associations. But the contemporary meaning of *Space* refers to something else, next to the physical Universe (thanks to the Creator's ingenuity?) – also to the virtual world, built and developed at a huge pace, which exists only thanks to human ingenuity (Heide 2017). The analysis attaches fundamental importance to the issues of social relations and the choice of principles of conduct by a man who is, or should remain, or should become the sovereign subject of the transformation process.

I set out to show that in a number of cases, refusing to 'open our eyes' is an attitude that cannot be reduced to conformism or pragmatism in action alone. Refraining from it should be treated as a manifestation of underdeveloped mental culture, especially in the public sphere (Zybała 2016, p. 267). Formulating the list of factors that determine human behaviour will assist in the search for ideas and methods that induce people to open their eyes and, consequently, lead to changes in the principles of human behaviour, which have prevailed for many centuries all over the world.

The task is extremely difficult to achieve. Looking at the contemporary world, one can state that **further social and economic development requires an adjustment of the basic principles of conduct, since the perpetuation of processes in their present form becomes impossible during the period of transformation towards the digital economy**. When we look for an idea of what such an adjustment may involve, we must take into account an extremely important factor: namely that the behaviour of all actors changes as the digital technologies are disseminated and further improved. Until now, innovation has been taking place in the analogue world, as defined by, among others, by the theory of Nicolaus Copernicus (published in 1543) and numerous works by Albert Einstein (1879–1955). This world (Universe) has not yet been fully understood by our civilization, but it has quite a multifaceted idea of what it can be. Nowadays, however, innovation is being introduced mainly in the virtual world, with which the civilization is hardly familiar and cannot imagine its dimensions. We are thus in a situation akin to that of Christopher Columbus before he embarked on a journey to India using a new route. We do not know yet where the virtual world ends and whether it ends at all. Furthermore, we are already witnessing a fundamental dispute about whether human involvement in the development of the virtual world, including the construction of systems using artificial intelligence to the full extent, may jeopardize the continued existence of human civilisation on Earth, or lead to its collapse (*Musk streitet* 2017). **The discussion about revising the rules of conduct is therefore taking place under new circumstances – we do not know the future features and behaviour of an environment which comprises two dynamically developing and increasingly interconnected worlds – the analogue and the virtual one.**

I start the discussion taking advantage of my life experience, including professional experience, which includes uninterrupted membership in the academic community since 1974, and participation in business conducted in Poland and abroad since 1988. Currently, I already belong in a group called the silver generation. In Poland, it is a generation which in its youth, whether it liked it or not, was either a passive witness or a conscious co-participant in the experiment that consisted in the implementation of Karl Marx's theoretical achievements in economic practice in a system known then as the 'socialist economy.' After the collapse of this inefficient economic system, in Poland, we abandoned almost all the references to Marx's philosophy. However, we are well aware that within this theoretical trend numerous theoretical and empirical studies have been carried out. Since 2013, two works of the same title (*Capital*) can be placed next to each other on the shelf. One of them was written by Marx in the second half of the 19th century,[1] and the other is a work of the French economist Thomas Piketty, known all over the world (Piketty 2015). Both texts are hardly known to contemporary Polish students of social and economic sciences. It would certainly not hurt if they explored both books with a curiosity typical of young people, as well as read the other studies in which a comprehensive analysis of the analogue world around us can be found. It appears that despite the numerous positive qualities of Polish university students, they pay too much attention to acquiring detailed knowledge, specific skills and competences, but spend too little time on

1 The last volume of Karol Marx's capital was published in 1894, after the author's death (Marx 1984).

reflecting at a high level of generalization. They will be unable to succeed in the virtual world without first understanding the analogue world well, since the virtual world does not replace, but complements the analogue one. Perhaps reading the volumes of the *Open Eyes Book* will encourage them, as well as all the other Readers, to consider ideas that are broader than strictly professional knowledge appreciated by the employers or useful for the young entrepreneurs, if they function in a traditional opportunistic economy.

Since I specialize in economics, I will use the supply chain management (SCM) method to organise my considerations in this text. Its foundations were formulated in the second half of the 20th century in the USA.[2] In the age of the digital economy, this method has been enriched by the application of digital technologies as part of the Logistics 4.0 concept (Paprocki 2017b, p. 185). There are two main advantages of the SCM method. One of them is the analysis of the entire life cycle of a product, including all its components and what remains afterwards. The other one takes into account the processes of data recording and transmission, which, thanks to the use of human and artificial intelligence, can be transformed into information, and then into knowledge and wisdom. However, the English name of the method is misleading. In today's economy, the focus of attention of the economic operators is the consumer and his/her behaviour on the market. For this reason, we should speak of a "demand chain" rather than of a "supply chain." Moreover, the term 'chain' refers explicitly to a linear relationship in which each supplier sells its goods or services to another entity. From their sources, from cultivated land or from the depths of the water, raw materials are moved to other producers, until the final product ready for consumption is made. Lastly, after consumption, the product becomes rubbish or waste, often in the form of 'invisible waste,' such as exhaust fumes. Potentially (almost) all the waste can be reused. In the concept of circular economy, no waste should become a burden to the environment, instead, it should become recyclable material.

2 The basic works include Coyle et al. (1976), Waters (1988), and Ballou (1992).

The present article consists of introduction, four sections and a conclusion. The first section describes the emerging digital economy. The second one presents various aspects of societal self-assessment of the processes of socio-economic change at the end of the *Old Space* era, taking into account the situation in the USA and Poland – two completely different countries which have experienced surprisingly similar transformation processes in recent years. The third section describes and analyses the specific characteristics of the development of *New Space*, and the fourth one discusses the behaviour of people who, in *New Space*, cannot be certain of employment, but will not have to fight for a job in order to be able to lead a dignified life.

The field of change and the subject matter of the changing rules of conduct

Calls to change the rules of conduct are formulated worldwide as slogans announcing a change of epoch. For the inhabitants of the region that we now call transatlantic, one of the most important changes was probably reformation initiated in 1517 by Martin Luther (Läubli 2017). In the last half-century, Naomi Klein's encouragement not to give in to the power of the industrial giants shaping global consumer tastes (Klein 2004, p. 437) has been an important voice. The statement was made at the end of the 20th century, when global companies, such as Shell, McDonald's and Coca Cola, dominated the analogue economy market. When the concentration of industrial manufacturers and network service providers occurred in that era, the point was to fight against Wall Street and not against Silicon Valley (von Kittlitz 2017). However, at that time, the giants of the economy did not have as much impact on consumers as today's five leaders – Amazon, Apple, Facebook, Google and Microsoft – gained thanks to the electronic media in the second decade of the 20th century. They secured their position from scratch thanks to the introduction of unique technological solutions, building their own completely new virtual market segments and achieving shares in their

turnover of up to 95%. Thanks to the technology employed in recording, storing and processing large amounts of data using the already existing solutions, which belong in the so-called narrow artificial intelligence, they have information and knowledge about the behaviour of billions of consumers and billions of manufacturers. Mentioning such a large number of manufacturers, it is important to emphasise the importance of a very large group of people who participate in the manufacturing process without officially registering their business activity. This is particularly true of non-European low-development countries, where the widespread diffusion of the digital economy has occurred as a result of the availability of low-priced smartphones to large underprivileged groups. The pace and scale of development illustrates the increase in the value of transactions conducted using mobile devices from USD 61 billion in 2016 to USD 81 billion in 2017, and is anticipated to reach USD 138 billion in 2021 (Brandt 2017).

The focus on the development and dissemination of digital technologies needs to be explained. The development of technology proceeds in numerous directions, and in the economy of the analogue world around us, various changes worthy of an in-depth analysis, occur. The fact that building the virtual world is only a fraction of the development of the economy is evidenced by the data on the achievements of the 10 most active enterprises in the world in terms of patent applications. Table 1 shows the number of patents they have filed, which are considered to be important to the world economy.[3] Besides, the scientific research spectrum is also briefly described. These data show that the development of digital technologies is carried out by all the companies, and of the five leaders of the US digital economy, only Microsoft's development efforts deserve a place in the TOP10.

3 Bakbasel, a private research institute, has reviewed patents filed worldwide and identified amongst them only a subset of new developments relevant to the global economy. The number of selected patents refers to the achievements in the history of each of these companies (Sommer 2017).

Table 1. Number of patents considered important to the world economy

Company	Country	Scope of research and patents filed	Number of patents with global importance (thousand)
Samsung	South Korea	Numerous areas of the economy including digital technologies	20
Qualcomm	USA	Numerous areas of the economy including digital technologies	13
Sony	Japan	Almost exclusively digital technologies	12
Canon	Japan	Almost exclusively digital technologies	11
Microsoft	USA	Only digital technologies	10
General Electric	USA	Numerous areas of the economy including digital technologies	10
LG	South Korea	Numerous areas of the economy including digital technologies	10
Panasonic	Japan	Several areas of the economy including digital technologies	9
Intel/Mobileye	USA / Israel	Almost exclusively digital technologies	9
Bosch	Germany	Numerous areas of the economy including digital technologies	9

Source: Own study based on (Handelsblatt 2017).

The role of leaders in the analysis constitutes a clear example of its focus on digital technologies. Each member of the quintet has already become so strong that no public authority, either in the USA or in the European Union, can fully assess and appreciate the extent of the changes taking place or the threats to the functioning of societies arising from these changes. To make matters worse, public authorities lack the capacity to respond adequately to protect citizens' rights against the economic and social domination. Thus, in the period of transformation of the existing system towards the digital economy, it is even more necessary to change the rules of economic activity in order to protect billions of economic operators from the aggression of these five leaders (Kallen 2017).

Another important theme in the debate, which focuses on changing the fundamentals of the socio-economic system in the world, is related to the quest for sustainable development. The aim of the new approach is to reduce the risks aggravated by climate change. The efforts are meant to prevent the potential environmental disasters which may occur in various regions of the Earth. Two ideas are being confronted in this area. The first one, rather conservative, focuses on looking for opportunities for the development of the capitalist economy by further stimulating innovation through opportunistic market mechanisms. Examples of the application of this idea include programmes that involve the transition of the power industry to renewable energy sources, including *Energiewende* in Germany. To date, the results of the implementation of programmes to promote renewable energy sources in countries where water power plays a small role due to the lack of favourable natural potential are much more modest than originally expected. The decisions of the authorities in many countries worldwide will have a major impact on the future achievement of the ambitious environmental, climate and energy policy goals. It is up to them whether economic operators will decide to change energy production technologies and reduce the use of organic fuels. The President of the United States, who has been inclined to openly challenge the climate policy since 2016 (Drieschner 2017), may play a particularly important role in this respect.

The second idea of shaping sustainable development focuses on seeking opportunities for social development by promoting moderation in manufacturing and consumption (Eckardt 2017). The reason for the efforts to change the behaviour of the Earth's inhabitants is the observed change in the date of the Earth Overshoot Day, i.e. the time at which humanity reaches the level of natural resource consumption which can be naturally renewed. In 1990, the Day was December 9th and it gradually moved forward in the calendar until in 2016, when it fell on August 8th (in 2017, it moved almost a week forward, to August 2nd) (Dalkowski 2017; *Earth Overshoot* 2017). Refraining from the widespread use of passenger cars, as one example of consumer restraint, may also lead to increased, not to lower living standards, especially in urban agglomerations. This view is particularly controversial in German business circles, since almost the entire economy of this country depends on the stable development of its automotive industry (Münder 2017). A large part of the world's population is still striving to improve its daily living conditions, which is why the idea of mitigation of economic development still appears to be unattractive on a global scale. As long as China and India pursue the 'old industry' development policy, the consumption of raw materials, pollutant and greenhouse gas emissions will continue to grow worldwide in quantitative terms (Mohn 2017). Of course, one can expect that changes in the ways of manufacturing and consumption will take place, and their nature and scope will be influenced by the willingness of both the elites and the broad sections of society to 'open their eyes' and search for better solutions.

The changes in the functioning of the economy justify the observation that 'supply chains are becoming less and less common, and are increasingly being replaced by 'value creation networks.' Correcting the term 'supply chain,' we can conclude that 'demand driven value networks' (Cichosz et al. 2016, p. 37) are the subject of research. The latest development in the theory of management sciences is defining the essence of the activity and the role of virtual platforms with a global reach in the economy (Paprocki 2017c, p. 25). These elements were not defined in the first decade of the 21st century, which means that the perception of these entities and a critical analysis of their actions is still in the initial phase (Czakon 2012, p. 195). Hence, at this stage, the answers to some basic questions are still being sought. The question of whether their operation goes beyond the standard

rules of the transactional economy plays a fundamental role. The search for an answer to this question should be treated as a contribution to the discussion on the new rules of functioning of the economy, which in the second decade of the 21st century evolves from the analogue economy supported by ICT (Information and Communication Technologies) to the digital one, which embraces the real world and its almost complete representation in the virtual world (Gajewski et al. 2016). It is an economy in which the cooperation between business entities and individualised customer service incurs relatively low costs. This is one of the important characteristics distinguishing the digital economy from its analogue counterpart described only a few years ago (Kawa, Pierański 2015, p. 28).

Homely bangers and imported wrecks in an Ursynów parking lot – socio-economic change at the end of the Old Space era

Absolute values, such as the household monthly income, make it possible to place each social microgroup (once identified with a multi-generation family living in a single building) on the scale of prosperity. One extreme on this scale is poverty, and the other one is wealth. Yet nobody associates their sense of well-being with a place on an abstract scale. Subjectively, we are mainly interested in the prospects of improving our situation. Since the mass media that use images came to exist, primarily television, it has become commonplace to see what is happening "behind the window" – ours and others'. For more than twenty years since the beginning of the political transformation in Poland, it seemed that the publicly available picture of the situation in many households and in their surroundings confirms that the living conditions improved. Hence the in a way obvious conclusion that the vast majority of the population should be increasingly satisfied with the positive changes. Whoever lived in the 1970s in Warsaw's Ursynów district, the largest housing estate in Poland, saw only new blocks of flats built from prefabricated concrete slabs, exposed to the sun. Over the years, the trees and shrubs have grown, which has created local zones of intimacy and shade which alleviates the inconvenience of heat during the summer season. Every year, the lack of parking spaces became more and more perceptible. The parking lots began to fill with larger and better equipped imported cars, replacing the domestic-made vehicles – the pride of the then Polish automotive industry. At first glance, things were changing for the better. The improved well-being was not spoiled by critical comments that even those who were doing relatively well, still lacked something. The growing feeling in society that the changes could have produced a greater satisfaction, and the increasing frustration felt by many people with the fact that they are not, in fact, doing better, or certainly not as well as they expected, went largely ignored. In 2015, therefore, voters brought to power a party which promised a different kind of change. People believed in its electoral programme, which promised a much larger social group their due share in the effects of economic growth (Kosiński 2017). The social situation is reflected in the reality of everyday life, even if it is not commented upon. For many years, almost no one wanted to and still does not want to acknowledge that the bodywork of cars imported from the West conceals engines with their catalytic converters removed, while the condition of their suspensions and brakes makes driving at ever increasing speeds on the newly built motorways an increasingly risky experience. The historically known smell of blue-tinged smoke emitted from the exhaust pipes of two-stroke engines burning a mixture of petrol and engine oil was replaced by the modern dense black smoke spewed by run-down diesel engines.

The observers of social processes taking place in various regions of the world note that the importance and extent of improvements in the living conditions have been subject to a particularly strict social verification in the past few years. In Poland, as well as in many other countries in the northern hemisphere, public elections revealed a protest movement of numerous circles convinced that during the past decades, their living conditions actually worsened instead of improving. As a result, the political leaders representing the relatively contented inhabitants of Warsaw's Ursynów district, as well as a large part of the population of the American East Coast, unexpectedly for themselves lost the mandate and opportunity to continue their rule. They were defeated by the representatives

of minority communities. Respecting the standard of democratic elections, citizens from many cities, towns and villages, who spend their lives in much worse conditions than those prevailing in Poland's Ursynów or on the US East Coast and in California, managed to place their representatives in the Polish Parliament and in the post of the US President, respectively. The views of those people are regarded as populist. The opinion that "Poland is in ruins" turned out to be more potent than the slogans of the continuation of the so-called "warm water in the tap policy." Even though the negative attitude to the changes that took place after 1989 did not affect the majority of the population, given the rather random results of Poland's parliamentary elections of 2015, it led to the formation of a government which was determined to explicitly reject the programme of continuation of previous internal and external policies.

There is no great difference between the "America First" programme promoted by Donald Trump, who wants to ensure more favourable conditions for American entrepreneurs trading with China and the EU member states, and the programme of "squeezing out the Brussel sprouts" pursued by those Polish politicians who want to conduct a policy which is independent of EU bodies, but still want to benefit from the transfer of EU funds. Both the American and the Polish attitudes share the belief that others should not be better off than we are. If US steel producers lose their market position in favour of foreign suppliers, the US responds by tightening the rules for protecting the domestic market. Since, pursuant to the extremely protectionist agricultural policy enacted by the European Union, individual farmers receive substantial financial aid, in Poland they should receive the same support as that offered to farmers in France. The comparisons of situations in individual EU countries invariably result in demands to ensure equality. Brussels is expected to make sure that after ten years of Poland's membership in the EU, the support for farmers in the West and in the East will be equalised.

Nevertheless, the difference between the situation in North America and in Poland is fundamental. For years, the US has been the world's largest economic power. The leaders of the global economy in the *New Space* era, whose basic feature constitutes the accelerated process of technological development, are enterprises whose decision-making centres are located along the West Coast. Due to the transfer of the economic development centres to such states as California and Washington, a significant proportion of Americans, who were successful in the *Old Space* era, or in the decades of post-industrial economy and the conquest of space with the use of analogue technologies, feel threatened by the changes taking place today. They are increasingly concerned that the economic situation of their households will not improve in the coming years (Volfangel 2017). They notice a worrisome process. Careers and wealth in the incipient *New Space* are open to the chosen ones who have mastered modern technologies. On the other hand, stagnation or even decline in living standards affects a large part of society, whose jobs are increasingly threatened by robots managed via a global internet network with a command centre in Silicon Valley (Dymek 2017).

Looking at the global economy, the players who decided about the shape of the supply chains several decades ago in the previous era, and which transform into demand driven value networks in the new era, are located in the US. The transformation process is partly subversive, which is related to the implementation of disruptive innovations, hence the subjective feelings of many Americans are shaped by the growing uncertainty as to what the future will bring. The dissonance is on the increase. On the one hand, the economy is growing and the power of the leaders of the digital economy is reaching previously unimaginable proportions. The advancement of companies which have mastered and disseminated digital technologies is shown in Table 2 as increased capitalisation of these companies on the stock market between 2007 and 2017. On the other hand, some Americans are losing faith in the prospect of improving their own situation. Their pessimism is justified by the fact that *New Space* is witnessing new phenomena, which have not been encountered in the economy before. With unemployment in the G7 countries declining from 8.0% in 2009 to 5.5% in 2016, the average wage growth rate in these economies increased from 1.4% to 1.8% per annum. According to the law formulated by the economist W. Philipps, wage growth should increase as the unemployment rate decreases. And since the advent of

digital technologies, the structural changes in the workers' community have made them lose their bargaining power in the fight for wage growth. This is one of the examples which confirm the observation that in the new economic era, wealth redistribution is increasingly uneven and the numbers of workers performing traditional tasks in industry and analogue services are not being increasingly rewarded (Fuster 2017).

Table 2. Stock exchange value of companies with the highest capitalization in the USA in 2007 and 2017 (billion euro)

	2007			2017	
	Company	Value		Company	Value
1	Exxon Mobil	339	1	Apple	685
2	General Electric	291	2	Alphabet (Google)	549
3	Microsoft	222	3	Microsoft	470
4	Citigroup	207	4	Facebook	415
5	Gazprom	206	5	Amazon	404
6	Petrochina	193	6	Berkshire Hathaway	370
7	Industrial & Commercial Bank China	190	7	Alibaba	329
8	Toyota	183	8	Tencent	321
9	Bank of America	182	9	Johnson & Johnson	301
10	Shell	171	10	Exxon Mobil	288
…	Google	107			
…	Apple	55			
…	Amazon	12			

Source: Own study based on (Das Wachstum 2017).

In Poland, the situation is only superficially similar to that in the USA. The economy has been growing for over two decades, but people are not sufficiently satisfied with their improving living standards. The difference is due to the nature of the structural changes, not to the quantitative effects of economic growth. In Ursynów, as was already mentioned, there is a shiny imported car under the block, instead of the home-produced old banger. In most cases, due to age and technical condition, it is actually a write-off. In less urbanised regions, there are millions of such wrecks, because without them it would be impossible to travel locally from village to the county seat, or to make sure that parents attend the parents' evening at a distant middle school.[4] The situation can be easily explained using the SCM method. In the times of the socialist economy, which for various reasons was autarkic, i.e. quite closed to foreign trade, Poland had to shape almost an entire supply chain. Only a handful of its links were imported, while few the products were exported. There was a subject acting as an architect and an orchestrator in a given chain, which involved domestic partners only. If an imported obsolete Western European technology was used in the industry, the entity actually duplicated the role of such an architect and orchestrator. Many people in Poland are now relishing the subjective feeling from that period – that there was a place for every citizen in the system and foreigners had nothing to say. Hence a specific yearning for the communist era even among the people who cannot remember the reality before 1989 or could not experience it at all, because they were too young. However, those people tend to conveniently forget that the supply chains developed at that time were dramatically weak and their structure resulted from the decision about the division of economic tasks among the Comecon member states.[5] There was no room for links

4 This phenomenon is confirmed by the findings of empirical research carried out in the eleven poorest poviats (districts) in Poland. Certain households declared that they need 4 cars to enable every family member to commute to work in the absence of effective public transport operators (Wolański et al. 2016).

5 For those who do not know it, and for those young people who cannot remember it, the Moscow-based Mutual Economic Assistance Council (Comecon) was a facade body

capable of innovation. The actors involved in these chains were inefficient. In such a situation, the entire economy, which was not capable of meeting the consumer demand – either individual or collective – collapsed and had to undergo a process of thorough transformation, including the political sphere. These changes resulted in the implosion of the system of cooperation between the economies of Central European countries and the Soviet republics, which until the collapse of the Soviet Union in 1991, remained under Russian hegemony.

In Poland, the first phase of the process of political changes and transformations in the economy focused on changing the rules of the game. The dispute whether the Polish economy could have been reconstructed in a different way than that envisaged by Balcerowicz's programme, is ongoing and will probably continue for many decades to come. The fact is that in 1989 the opinion-forming elites accepted the belief that radical free market reforms were "difficult but necessary" (Woś 2014, p. 35). However, for the assessment of the situation in the second decade of the 21st century, it is more important whether and how the economy changed in Poland after 2008, when the world and the European Union started to overcome the deep crisis, given that Poland was already an EU member state at that time.

The self-critical statement, which was made at dinner table in June 2014 to the effect that "the Polish state practically does not exist,"[6] revealed to a greater extent the lack of capacity of the then power elites to formulate an ambitious development programme, rather than constitutes an element of self-assessment of the failure of the apparatus of power. Many of those who were involved in government work in 2007–2015 only later

which formally approved the volume and structure of international trade in goods between the countries of the socialist bloc. All the key decisions in this respect were taken almost exclusively by the executives of the USSR Communist Party.

6 Media report on the illegal audio recordings of the conversation between the then representatives of public authorities: M. Belka, President of the Bank of Poland, and B. Sienkiewicz, Minister of the Interior (http://www.tvn24.pl/wiadomosci-z-kraju,3/panstwo-polskie-praktycznie-nie-istnieje-polityczny-deal-sienkiewicza-z-belka-najwazniejsze-cytaty,439819.html, accessed on 20.07.2017).

(in the second year of their role as opposition), understood that while they had been in power, they had committed an important omission by failing to make any effort to improve the standard of living of the social groups with a limited ability to improve their living conditions independently.[7] The elites during what was popularly considered to be extravagant dinners, involving the consumption of octopuses, were not aware of the dramatic change in the social mood. Although after 1989, the living conditions improved in Poland when measured on an absolute scale, there was a growing sentiment that there was no prospect of further improvement in these conditions, and that many groups were excluded from the proportional division of more and more goods. The first manifestation of the increasing impatience with the slow pace of changes and the growing split of Polish society into beneficiaries of change and losers, was the large wave of economic emigration after 2004. It was due to the desire to escape low-paid work (0.8–0.9 euro per hour) in Poland, since in Western Europe "working as a dishwasher," i.e. without using the knowledge and skills acquired previously, offered at least several or even a dozen or so times higher wage. After the Polish elites had completed their efforts on the domestic and international arena to ensure Poland's accession to the EU, they should have sought a new development programme, which would have gained a broad public support. It turned out, however, that after 2007, they lost the motivation for such an intellectual and organisational effort. There is no reason to accuse those who were then in power of incompetence – the report prepared by M. Boni[8] (the then Minister of Administration and Digitization) proves the opposite. However, no conclusions were drawn from this and other studies, and no programme for the next stage of economic development in Poland was formulated. The extenuating circumstances for the authorities in Poland

7 The lack of understanding of the social situation at that time was confirmed among others by Rafał Trzaskowski in an interview conducted with S. Skarżyński and published amid the growing tension around the parliamentary work on legislation to introduce changes in the judicial system (Trzaskowski 2017).

8 An interview with Michał Boni conducted by G. Sroczyński (Boni 2016).

at that time were that all over Europe, among others in Belgium, France, Germany, Italy and France, the authorities were 'lost' after the fall of the Berlin Wall. They paid so much attention to the changes on the geopolitical map of the continent that they failed to formulate a new economic development programme, in which digital technologies would become increasingly common (Götz 2017).

Drawing lessons from the mistakes and omissions, it can be proposed that the new economic development programme for Poland should take into account at least three aspects:

1. As large as possible segment of the public should be convinced that they are themselves involved in improving their living conditions or that they are covered by the process to that effect.
2. The improvement process should not only be quantitative, but, above all, qualitative in nature.[9]
3. Public authorities should strive to improve the position of the largest possible group of Polish producers and consumers in the international supply chains.

Taking into account the third of the above mentioned directions of development requires a significant change in the mentality of a number of social groups in Poland. After the opening up of the economy after 1989, it was known that the pace of development would depend on the inflow of foreign capital and the transfer of know-how held by international investors. After the fall of the command and control economy, which operated almost exclusively in the state sector structures, there were neither domestic capitalists nor domestic capital in Poland. Foreign investors were sought in order to attract the capital necessary to finance the much needed investment and implement new technologies. The officials and politicians were thus supposed to attract both large international business organizations and small foreign enterprises by creating conditions favourable for investment. In practice,

9 The aspect of lack of involvement in building a modern social and economic system in Poland both before 1989 and in subsequent decades is discussed by Z. Mikołejko in an interview with D. Wodecka (Mikołejko 2017).

the preferences accorded to foreign capital translated into comparably worse conditions for the domestic entrepreneurs. The politicians and officials did not notice in time, especially after Poland's accession to the EU, that their attitude should change towards the preferences and support of the domestic investors in their attempts to conquer foreign markets. Already at that time, when, among others, such companies as Maspex and Wielton were taking over their competitors abroad for the first time, the public authorities should have started to do what was mentioned for the first time only in 2015. It is the Polish companies owned by Poles that should be supported by the public authorities in taking such a position in international supply chains as would make it easier to promote Polish products under Polish brand names. There is no doubt that this new task is much more difficult to achieve, as it requires the officials to understand the specificity of the operation of the foreign markets. In order to help the officials, Polish business would also have to change its attitude by delegating experienced managers from their ranks to the public authorities. In order to do so, the organisation of the latter would require profound changes. Without such changes, despite correct diagnoses, the plan to support domestic entrepreneurs is likely to be reduced to primitive programmes and regulations, characterized by the slogan "Polish pharmacies for Polish pharmacists" (Piątkowska 2017). In fact, such initiatives limit the effectiveness of the competition mechanism between the producers and the service providers on the supply-side of the market, which weakens the position of the domestic consumer on the demand side of the same distorted market.

A particularly important role in building the digital economy in every country is played by start-ups, companies starting from scratch, whose founders focus on the realization of their original ideas. Quite often, the experienced professionals working for renowned market players are extremely reluctant to accept such ideas. They can even disqualify them immediately, because, judging by their experience, "others have already tried it and failed." Well, some such projects prove to be successful. And when a successful start-up reaches the development stage, the initiators and implementers of the original project are tempted to replace the

organic long-term development path with a single act of 'selling oneself' to a larger foreign company. It has been the case with a number of firms, among others, the Ivona digital speech generator implemented in Gdynia. The local start-up was taken over by Amazon in 2013 (Grzybowska 2013). The challenge, which involves giving appropriate support to start-ups until they mature and succeed on the global market, is faced not only by the Polish authorities and the national business environment, including the investment funds. It is well known throughout all the European countries, which have not yet found a recipe for effectively competing against dynamically developing new companies based in North America and in Asia (Müller 2017).

In the absence of a completely new and at the same time modern programme of economic and social development of Poland and its implementation, which is a manifestation of keeping 'one's eyes closed,' the overcrowded Ursynów parking lots will remain dominated by the wrecks of imported cars. Poland will continue to remain a region of Europe that closes its eyes to imported scrap cars and where their use is tolerated, as the last link of the traditional supply chain, where worn-out and low--value goods end up.

Persistent climbing, not a one-off high jump – characteristics of the development of New Space

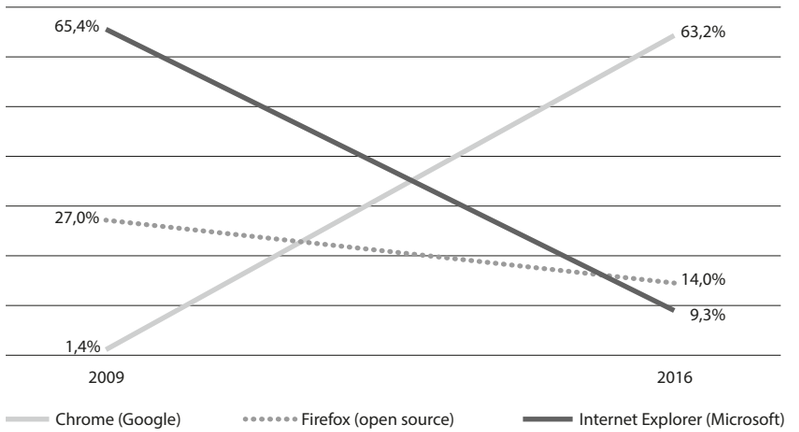
In a market economy, there are different actors on the supply-side. Their largest group operates on their own and at their own risk. The group includes only those entities that belong to the private sector. However, the group does not include the public domain, i.e. public authorities and the agencies and companies established by them. The responsibility of the public host is to ensure a certain proportion of the supply of goods on the market, such as the availability of technical infrastructure to the public. But the public authorities do not act on their own and at their own risk, because they benefit from a specific privilege, which is a quasi-open budgetary limit and an almost complete lack of responsibility for the financial results. This is due to the fact that the public host is guided by different motives for shaping its offer than private sector entities. These motifs are defined by the authorities, which are subject to fluctuating social sentiment expressed in the programmes of political parties holding power or vying for it. Oftentimes, actions are only planned for a single term of office. Therefore, the actions planned by the public host cannot be and are not stable, which makes its behaviour unpredictable and may even have a destructive effect on the operation of the entire market (Paprocki 2017a, p. 82). Understanding the different nature of the behaviours of private and public sector operators is essential for analysing the functioning of supply chains. The main difference is the tendency of the public host to set itself goals to be achieved in a way comparable to a 'one-off record high jump.' In the *Old Space* era, apart from the infrastructure projects, they included government research programmes which even involved outer space. Their primary objective was to stimulate market economies by using public (budgetary) financial resources to invigorate demand. Moreover, these programmes were supposed to build a positive image of public authority activities in broad social circles. Numerous results of the research carried out in the *Old Space* era will be fed into research continued in the new era. For example, NASA's research programme has succeeded in fundamentally broadening the knowledge of plant breeding under different conditions. Its use in digital technology today opens up new opportunities for a gigantic increase in food production as part of the Bauer 4.0 concept (which is an extension of the Industrie 4.0 concept) (Föry 2017). The extra food produced thanks to the new technologies in agriculture (Digital Farming) is necessary given, on the one hand, the predicted rapid global population growth and, on the other hand, the declining acreage of land available for cultivation on individual continents as a result of climate change (Lanz 2017).

In the last decade of the 20th century, when the first pioneers of the *New Space* era appeared in the USA and in many other countries of the world, projects based on the principle of 'persistently climbing' the peaks, which were not yet recognized at all, so of course they could not have

been climbed before. Before the digital economy arrived, business people found themselves in a situation comparable to the pre-Colombian era. The white man of the 15th century wanted to travel to the end of the world, but did not know where to look, and having reached it, he did not realise that he had just realised his dream. The citizen of Europe was busy searching, finding, and conquering. These were not the times when people wanted to enter into transactions typical of the opportunistic market economy functioning since the 19th century almost all over the world. The standard European behaviour during the Great Age of Exploration was to rob using physical power and the available firearms. On the newly-discovered continents, Christians from the Old Continent deliberately engaged in long-term actions intended to kill local people, which led to their total extermination in some regions. Over time, one-off actions were replaced by organised ones, which led to the subordination of the surviving local communities and the interception of the available wealth without giving anything in return. In some parts of the world, colonialism and reaping the benefits of conquest lasted until the second half of the 19th century (until slavery was abolished in the USA), while in other regions it continued up to a hundred years longer, until the 1960s (when numerous African and Asian countries gained independence). The pioneers of the digital economy needed much less time to realise the main part of their dreams than the great travellers, conquistadors, and colonists who followed in their footsteps. It is shocking to realise that the already mentioned quintet of leaders of this kind of economy has developed from micro-enterprises established in several garages of the West Coast to giants of the global economy only during a single generation of their founders-managers. Today, if we are talking about the five leaders, it does not mean that only five pioneers started the original climb. As was the case several hundred years ago, numerous travellers died on the way to an unknown destination, or in spite of reaching it, they never managed to return home, many present--day start-ups, even after several stages of development, were killed *en route*. One example of the leaders' ruthless struggle to maintain their position is Google's drive to eliminate its competitors in the domain

of internet browsers, as illustrated in Figure 1.1. In the digital economy, one principle of the operation of our civilisation remains unchanged – there are no guarantees of success and, once it has been achieved, of maintaining the established position on the market. The main loser in this market segment since 2009 is Microsoft.

Figure 1. Shares of three browsers in the internet services market (according to the number of internet users' visits during the first six months of 2009–2016)



Source: Own study based on (Brandt 2017).

The scope of the *New Space* economy is so difficult to imagine that it is not yet clear what projects will be implemented in the next few years. The directions of research and development work carried out by Alphabet Inc., now the parent company of Google, are presented in Table 3. The comments about individual projects reflect the participation in the same or similar research area by other companies belonging to the quintet of American leaders and by Chinese companies.

Table 3. Development projects carried out by Alphabet, Inc., and its competitors in 2017

Project	Area	Projects carried out by Alphabet, Inc.	Competing projects
Google Lens	Artificial intelligence	An application that will allow a system (which includes software and a smartphone camera) to recognize every object; e.g. the user will receive relevant information from Wikipedia	Sound and image integration is used by Amazon; as of March 2017, it offers Echo Look with software
Hands Free Calling	Artificial intelligence	The system user will communicate a voice request (regardless of the language used) and the system will respond (one of the ways of using *Chatbot*)	Alternative solutions: Echo system offered by Amazon, Tmall Genie X1 offered by Alibaba
Google Assistant	Intelligent personal assistant	A two-way voice communication system for a person with a system connected with external objects, e.g. the Smart Home system	Alternative solutions: Amazon's intelligent personal assistant Alexa, Apple's Home, and Asus' Zenbo
Virtual reality glasses	Virtual reality wizard	Multifunctional image system for various forms of entertainment, including virtual games; refers to a stand-alone solution which can be used without a PC	Samsung offers Virtual-Reality-Headset Gear VR for advanced virtual games
Augmented reality (AR)	A reality wizard which combines a real image with a virtual image	A multifunctional image system that can complement the real-life picture with virtual projection elements; it can help consumers to choose the products they want, or help builders to choose alternative solutions	The number of business entities using ARs in their developed distribution channels is increasing; e.g. IKEA in cooperation with Apple developed an app, which allows consumers to create an image of their home complete with virtual images of selected pieces of furniture
Android O	Operating system for mobile devices (including smartphones)	A new version of the world's most popular operating system, which will allow users to combine multiple images on screen simultaneously	Apple is preparing new solutions for the iOS operating system, but access to them remains niche due to the small share of the iPhone in the global smartphone market
Android Auto	New operating system integrated in the vehicle control system	The world's first version of the mobile operating system to integrate a passenger car console with a smartphone	Toyota is preparing an alternative operating system for all on-board equipment and its communication with smartphones since 2017
Autonomous vehicle (Waymo)	A self-driving car (available for on and off road use)	A development project designed to eliminate drivers from cars and trucks; one of the key components of the system is the Google virtual map	In the third quarter of 2017, Intel/Mobileye's version of the vehicle, in cooperation with the Here virtual map and Ericsson telecommunication technology, meeting the requirements of automation level 4, was identified as the most advanced project

Source: Own study.

Climbing the new peaks for leaders which have already become powerful players is not entirely without risk. This is particularly the case in a situation in which their chosen development path is transformed into a 'path without alternatives.' In the case of Alphabet Inc., which in 2016 generated USD 90.3 billion from the sales of all services, the dependence on the main source of revenue is confirmed by the value of sales of advertising services (Google Advertising). From this source, the group generated USD 79.4 billion, i.e. almost 4/5 of all its revenues. Another threat is the downward trend in revenue per click, which decreased by 22% during the year (Postinett 2017a).

The domination of American companies in the development of *New Space* is undisputed, but it should be noted that in various regions of the world, prominent entities have been established which develop new technologies and implement them in the digital economy. Due to the particularly consistent protection of China's economy, its large domestic market is home to the most important competitors of the American quintet, including Alibaba, which aim to achieve a dominant position on their market and to expand internationally (Hofer et al. 2017).

The presence of only a limited tendency to open our eyes to the effects of the development of *New Space* is largely related to the spread of a deep-seated belief that there is no alternative to the winner takes it all principle. The scale of the effects of virtual platform operators' activities, who have been able to master the ability to operate effectively in one, virtual sphere, such as Google, or in both analogue and virtual spheres, such as Amazon, calls into question the rationality of operating according to alternative models. One of these could involve the introduction of market regulations, which would provide 'mini-remuneration' for each user of the internet and different applications as a cross-share for knowingly or unknowingly supplying data to the network. Only ostensibly does such a person benefit from using a system created with digital technology for free. In fact, the user of free applications is a defenceless and pauperised provider of data that is subsequently commercialised by the giants (Lanier 2014).

The SCM method can be used to accurately identify the competitive advantages of virtual platform operators. The most important of these is to become the architect and operational dispatcher of demand driven value networks. Using digital technologies, the operator first takes control of the data flow. The next step is to create information about all the events concerning the behaviour of individual entities participating in the network and the relations between all the producers and consumers. The next two decades will see the introduction of real-time standards for data recording and processing, which will allow us to accurately reproduce in the virtual world the processes taking place in the analogue one. The operator will then be able to design and operationally control online the flow of data and information, goods (material and non-material) and financial streams (cash and electronic records) flows among almost all the market participants (Hartmann et al. 2017, p. 12) in a centralised way. Currently, despite the lack of access to such advanced technologies, every virtual platform operator can use the available data off-line and the more ruthless it is in taking advantage of its strengths, the more effectively it competes and limits consumer sovereignty (Mrzygłocka-Chojnacka 2014, p. 31). It means that when it 'climbs,' it self-creates an increasingly higher peak, which it subsequently scales. According to experts, Amazon has an opportunity to strengthen its market position to the extent that its stock exchange value, as the first company in the world, may break the USD 1 trillion threshold[10] in the next two or three years (Postinett 2017b). Those who are trying to confront it on the market will at best occupy their previously climbed hills. The relative difference in levels will continue to increase between the fast-growing peak and the incomparably less dynamically growing hills in its surroundings. Moreover, the ability of the occupants of the highest peaks to defend their dominant position will continue to increase via the consistently implemented long-term policy of blocking the development of other entities.[11] The phenomenon described above

10 I.e. 10^{12}.

11 In an interview with *Handelsblatt*, Andreas von Bechtolsheim, who left Germany to study at Stanford University and settled in the USA, points to the growing capacity of a handful of giants to block large groups of other entities. In 1986, when he launched his start-up Sun Microsystems on the stock exchange, he was one of the pioneers of the internet. In

applies to the whole world except for China. As was already mentioned, the country's Communist authorities have been extremely consistent in protecting their market for the past three decades, guided by the so-called 'technological nationalism' (Wübbeke 2017). Their economic policy is implemented efficiently thanks to the extremely intense activity of domestic private and public enterprises, which focus not only on copying foreign solutions, but also on developing their own technologies, including the digital ones. An example of this is the Xiaoyu ('a small fish' in Chinese) voice communication device launched in 2017, which operates as an intelligent personal assistant (Schauer, Weddeling 2017).

The *New Space* creators and promoters point out that in the virtual world, every subject has a much better chance of success than in the *Old Space*. They suggest that when the sun has reached its zenith, it ceases to matter which hill is higher, because none of them casts a shadow. So nobody, including the giants, blocks the development of other entities, because it does not restrict the freedom of others to access 'sunlight.' Such remarks echo the agenda of the neoliberal global economy, which confused the 'free market' with a 'market with a limited number of regulations.' This mistake was the source of the 2007 global financial crisis, which erupted because the worldwide implementation of the then preferred US model of a free financial market led to the elimination of effective mechanisms controlling the operation of large financial institutions (Maisch 2017).

In practice, the global virtual marketplace has the same disadvantages as the well-known analogue market. After all, when the sun rises on its way to the zenith, and also afterwards, the highest hill invariably casts the longest shadow. For that reason public authorities should introduce regulations in the economy in order to ensure that all the market participants, not only those located in the intertropical zone, can access sunlight throughout the day, not only at noon. Since the *New Space* era has seen entities whose activities span a large scale, the tools for influencing their behaviour must be properly selected. One of these tools – unfortunately

his opinion, Europe, an especially its elites, fail to understand the fast pace of technological development in Silicon Valley (Weddeling 2017).

it is only a reactive, not a creative one – are the penalties for illegal, monopolistic practices (such as misleading consumers deliberately). Due to the harmful impact and scale of Google's illicit practice of deliberately omitting selected competitors from price comparisons, the EU Commission imposed on it the highest historical fine in 2017. Table 4 shows a list of the five highest fines.

Table 4. Five highest fines imposed on economic operators by the EU Commission

Company fined	Year fined	Amount (million euro)
Google	2017	2.420
Intel	2009	1.060
Daimler	2016	1.009
Microsoft	2008	899
DAF	2016	753

Source: Own study based on (Hoppe et al. 2017).

Analysing the data in Table 4, it can be seen that there are two very important economic sectors in TOP5. One is the new technology industry representing the *New Space* era economy, and the other is the automotive industry representing the *Old Space* era economy. In one case, this concerns the rapidly developing American leaders of the digital economy, and in the other case, the European leaders of traditional industries who are struggling for survival, and who have been experiencing their greatest identity crisis since the early 20th century (Köhler, Landgraf 2017).

Can one escape the shadow cast by the giants? In the real world, as astronomic observations suggest, it is impossible. But today's economy

comprises both the real world and the virtual one. So opening our eyes should serve to redefine the shadow and the possibilities of avoiding it in *New Space*.

What is the point of working? – The behaviour of people in New Space

People work because they have to. They need money for consumption in their households, so they enter the labour market. They look for jobs and guided by the rationality of action, aim to obtain the highest possible remuneration from their employers for their time and effort. Displaying the traits of *homo economics*, they are selfish individuals who act rationally (Reich 2015). But their behaviour can be distorted if they by themselves, or influenced by others, decide that they 'deserve more' than the market values their work. In continental Europe, since trade union movements and then the socialist and communist movements gained large numbers of supporters, the belief that more can be demanded is seen as a constant factor influencing the relations between workers and employers. In the Anglo-Saxon world, such attitudes have never found a comparably high social support, because the culture identifies individual freedom with individual responsibility for the standard of living achieved. In the US, since 2016 the fierce debate about the need for a minimum level of social protection, in this case limited to primary health care, can be considered a breakthrough in shaping its social policy. Thanks to President Barrack Obama's initiative and despite obstruction by the then Republican opposition, for the first time in the USA, in 2010 a minimum level of benefits was set, which is guaranteed by the federal system regardless of the individual situation of each resident (Ammann 2017). The widespread opposition to plans to abolish Obamacare testifies to the fact that even in North America it is difficult to leave a person who does not want or is unable to take care of his basic needs to fend for himself. Therefore, President Donald Trump finds it so difficult to restore the *status quo ante* (Wiebe 2017).

Nowadays, the countries with developed economies recognise as standard that individuals can claim the right to participate in the process of redistribution of goods produced by the whole community. In consequence, one of the main challenges within the framework of social and economic policy is the minimum wage policy.

In the age of the digital economy, it is not possible at all to control the remuneration of people who are exceptional (in various ways), since their income tends to self-multiply.[12] Those people decide in an open or implicit way what kind of money streams are going to be transferred to their personal accounts. There are few such people worldwide, so the issue of the highest wages is a subject of spectacular public discussion, but does not constitute a major challenge for our civilisation. Such a challenge is posed by the minimum wage for people who work or are active outside the labour market. In countries with a high level of economic development, it is essential to avoid a situation in which the worker is employed on a full-time basis, is paid, and yet is unable to support his household. Such a phenomenon is called the 'working poor.' In Switzerland, in 2011, the Neuenburg canton decided that in order to prevent the undesirable situation in which people who are economically active remain poor, the minimum wage must be set at 20 francs per hour.[13] The compulsory introduction of such a minimum wage after a number of years of disputes before the courts at various levels, was recognised in 2017 as a practice compatible with the right of economic operators to shape their own contractual relations, including those with their employees (Töndury 2017). Minimum wage harmonisation (at national or regional level) is questionable for a number of reasons, one of which is the failure to take into

12 Different information can be found in the media. It is usually believed that the wealthiest people are the founders and managers of global high-tech companies. It is also said that today, as in the past centuries, the greatest wealth has been accumulated by certain heads of states. It is said that Vladimir Putin has amassed USD 200 billion, which is more than the combined net worth of J. Bezos and B. Gates (Maikowski 2017).

13 20 Swiss francs is approximately EUR 17 (or PLN 75). It means that the minimum wage in the Neuenburg canton is almost six times higher than the minimum wage in Poland (PLN 13 per hour).

account the economic and social situation of each individual household. In countries where capital accumulation has lasted for many generations, or even in Poland and in other countries around the world, where the right to private property has been restored in recent decades, inherited property has a significant impact on the economic status of individuals (Standing 2017). Therefore, continuing the debate on minimum wage levels seems to be an irrational way of finding solutions to ensure socially acceptable redistribution of goods in society. Moreover, making the minimum wage dependent on living conditions means moving away from the mechanism whereby wage growth must be linked to productivity growth.

While the concern to halt wage growth beyond the level which determines the 'capacity of the economy' to shape consumption levels was reasonable in the past, it seems to be unjustified in the age of digital economy. In his concept of Third Industrial Revolution, J. Rifkin considers the modern economy to be capable of providing all people with the material resources necessary to ensure their existence (Rifkin 2012). The fundamental problem is therefore the social rationality of the process of redistribution of goods, not the danger known from the past that, due to their shortage, a certain part of the population will be condemned to famine and poverty. The rationale for ensuring the availability of sufficient quantities of goods and even the creation of 'excess supply' of these goods is supposed to be the development of digital technologies, including robotisation. The world has entered the stage at which the more the economy grows in quantitative terms, and, above all, in qualitative terms, the less the demand for labour (Ford 2015, p. XVII). It can be assumed that already now, or in the near future, due to the new conditions, the lack of professional activity will be considered as a typical behaviour of an adult human being. The feature of the new economic order, in which large groups of society are unemployed by choice, must be the provision of the so-called 'unconditional basic income' (UBI) (Krysiak 2016, p. 209). Such an income per household will vary from country to country and, as the Swiss example shows, perhaps even by region (voivodship or canton). The 'equitability' and rationality of such a differentiation in *New Space* will be justified by precise calculations. Virtual platform operators will

be able to instantly measure the cost of living in individual countries and regions of the world by handing and controlling all commodity flows. On this basis, the local public authorities will be able to determine and adjust the regional minimum stream limits for each household that should come from the UBI.

The consequence of the UBI would entail the acceptance of a division of society into two groups. The first group will consist of two subgroups: 1) those who wish to be active in the sphere of manufacturing, and 2) those who want to remain outside this sphere and prefer to be active in other forms of co-participation in social life. The other group will comprise people ready for a passive existence, a kind of life of idleness. With access to a variety of entertainment in the virtual world, the members of this group may feel that they live well and enjoy themselves. People living in the most developed countries will likely be able to concentrate on communing with nature and living their everyday lives in accordance with their biological clock. They will be satisfied the sooner they manage to build a micro-community involving people with a similar attitude to life and to create fairly stable interpersonal bonds. The existence of such bonds will provide them with a sense of security, because people are inclined to live in groups rather than alone (Teuwesen 2017). Days, weeks, months and even years will pass without them having to work, which is the case in many regions of the world at a very low level of economic development, such as the Amazonia. It is also interesting to note that the proliferation of attractive forms of entertainment available only in the virtual world may lead to a kind of daily regime being followed by inactive people. While in the traditional analogue world it is common to adapt the rhythm of one's day to the working hours, in the virtual one, people permanently participating in games that require interpersonal contacts will adapt to the duration of subsequent sessions of such games. The self-creation of a temporary regime in the everyday life of 'professional players' can be a factor stabilising family relationships, but it may also completely demotivate them from looking for other forms of active social life (Steiner 2017). With the dissemination of technologies that allow people to interact with machines by voice rather than using a variety of graphical interfaces or

typing letters (on a keyboard or touchscreen), the richest countries with the best educated society may see a gradual increase in the proportion of people who cannot read or write.[14] Moreover, the problems related to migration flows may increase when numerous immigrant groups, including young people without access to basic education in their country of origin, reach destinations with fairly high educational attainment levels (Gillmann 2017). The spread of primary and secondary illiteracy may become an unwanted, but stable trend of social change in *New Space*. Of course, any diverse community of inactive people will comprise individuals with exceptional abilities which should not be wasted. Observing their online behaviour, platform operators will be able to identify and motivate them to become active. The goal of the operators will remain unchanged – to encourage the 'undisclosed elites' to participate in the virtual world development process, functioning according to the standard rules of transactional economy (Al-Ani 2017).

According Aristotle, "man's good life" is not dependent on achieving the maximum level of satisfaction associated with fulfilling one's needs, but on the way in which he develops his virtues (*aretai*). Contemporary philosophy refers to ancient concepts, because the question arises whether people in building the era of digitalization are not, in fact, "returning to the starting point" (Nida-Rümelin 2013, p. 44). This question is definitely justified in the upcoming reality, in which the lack of employment should not be equated with exclusion from social activity. It is about returning to a state known almost until the end of the 18th century before the first industrial revolution. The then vision of freedom from the discomfort of working for someone else was part of the social order, while as industry grew and as did the group of men with stable employment, it was replaced by the current demand to guarantee "full employment" (Standing 2015, p. 21).

The group of people who will take up what is now called 'work' will do so for two reasons. First of all, because they will be self-motivated to do something. Secondly, due to the desire to earn extra money in order to live a more comfortable life that that allowed by UBI.

But the sense of a comfortable life is relative. According to those who monitor changes in social life, in the 21st century more and more people are ready to meet their mobility needs without actually owning a car. And yet in the 20th century almost everyone wanted to buy a car. Nowadays, thanks to the use of digital technologies and the introduction of new business models, it has become possible to use a means of transport for individual journeys without purchasing a car. A new culture of sharing economy may therefore be spreading, where consumers are prepared to make their own goods available to others and to share their property (Pieriegud 2017, p. 10). The interest of mainly young people in 'going without a car' is evidenced by, among others the age structure of car owners in Germany. In 2016, as many as 82.4% of car owners were 40 years old and over (Suhr, Fischer 2017). Since young people choose not to spend money on purchasing cars or incur its maintenance costs, they feel that they can live comfortably spending their money to meet their other needs, or assess their standard of living as satisfactory even on a smaller household budget.

It can be predicted that a proportion of active people in the future, who have UBI, will not be seeking extra income, even though their efforts may lead to certain outcomes appreciated by others. The behaviour of people who do not seek remuneration but are active and socially 'useful' may in the future be of decisive importance for shaping social relations in *New Space*. Such activists in the area of internet ecology will be playing a similar role to that of pioneers of ecological movements reacting to self-destructive processes in the analogue economy (Steger 2017). These may be, first of all, the conscious consumers, who will spend their time making sure that we observe the norms corresponding to the virtues of man as described in the ancient philosophy. They will be the vehicles and promoters of the idea of relational economy, who show distrust[15] towards the behaviour of giants controlling the market and their economic partners. By acting

14 For example in Switzerland, it is estimated that up to 10% of the population is affected by secondary illiteracy (Kohler 2017).

15 Distrust is a negative attitude, whereas lack of trust is viewed as neutral (Krot, Lewicka 2016, p. 33).

as whistle-blowers (Kobylińska, Folta 2015, p. 8), they may disseminate information about the hazards to lazy consumers who indiscriminately buy anything that is offered to them. They will power *New Space* with non-commercial digital solutions, by developing new algorithms and their digital coding, providing open source software (e.g. Firefox, Linux) through voluntary work in open teams in order to give broad social groups free tools for the development of technologies used in the contexts of Smart Home, Smart City, etc., without obtaining commercial benefits for themselves. This will be the way of operation outside the business sphere, endowed with a powerful growth potential (Stuart, Anderson 2015, p. 97). Such a potential must be activated if non-business community activity is to counterbalance the commercial activities of giants. And it has to be taken into consideration that the people in charge of the giants are trying to reach out to potential consumers using multi-channel communication tools in order to achieve their goals. J. Bezos owns not only Amazon, which is one of the operators of virtual platforms, but also one of the representatives of the traditional media, the printed paper *The Washington Post*.[16] He also began to use radio sports programmes in order to penetrate local communities, which support sports clubs known only regionally (Scheppe 2017). The process of transformation of the opportunistic economy into a relational economy can therefore succeed only if there are comparably strong potentials and means of action on both sides, and a stable motivation for each side to act is maintained in the long term. On the one hand, there will be visionaries and leaders of the transition process towards the digital economy, and on the other hand, there will be critics of the entire process. *New Space* will reflect the division with which European culture has been familiar since antiquity – people who refer to the philosophy of admiration, and people who are distrustful, yet capable of criticism which contributed to the development process (Tatarkiewicz 1988, p. 16).

16 P.-B. Kallen, Director General of the Burda Publishing House. Since 2007, he has expressed the conviction that the 'Big Five' giants of the digital economy – Microsoft, Google, Facebook, Apple, and Amazon – are becoming primarily a group of media sector enterprises (Kallen 2017).

Conclusion

The transition towards the digital economy is a social process which was triggered by the accelerated development and implementation of new technologies. Instead of *Old Space*, *New Space* is being created. Its novel feature is the construction of a virtual world, in which the reflection of the analogue one will play an important part. *New Space* is being created on a global scale, but for at least several decades it will have its 'regional variants.' The quintet of American giants can control almost the whole world, but it is already clear that it will be unable to quickly capture the Chinese market, where local operators of virtual platforms are developing. The transformation process in every region, including Poland, will occur in a different way, depending on the actions and reactions of the local community. We know that currently in our country various views on what *Old Space* are confronted, which means that the number of people interested in the process of creating *New Space* is still limited. The impression is that some people have not yet realised at all that the transition to the digital economy has already begun.

Just as any other country, Poland must seek a scenario for the implementation of new technologies and new business models which will bring the greatest possible benefits to all groups of its diverse society. Above all, it is important to be aware that one of these groups comprises foreign and domestic developers and managers of high-tech solutions, including those that employ artificial intelligence. Experience gained so far on a global scale shows that this group is able to achieve its particular goals in the traditional relational economy. The rise of *New Space* giants over the course of several years is a clear proof of this. If the intention is to create and implement an independent scenario, then actions should be taken immediately an involve the representatives of all social groups, inclusive, not exclusive, of the people with lower levels of education and social involvement.

There is no justification for the opinion that in Poland, the challenges of the transformation process towards the digital economy are greater than in other countries. Of course, we have our local issues to contend with. The better we identify them, the more clearly we can see the dissonance

between what is around us today and what may change in the near future. The more we are aware of the challenges, the better we can respond to them. Alternative behaviour in the form of passive observation is always an option, but it will likely result in frustration and rebellion. The process of change triggered by external factors may then be temporarily blocked or slowed down, but will not be effectively stopped. The period of resistance to change will probably cause unnecessary damage on an individual and social scale.

If our response is to assist in finding the most advantageous solutions, we need to 'open our eyes.' It will be crucial to preserve the elites in order to find answers to the challenges posed by the present and by the future.

A group of the best educated specialists in the field of technical and natural sciences will not create a modern elite on its own. As was the case in the past, it will be a too intellectually limited group to shape a well-functioning and socially acceptable *New Space*. Among the elites, the central role will be played by humanists. The process of transformation towards the digital economy can be particularly influenced by people who have their own visions. It is from them that we will obtain hints about how to use the 'open eyes' approach and develop a programme of transformation of the social system in which, thanks to the use of new technologies, both in *Old Space* and *New Space*, it will be possible to provide the whole society with rational access to material and non-material goods produced in the digital economy, and the opportunity to consume them.

Bibliography

Al-Ani A. (2017). *Digitalisierung. Sonst verlieren wir den Kampf erneut*, Die Zeit, 25.06.2017, http://www.zeit.de/karriere/2017-06/digitalisierung-arbeitsplaetze-maschinen-verantwortung-politik/komplettansicht?print (accessed 25.06.2017).

Ammann B. (2017). *Der Kampf gegen Obamacare. Neuer Anlauf zu „Trumpcare"*, Neue Zürcher Zeitung 27.04.2017, https://www.nzz.ch/international/der-kampf-gegen-obamacare-neuer-anlauf-zu-trumpcare-ld.1289036?mktcid=nled&mktcval=107_2017-4-26 (accessed 27.04.2017).

Ballou R.H. (1992). *Business Logistics Management*, Prentice-Hall, Upper Saddle River, NJ.

Boni M. (2016). Wywiad z Michałem Bonim przeprowadzony przez G. Sroczyńskiego, *Byliśmy głusi*, Wyborcza. pl, 2.04.2016, http://wyborcza.pl/magazyn/1,124059,19853739,michal-boni-bylismy-glusi.html (accessed 22.07.2017).

Brandt M. (2017). *Das Milliardengeschäft mit den Apps*, Statista, 4.04.2017, www.statista.com/infografik/8801 (accessed 4.04.2017).

Cichosz M., Nowicka K., Pluta-Zaremba A. (eds) (2016). *Zarządzanie łańcuchem dostaw i logistyką w XXI wieku*, Oficyna Wydawnicza SGH, Warszawa.

Coyle J.J., Bardi E.J., Langley C.J. Jr. (1976). *The Management of Business Logistics*, West Publishing Company, St. Paul, MN.

Czakon W. (2012). *Sieci w zarządzaniu strategicznym,* Wolters Kluwer business, Warszawa.

Dalkowski S. (2017). *Konsumverhalten. Ich will Verbote!*, Die Zeit, 23.02.2017, www.zeit.de/2017/07/konsumentverhalten-nachhaltigkeit (accessed 23.02.2017)

Das Wachstum (2017). *Das Wachstum der Tech-Unternehmen,* Handelsblatt, 6.08.2017, http://www.handelsblatt.com/my/finanzen/maerkte/aktien/siegeszug-der-tech-giganten-welches-wird-das-ein-billionen-dollar-unternehmen/20142972.html?ticket=ST-2794705-GWAQUMRiH97NmVcG1xel-ap2 (accessed 6.08.2017).

Drieschner F. (2017). *Es ist nicht alles seine Schuld*, Die Zeit 1.06.2017, www.zeit.de (accessed 1.06.2017).

Dymek J. (2017). *Pępek świata*, Tygodnik Powszechny, 31.07.2017, https://www.tygodnikpowszechny.pl/pepek-swiata-149232 (accessed 6.08.2017).

Earth Overshoot Day (2017). *Earth Overshoot Day,* http://www.footprintnetwork.org/our-work/earth-overshoot-day/ (accessed 18.08.2017).

Eckardt F. (2017). *Nachhaltiger Konsum. Wir werden verzichten müssen*, Die Zeit, 20.07.2017, http://www.zeit.de/wirtschaft/2017-07/nachhaltiger-konsum-technologie-emissionen-nutzen-klimawandel?print (accessed 20.07.2017).

Ford M. (2015). *Rise of the Robots. Technology and the Threat of a Jobless Future*, Basic Books, New York.

Föry D. (2017). *Der Bauer 4.0*, Neue Zürcher Zeitung, 16.06.2017, https://www.nzz.ch/schweiz/schweiz-2050-der-bauer-40-ld.1301229 (accessed 16.06.2017).
Fuster T. (2017). *Wachstum und Teuerung. Die tiefe Inflation ist ein Mysterium*, Neue Zürcher Zeitung, 7.08.2017, https://www.nzz.ch/wirtschaft/wachstum-und-teuerung-die-tiefe-inflation-ist-ein-mysterium-ld.1309501?mktcid=nled&mktcval=105_2017-8-7 (accessed 7.08.2017).
Gajewski J., Paprocki W., Pieriegud J. (eds) (2016). *Cyfryzacja gospodarki i społeczeństwa. Szanse i wyzwania dla sektorów infrastrukturalnych*, Publikacja Europejskiego Kongresu Finansowego, Gdańsk.
Gillmann B. (2017). *Bildungsnotstand in Deutschland. Vom Humboldt lernen*, Handelsblatt 19.08.2017, http://www.handelsblatt.com/meinung/kommentare/bildungsnotstand-in-deutschland-von-humboldt-lernen/20203740.html (accessed 19.08.2017)
Götz S. (2017). *Das Ende der Leistungsgesellschaft*, Die Zeit, 7.08.2017, http://www.zeit.de/wirtschaft/2017-08/erbschaften-vermoegen-ungleichheit-leistungsgesellschaft/komplettansicht?print (accessed 7.08.2017).
Grzybowska K. (2013). *Jak rozmawiać z Amazonem? Oto historia IVONA Software*, Interaktywnie 6.05.2013, https://interaktywnie.com/biznes-od-kuchni/jak-rozmawiac-z-amazonem-oto-historia-ivona-software-246115 (accessed 18.08.2017).
Handelsblatt (2017). Handelsblatt 18.08.2017, http://www.handelsblatt.com/unternehmen/management/weltklasse-patente-das-sind-die-innovativsten-unternehmen-der-welt/20190574.html (accessed 18.08.2017).
Hartmann E., von der Gracht H., Rossmann R. (2017). T. Meyer, *The Future of Real-time Systems & Services in Logistics and Supply Chain Management: Results from Delphi-Survey*, FAU, Nürnberg.
Hausner J. (2016). *Przedmowa*, in: E. Bendyk i in., *OPEN EYES BOOK*, Fundacja Gospodarki i Administracji Publicznej, Kraków.
Hausner J. (2017). *Firma-Idea: przejście od oportunistycznej do relacyjnej gry rynkowej*, in: J. Hausner, W. Paprocki, *Firma-Idea oraz rozwój technologii a interwencjonizm*, Publikacje Europejskiego Kongresu Finansowego, Sopot.
Heide D. (2017). *Die zweite Realität*, Handelsblatt, 27.06.2017, http://www.handelsblatt.com/politik/deutschland/debatte-ueber-hasskommentare-und-fake-news-die-zweite-realitaet/19987748.html (accessed 27.06.2017).
Hofer J., Buchenau M.-W., Scheuer S. (2017). *Jack Ma zündet die nächste Stufe*, Handelsblatt 18.05.2017, http://www.handelsblatt.com/unternehmen/handel-konsumergueter/alibaba (accessed 18.05.2017).
Hoppe T., Steger J., Heide D., Karabasz I. (2017). *Der grosse Schlag gegen den Riesen*, Handelsblatt 27.06.2017, http://www.handelsblatt.com/my/unternehmen/it-medien/milliardenstrafe-gegen-google-grosser-schlag-gegen-den-riesen/19985978.html?nlayer=011+-+Megaaufmacher+2+-+Contenet-Box+links_11427626 (accessed 24.07.2017).
Kallen P.-B. (2017). *Das Internet wird okkupiert*, Handelsblatt 21.07.2017, http://www.handelsblatt.com/my/unternehmen/it-medien/burda-chef-paul-bernhard-kallen-das-internet-wurde-okkupiert/20084780.html (accessed 21.07.2017).
Kawa A., Pierański B. (2015). *Współpraca sieciowa przedsiębiorstw w Polsce – wyniki badań*, in: *Przedsiębiorstwo w sieci*, „Zeszyty Naukowe" t. 64, no. 7, Wydawnictwo Wyższej Szkoły Bankowej, Poznań.
Klein N. (2004). *No Logo*, Świat Literacki, Izabelin.
Kobylińska A., Folta M. (2015). *Sygnaliści – ludzie, którzy nie potrafią milczeć*, Instytut Spraw Publicznych, Warszawa.
Kohler A. (2017). *Illettrismus. Warum viele Menschen in der Schweiz nicht lesen und schreiben können*. Neue Zürcher Zeitung, 11.08.2017, https://www.nzz.ch/gesellschaft/illetrismus-warum-viele-menschen-in-der-schweiz-nicht-lesen-und-schreiben-koennen-ld.1309776?mktcid=nled&mktcval=107_2017-8-10 (accessed 11.08.2017).
Köhler P., Landgraf R. (2016). *Dieselaffäre bietet neue Chancen, sich günstig einzukaufen*, Handelsblatt 9.08.2016, http://www.handelsblatt.com/my/finanzen (accessed 9.08.2017).
Kosiński D. (2017). *Tak nam się pruje dramat*, Tygodnik Powszechny 25.07.2017, https://www.tygodnikpowszechny.pl/taki-nam-sie-pruje-dramat-149170 (accessed 27.07.2017).
Krot K., Lewicka D. (2016). *Zaufanie w organizacji innowacyjnej*, C.H. Beck, Warszawa.

Krysiak A. (2016). *Koncepcja bezwarunkowego dochodu podstawowego*, in: J. Osiński (ed.) *Kapitalizm a sprawiedliwość społeczna*, Oficyna Wydawnicza Szkoła Główna Handlowa w Warszawie, Warszawa.

Lanier J. (2014). *Wem gehört Zukunft? Internet-Nutzer, profitiert vom Netz!*, Die Zeit, 16.02.2014, www.zeit.de,(accessed 16.02.2014).

Lanz M. (2017). *Hightech-Landwirtschaft. Saatgut ist wie ein Rennwagen*, Neue Zürcher Zeitung, 4.08.2017, https://www.nzz.ch/wirtschaft/hightech-landwirtschaft-saatgut-ist-wie-ein-rennwagen-ld.1309128?mktcid=nled&mktcval=107_2017-8-4 (accessed 4.08.2017).

Läubli M. (2017). *500 Jahre Reformation. Was in der Bibel steht, ist politisch*, Neue Zürcher Zeitung, 5.01.2017, http://www.nzz.ch/reformation (accessed 5.01.2017).

Maikowski D. (2017). *Władimir Putin jest bogatszy niż Bezos i Gates razem wzięci?*, Wyborcza 30.07.2017, http://next.gazeta.pl/next/7,151003,-22167965,wladimir-putin-jest-bogatszy-niz-gates-i-bezos-razem-wzieci.html#BoxBizImg (accessed 30.07.2017).

Maisch M. (2017). *Der grosse Irrtum*, Die Zeit 2.08.2017, http://www.handelsblatt.com/my/finanzen/banken-versicherungen/lehren-aus-der-finanzkrise-1-der-grosse-irrtum/20138678.html (accessed 5.08.2017).

Marks K. (1984). *Das Kapital. Kritik der politischen Oekonomie*, Herausgegeben von F. Engels, Verlag Otto Meissner, Hamburg.

Mikołejko Z. (2017). Wywiad udzielony D. Wodeckiej, *Nie potrzebujemy męczennika. Ale kogoś, kto zburzy cierpiętnicze pozerstwo Kaczyńskiego. Kogoś młodego, żarliwego i z wizją*, Wyborcza.pl 22.07.2017, http://wyborcza.pl/magazyn/7,124059,22131302,zbigniew-mikolejko-nie-potrzebujemy-meczennika-ale-kogos.html#BoxGW1mg (accessed 22.07.2017).

Mohn C. (2017). *Globale Klimasünder*, Handelsblatt, 6.08.2017, http://www.handelsblatt.com/my/downloads/19919082/4/infografik-klimasuender.html (accessed 6.08.2017).

Mrzygłocka-Chojnacka J. (2014). *Ład, kapitał i etyka, czyli rozważania o społecznych aspektach rynku*, in: Z. Malary (ed.) *Przyzwoitość w zarządzaniu. Wybrane zagadnienia,* Oficyna Wydawnicza Politechniki Wrocławskiej, Wrocław.

Münder P. (2017). *Diese groteske Autofixierung die kriminellen Mannschaften*, Die Zeit, 5.08.2017, http://www.zeit.de/mobilitaet/2017-07/autos-zukunft-autofixierung-deutschland-abgaswerte-stephan-rammler (accessed 5.08.2017).

Musk streitet (2017). *Musk streitet mit Zuckenberg*, Handelsblatt, 26.07.2017, http://www.handelsblatt.com/unternehmen/management/musk-streitet-mit-zuckerberg-sein-verstaendnis-des-themas-ist-begrenzt/20107464.html (accessed 26.07.2017).

Müller J. (2017). *Jungunternehmer in der Wohlfühloase. Macht aus Startups keine Hätschelkinder*, Neue Zürcher Zeitung, 15.08.2017, https://www.nzz.ch/meinung/jungunternehmer-in-der-wohlfuehloase-hoert-auf-die-startups-zu-verhaetscheln-ld.1310745?mktcid=nled&mktcval=105_2017-8-15 (accessed 15.08.2017).

Nida-Rümelin J. (2013). *Die Optimierungsfalle. Philosophie einer humanen Ökonomie*, Irisiana, Ebooks.

Paprocki W. (2017a). *How Transport and Logistics Operators Can Implement the Solutions of „Industry 4.0"*, in: M. Suchanek (ed.) *Sustainable Transport Development, Innovation and Technology,* Springer Proceedings in Business and Economics, Cham.

Paprocki W. (2017b). *Role of Virtual Platform Operators in Transforming Consumer Goods Market*, „Journal of Management and Financial Sciences" Volume XI, Issue 27 (March 2017).

Paprocki W. (2017c). *Interwencjonizm – od epoki maszyny parowej do epoki gospodarki cyfrowej*, in: J. Hausner, W. Paprocki, *Firma-Idea oraz rozwój technologii a interwencjonizm*, Publikacje Europejskiego Kongresu Finansowego, Sopot.

Piątkowska M. (2017). *Pierwsze ofiara regulacji „apteka dla aptekarza"*, Next 27.07.2017, http://next.gazeta.pl/next/7,151003,22156678,pierwsza-ofiara-regulacji-apteka-dla-aptekarza-biznes-stracil.html#Czolka3Img (accessed 27.07.2017).

Pieriegud J. (2017). *E-mobilność jako koncepcja rozwoju sektorów infrastrukturalnych*, in: *E-mobilność: wizje i scenariusze rozwoju*, Publikacja Europejskiego Kongresu Finansowego, Sopot.

Piketty T. (2015). *Kapitał w XXI wieku*, Wydawnictwo Krytyki Politycznej, Warszawa.

Postinett A. (2017a). *Alphabet kann nicht überzeugen*, Handelsblatt 25.07.2017, http://www.handelsblatt.com/unternehmen/it-medien/google-mutter-alphabet-kann-nicht-ueberzeugen/20102554.html (accessed 25.07.2017).

Postinett A. (2017b). *Siegezug der Tech-Giganten. Welches wird das Ein-Billionen--Dollar-Unternehmen?*, Handelsblatt, 6.07.2017, http://www.handelsblatt.com/my/finanzen/maerkte/aktien/siegeszug-der-tech-giganten-welches--wird-das-ein-billionen-dollar-unternehmen/20142972.html?ticket=ST--2794705-GWAQUMRiH97NmVcG1xel-ap2 (accessed 6.08.2017).

Reich A. (2015). *Abschied vom Homo Oeconomicus*, Die Zeit 12.08.2015, www.zeit.de (accessed 12.08.2015).

Relacja (2017). Relacja medialna z nielegalnych zapisów audio z rozmowy ówczesnych przedstawicieli władz publicznych: M. Belki, prezesa NBP oraz B. Sienkiewicza, ministra spraw wewnętrznych, http://www.tvn24.pl/wiadomosci-z-kraju,3/panstwo-polskie-praktycznie-nie-istnieje--polityczny-deal-sienkiewicza-z-belka-najwazniejsze-cytaty,439819.html (accessed 20.07.2017).

Rifkin J. (2012). *Trzecia Rewolucja Przemysłowa*, Wydawnictwo Sonia Draga Sp. z o.o., Katowice.

Schauer S., Weddeling B. (2017). *Google-Herausforderer Alibaba, Baidu und Asus. Die neuen Wilden aus Fernost*, Handelsblatt 8.08.2017, http://www.handelsblatt.com/my/unternehmen/it-medien/google-herausforderer--alibaba-baidu-und-asus-die-neuen-wilden-aus-fernost/20155938.html (accessed 8.08.2017).

Scheppe M. (2017). *Fussball-Übertragungen. Amazons nächster Angriff*, Handelsblatt, 16.08.2017, http://www.handelsblatt.com/my/unternehmen/it-medien/fussball-uebertragungen-amazons-naechster--angriff/20190274.html (accessed 16.08.2017).

Sommer U. (2017). *Von wegen Weltklasse*, Handelsblatt 17.08.2017, http://www.handelsblatt.com/my/technik/forschung-innovation/deutsche--patente-von-wegen-weltklasse/20195128.html (accessed 18.08.2017).

Standing G. (2015). *Karta prekariatu*, Wydawnictwo Naukowe PWN, Warszawa.

Standing G. (2017). Wywiad dla K. Zbytniewskiej, *Prezes Sieci Bezwarunkowego Dochodu Podstawowego: czy się stoi, czy się leży godne życie się należy. Za BDP stoją względy moralne – likwidacja biedy.* Wyborcza 19.06.2017, http://wyborcza.pl/7,155287,21976262,prezes--sieci-bezwarunkowego-dochodu-podstawowego-czy-sie-stoi.html (accessed 19.06.2017).

Steger J. (2017). *Was von der Liebe übrig blieb*, Handelsblatt, 10.05.2017, http://www.handelsblatt.com/unternehmen/it-media/republica-2017 (accessed 10.05.2017).

Steiner Ch. (2017). *Computerspiele halten junge Männer vom Arbeiten ab – mit drastischen Folgen für die Gesellschaft*, Neue Zürcher Zeitung, 10.07.2017, https://www.nzz.ch/wirtschaft/junge-maenner-in-den-usa--wenn-das-spielen-vom-arbeiten-abhaelt-ld.1304823?mktcid=nled&mktcval=101_2017-7-10 (accessed 10.07.2017).

Stuart T., Anderson Ch. (2015). *3DRobotics: Disrupting the Drone Market*, "California Management Revue", Vol. 57 No 2.

Suhr F., Fischer E. (2017). *Wer kauft eigentlich noch Auto?*, Handelsblatt, 18.07.2017, http://www.handelsblatt.com/my/downloads/20018898/2/infografik-wer-kauft-eigentlich-noch-autos.html (accessed 18.07.2017).

Tatarkiewicz W. (1988). *Historia filozofii, T 1*, Wyd. XI, PWN, Warszawa.

Teuwesen P. (2017). *Remo Largo darüber, was uns ausmacht*, Neue Zürcher Zeitung 20.05.2017, https://www.nzz.ch/gesellschaft/remo--largo-darueber-was-uns-ausmacht-immer-mehr-menschen-sind--ungluecklich-ld.1294799?mktcid=nled&mktcval=107_2017-5-2l (accessed 20.05.2017).

Trzaskowski R. (2017). *Słyszeliśmy 'dajcie spokój, przesadzacie'. No i kto miał rację?*, Wyborcza.pl, 21.07.2017, http://wyborcza.pl/magazyn/7,124059,22130319,rafal-trzaskowski-slyszelismy-dajcie--spokoj-przesadzacie-no.html#BoxGW1mg (accessed 22.07.2017).

Töndury B. (2017). *Ab jetzt gilt ein Mindestlohn im Kanton Neuenburg*, Neue Zürcher Zeitung 4.08.2017, https://www.nzz.ch/schweiz/bundesgericht-

-ab-jetzt-gilt-ein-mindestlohn-im-kanton-neuenburg-ld.1309250?mktcid=nled&mktcval=106_2017-8-4 (accessed 4.08.2017).
von Kittlitz A. (2017). *Fuck you, Silicon Valley!*, Die Zeit, 9.02.2017, www.zeit.de/2017/05/kalifornien-silicon-valley-innovation (accessed 9.02.2017).
Waters D. (ed.) (1988). *Global Logistics – New Directions in Supply Chain Management*, Kogan Page, Philadelphia.
Weddeling B. (2017). *Amazon lässt jedem Firmenchef die Haare zu Berge stehen*, Handelsblatt 14.07.2017, http://www.handelsblatt.com/my/unternehmen/it-medien/erfinder-und-google-investor-andreas-von-bechtolsheim-amazon-laesst-jedem-firmenchef-die-haare-zu-berge-stehen/20055790.html (accessed 29.07.2017).
Wiebe F. (2017). *Amerikas historische Stunde*, Handelsblatt, 25.03.2017, www.handelsblatt.com, (accessed 25.03.2017).
Wolański M., Paprocki W., Jakubowski B., Mazur B., Soczówka A. (2016). *Publiczny transport zbiorowy poza miejskimi obszarami funkcjonalnymi. Diagnoza, analiza zróżnicowania, oddziaływanie społeczne, rekomendacje*, Oficyna Wydawnicza, Szkoła Główna Handlowa w Warszawie, Warszawa.
Wolfangel E. (2017). *Mond-Roboter. Er fliege hoch!*, Die Zeit, 22.07.2017, http://www.zeit.de/zeit-wissen/2017/04/mond-roboter-wettrennen-raumfahrt/komplettansicht?print (accessed 22.07.2017).
Woś R. (2014). *Dziecięca choroba liberalizmu*, Studio Emka, Warszawa.
Wübbeke J. (2017). *Chinas Technologienationalismus*, Handelsblatt 4.07.2017, http://www.zeit.de/politik/ausland/2017-07/china-industriepolitik-li-keqiang-e-auto (accessed 4.07.2017).
Zybała A. (2016). *Polski umysł na rozdrożu*, Oficyna Wydawnicza SGH, Warszawa.

Krzysztof Obłój

The past and company strategy[1]

Introduction

Strategy is a set of key choices made in space and time. It would be simple if it were not for the fact that neither space nor time is a trivial matter and both have long been the subject of endless philosophical debates. Certainly, the theory and practice of management are quite far removed from the complexity of the perspectives of philosophy, modern physics or psychology, but space and time also constitute its basic concepts. In the literature on strategic thinking, one of the advocates of this way of thinking was Peter Drucker.[2] The dimension of space was present in Drucker's work as the division into the world within the company

1 The text is based on excerpts from my book *Praktyka strategii firmy: jak zarządzać przeszłością, radzić sobie z teraźniejszością i budować przyszłość* [*Company Strategy in Practice: How to Manage the Past, Deal with the Present, and Build the Future*], published in October 2017 by Poltext (used by permission of the publisher).

2 The time axis has always been important in management, as exemplified by the work of Frederick W. Taylor, the pioneer of scientific management, who developed methods for optimising the productivity of manual workers and treated time as a cost to be minimised. The role of time in management has been addressed by a number of authors. Recently, two books have been published, which approach time as an important axis of discussion on management and innovation: *Zone to Win: Organising to Compete in the Age of Disruption* (Moore 2015) and *The Three Box Solution: A Strategy for Leading Innovation* (Govindarajan 2016).

(cost centres) and the outside world (resources, results) divided into expenditure and revenue streams. According to Drucker, the dimension of time was included in the concept of three basic economic tasks for managers:

1. To develop a highly efficient company here and now, today. This is the classic horizon of the current year, in which the company has to implement its operational plan.
2. To identify and use its potential (here the present and the future of a particular company intertwine).
3. To transform the company into a company for a different future. It is the typical horizon of medium- and long-term plans (the future), which can be different for each company, and the length of this horizon is a strategic decision.

Drucker also emphasized that the above challenges are related: "Each of these tasks requires a different approach. Everyone asks different questions. Each leads to different conclusions. However, they are inseparable tasks. All three need to be accomplished at the same time: today. All three must be performed by the same organisation, with the same workforce, knowledge and money, and in the same entrepreneurial process. The future will not be created tomorrow; it is created today, and mostly as a result of decisions and actions taken due to the current tasks. Conversely, what is being done to trigger the future events directly affects the present. The tasks overlap. They require a single, uniform strategy. Otherwise, they cannot be realized at all." (1976, pp. 30–31).

Thinking about strategic management in terms of time perspectives should be natural, but in practice it is not, although consultants and theoreticians systematically emphasise it. Jim Collins wrote about it, drawing attention to the need to apply the 'hedgehog principle,' i.e. to combine dreams and passions with world-class competences in an area that provides material benefits (Collins 2007). Geoffrey A. Moore also wrote about it, emphasising that managers, while building their company's strategy, should think in terms of four interdependent areas: (a) production, (b) shared services, which are the driving force behind the efficiency of operation of today's companies (the perspective of the operational plan of the current year), (c) an incubator, in which it experiments with the future, i.e. new ideas and concepts (three to five-year horizons), and (d) transformation (two to three-year horizon), which focuses only on the most promising innovation to be implemented on a scale significant for the company's strategy. Each of these zones, as Moore calls them, has a different logic of management and financing. Each is a necessary element of company strategy and they must remain in a dynamic balance. In his opinion, effective management of each of these individual boxes also requires different types of skills, attitudes, practices, and leadership (Govindarajan 2016).

The most undervalued kind of time from the strategic perspective is the past. It is of great importance and, as William Faulkner beautifully expressed it in one of his most famous phrases: "The past is never dead. It's not even past."(Faulkner 1980). To put it more simply, a company's history is incredibly important in that its echoes constantly reverberate throughout the present. It is reflected in human resources management systems, structures, processes, choices of products, services and markets, investment criteria, and the treatment of suppliers – virtually in everything. A number of solutions in these areas are derived from the company founders' standards and values, first choices or starting conditions in the environment (cf. Stinchcombe 1965; Tilcsik 2012; Marquis & Tilcsik 2012). In theory, we call it the cohort phenomenon (a group of organisations established at a given time and under similar conditions), path dependence (organisational evolution) and the imprinting mechanism, i.e. the overwhelming influence of the first period of the organisation's operation on its later development. What these three mechanisms have in common is a very strong impact on the present, which is difficult to appreciate. The past constitutes a context and a limit of the adaptability of today's organisations. Therefore, thinking and discussing the past of organisations and the decisions which shaped that particular space-time must be part and parcel of every process of strategy building, changes in the business model and thinking about the opportunities and limitations which affect the process of creating more idea-oriented and less purely business-driven enterprises.

How does the past affect a company's present logic of operation?

The past of an organisation casts a distinct shadow on the present in three ways: through cohorts, a path dependence, and, most importantly, through imprinting. In organisational reality, it is sometimes difficult to tell whether the influence of the past on the present day is the effect of its cohort, or imprinting, but each of them has a slightly different logic of origin.

Cohort

The simplest example of the impact of the past is the existence of certain common practices formed in the so-called cohorts. A cohort is a community of people or companies which has been shaped in a similar way by the conditions typical of a particular time and place. It is a product of comparable starting conditions and the accumulation of similar experiences. The simplest way of explaining its logic is to invoke specific cohorts – generations of employees, commonly called baby boomers, generation X, and generation Y (also known as Millenials).

Every person and every employee is different, but individual cohorts exhibit clear internal similarities. Each of them was born under slightly different conditions and was shaped by a different period of time. The baby-boomer generation was shaped by the memories of war and the difficult post-war years. As employees, consumers and parents, this cohort had clear goals – to achieve a strong professional position, good education, to be promoted and safeguard the future of their children. The baby-boomers knew where they were headed; changes in their environment strengthened their belief that they were doing the right thing and that their lives make sense.

Generation X was born in the West at the height of the economic boom. Its representatives quickly became rich, sometimes got promoted, but generally, they had a problem with finding the sense and purpose in their lives. In Poland, it is the generation born in the Polish People's Republic, shaped during the difficult period of strikes and the heady days of Solidarity. Due to the variability of the environment and experience, this cohort is more diverse than baby boomers – it includes not only responsible traditionalists, but also happy hedonists.

Generation Y, or Millenials, constitutes a very serious challenge for today's employers and HR managers, educated and shaped by modern technologies. In fact, it has no major worries about the basis of its existence and its future. Even if for a period of time its representatives cannot find an interesting and well-paid job, they believe that they will – either in Poland or abroad. They also know (if they calculate well) that they will inherit from their parents fairly valuable assets (apartments, land, savings) which will provide them with a nest egg for the future. That is why they do not care too much about the present, they make money in order to spend it, not to save, they do not feel strongly affiliated or loyal to their employers. Research findings show that they have a strong sense of self-worth. They also look for passion, opportunities for self-fulfilment and balance in their lives (The 2017 Deloitte Millennial Survey).

In recent years, in Poland the representatives of this cohort have started to refuse promotion, and when asked to work day and night on a project, respond that they need to strike a balance between life and work. Besides, they are busy training for the next marathon, which is their main concern. At the same time, it is a group with very fluid views, partly due to the fact that it also lives in a very unstable environment. The Deloitte report, based on a worldwide survey conducted in 2016, emphasized that they are completely disloyal towards their employers and 17% of the respondents were ready to quit their jobs "soon," while 44% planned to leave their current employers within the next two years. But Deloitte's repeated survey of 2017, as presented in the report quoted above, on a sample of about 8 000 Millenials in 30 countries, showed that political, social and economic uncertainty somewhat restricted their natural mobility. Only 7% of the respondents were considering leaving their workplace "soon," whereas 38% were planning it within the next two years.

Do similar cohorts exist in the world of organisations? Certainly. It is difficult to notice them within individual organisations, but they can be seen more distinctly once larger populations of companies are surveyed. A number of companies established in Poland in the early 1990s exhibit similar

features. In my consultancy practice, I mostly noticed the representatives of two such cohorts: the professional cohort and what can be called the cottar cohort. The former were the companies founded in large cities by young, educated, and ambitious entrepreneurs. In general, they were service-oriented companies (marketing, market research, consultancy services, software, etc.), because the young entrepreneurs had no capital. They grew by employing friends and acquaintances, and maintaining a friendly, familial atmosphere.

The other cohort was made up of companies which have grown from early commercial ventures, thanks to which their owners (families or groups of colleagues) have discovered a gap in the product or service market (plastic pipes, nuts and bolts, adhesives, window frames, ice cream, herbs, cosmetics, packaging, furniture, food, machinery, printing, etc.). Taking advantage of the gap, they built pretty large production facilities, most often centralized and managed quite autocratically, usually outside big cities. Their model from the past was often the so-called "cottar economy," as Jacek Santorski, an outstanding Polish business psychologist calls them in his accurate, though sometimes brutal diagnoses (Santorski 2014).[3]

The research project that I have recently completed with A. Wąsowska (University of Warsaw) and M. Ciszewska-Mlinaric (Koźmiński Academy) shows how deeply the past has penetrated the decisions taken today. In general, the project focussed on the influence of the environment and institutional changes in Poland after 1989 on the pace, scope, and direction of internationalisation of Polish companies (Ciszewska-Mlinaric et al. 2018). Initially, we divided the population of Polish companies into three groups based on their age: those established in the socialist period, afterwards but before 2004 (Poland's accession to the EU), and in the period after Poland's accession to the EU. Of course, these are symbolic periods, but they constitute landmark dates for institutional change. After 1989, the political and economic system changed, and in the years prior to 2004 and after Poland's accession to the EU, a number of institutional changes were

3 Two important books written about the echoes of the past in Polish society and business are J.T. Hryniewicz (2007) *Stosunki pracy w polskich organizacjach* [*Employment Relations in Polish Organizations*] and A. Leder (2014) *Prześniona rewolucja* [*A Revolution Dreamed Through*].

implemented – from the legislative ones adapting Poland's legislation to that of the EU, to those affecting the cognitive maps of at least a part of the population which felt closer to Europe for the first time. The starting point for our research was an analysis of foreign trade and investment in Poland in 1990–2015. As is shown in Figure 1, Poland's exports and foreign investment were negligible in the early 1990s, they considerably accelerated after the accession to the EU only to be slowed down in the wake of the 2007 crisis. Our hypothesis, which we wanted to test, assumed that the period in which a given company was founded and matured is of vital importance for its decisions concerning internationalisation. In short, we wanted to see if the population of Polish companies divides neatly into age cohorts.

Our research demonstrates three phenomena. First of all, the basic cohorts exist. The companies founded after 1989 make internationalisation decisions much faster than those established before that date, but the fastest ones are taken by those formed after 2004. The rationale is not very complicated, even if it may be difficult to accept today. The companies established in the old days of socialism operated on a local scale, and if they did produce any export goods, they had no access to foreign markets. Exports were managed by specialised foreign trade centres and, in general, constituted the margin of economic activity. The change in the political and economic system in 1989 brought about a significant internationalisation of the economy. For example, in 2002, the volume of exports amounted to USD 41.0 billion (295% of 1990 exports) and the volume of imports reached around USD 55 billion (616% of 1990 imports). Initially, however, both exports and imports grew mainly through the local subsidiaries and branches of international corporations, which took root in Poland, and newly-founded local companies, just like the old post-socialist firms in their new form as commercialised or privatised enterprises, developed in the fantastically growing domestic market.

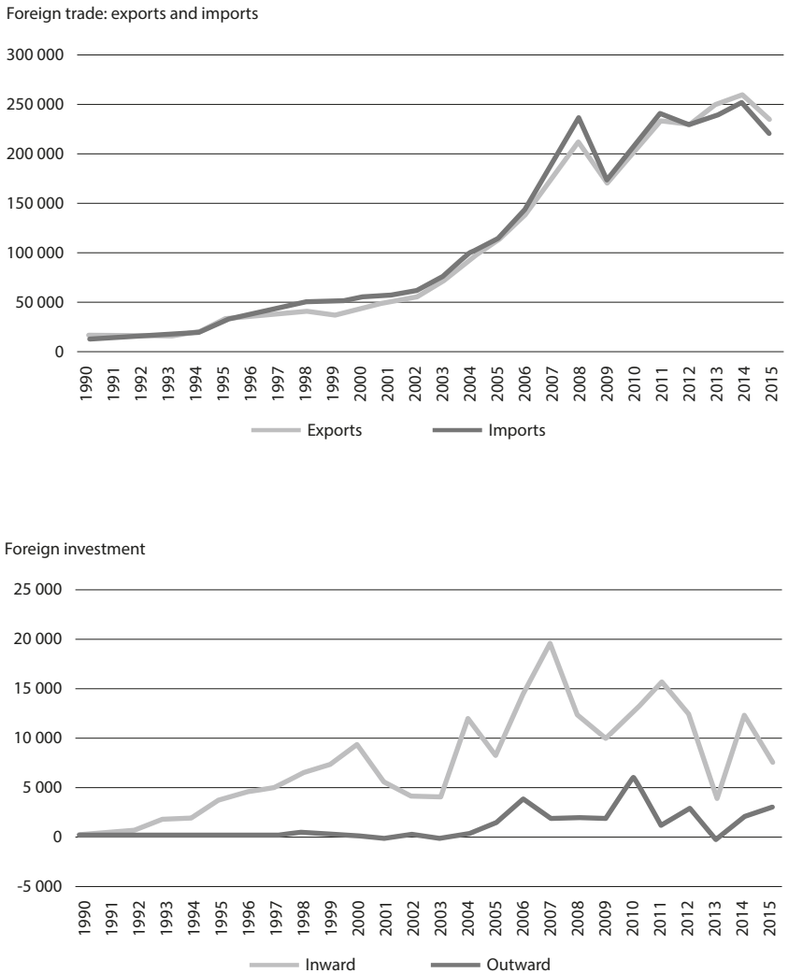
Secondly, the scale of internationalisation as measured by the volume of exports and the number of exports target countries is the largest for the enterprises founded after 2004. The enterprises established during socialism operate in foreign markets reluctantly and on a small scale. The companies established in 1989–2003 perform better, but it is only the youngest companies that are truly global.

Thirdly, the companies that were established during socialism, even today, are most wiling to export to the geographically closest countries, especially those that formerly belonged to the Eastern Bloc. This is remarkable, because it corresponds with the area of the former Comecon, which disappeared in 1989! The companies that were established later, after 1989 and under completely new institutional conditions, usually operate locally, but if they do export, they do so both to the East and to the West. The companies founded after 2004 operate without any difficulties on an international scale and export almost exclusively to Western countries. They were created in the EU, operate in the EU or even worldwide almost from the very beginning of their existence.[4]

In theoretical discussions, we call them born-global companies. Sometimes it is a function of the specificity of their products. For example, Kooptech-Cinema, a manufacturer of cleaning systems for 3D glasses, must look for its potential customers in areas with a lot of cinemas (Europe, North America, Asia), otherwise it would remain a boutique producer. Sometimes the approach derives from technology. The Polish i3D Group is one of the leading companies in the field of virtual reality technology (VR) and in the implementation of interactive 3D visualizations, which are already changing the world. Likewise, IVONA Software – which developed an excellent eponymous speech synthesizer, i.e. text-to-speech conversion software, used, among others, on Android phones (e.g. Samsung Galaxy, HTC Desire, Sony Ericsson Xperia, etc.) – works in multiple languages. Both virtual reality and speech processing are digital technologies, which is why the companies that develop and use them must be global in order to grow. Finally, the willingness of companies to become active worldwide results from the courage of their managers and their relatively short history. Born under new institutional conditions, they are not burdened with history, nor do they have to overcome any opposition or complexes with which many companies founded under the planned economy still struggle.

4 Several examples of such companies based in Central Europe are discussed by J. Prats, M. Sosna and S. Sysko-Romanczuk (see Prats, Sosna, Sysko-Romanczuk 2014).

Figure 1. Polish foreign trade and investment in 1990–2015



Source: (Ciszewska-Mlinaric et al. 2017; UNCTAD data as of May 2017; in USD million (htttp: //unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx).

The findings of our research show that just as people find it difficult to break away from their roots, companies are also limited by their institutional conditions under which they were established, and by their history. Despite the passage of time, the companies originally founded under socialism carry with them a burden of experiences, habits and resources typical of their cohorts, which delay their readiness to expand internationally and forces them to reduce the risks by concentrating on their familiar and closest environment. The companies that emerged in the late transformation period are completely different. They can be called millennial companies. Without such a burden of history and experience, they decide to internationalise rapidly; their natural direction of expansion being the EU and next the rest of the world. In both types of companies, at the level of large populations we observe the imprinting of experiences dating back to the first period of operation, which is so strong that changing it requires a huge and coordinated effort, time, resources, as well as a change in the cognitive map of entire generations of managers at the level of a specific company. Therefore, the first simple question that managers should ask themselves in order to learn about the past of their company is: Which cohort do we belong to and what are its essential characteristics? If we can observe such characteristics in the operation of our company (which requires a concerted effort on the part of the key company employees), another question arises: What to do about them – accept or change?

Path dependence

The concept of the impact of the development pathway reveals the importance of the conditions that influence the development process. According to this theory, an organisation is primarily a product of its history, that is, usually a collection of rather random, but important events or individual decisions. They subsequently trigger a cascade of choices and events, and form an increasingly strong, repetitive pattern in the operation of each system. As a result, nations and states tend to employ indefinitely the solutions which have been originally adopted. Without offending anyone, hundreds of privileges or solutions dating back to the socialist epoch, which are still being defended by the privileged groups in Poland in a predatory manner (e.g. soldiers, police officers, farmers, miners, teachers, railwaymen, judges, prosecutors, and even politicians) are a good example of past solutions which have created a concrete development path (adopted in order to co-opt specific professional groups or resulting from the conditions of a specific period of time). More importantly, they are difficult to eliminate today, even though there is little justification for their further existence.

Likewise, a number of such solutions can be found at the organisational level, and they are often just as random as certain standards. The standards, once adopted, such as driving on the right or left side of the road, VHS, Blu-ray or the famous and frequently cited QWERTY keyboard layout, gradually become dominant and permanent solutions regardless of their relative efficiency. Nicolaj Siggelkow carried out some of the most interesting research on this phenomenon. He analysed how path dependence affects various companies and looked for the key decision-making moments in their past, which shaped them for many years to come. He pointed to two interesting processes which produce almost deterministic development paths: thin-to-thick and patch-by-patch development (Siggelkow 2001; Siggelkow 2002).

In brief, thin-to-thick development works in the following way: an organisation (its founder or managers) makes a limited number of initial choices (intentional or random) within a relatively short span of time. These choices then shape the set of organisational solutions and slowly become the determinant of subsequent decisions – the determinant that remains uncontested by (almost) anyone. Patch-by-patch development works in a similar manner, but the choices are made sequentially, one by one, and are reinforced (thin-to-thick) in a long process. Both of these phenomena can be observed in the history of Liz Claiborne, a producer of women's clothing, founded in 1976. Only 15 years later the company's annual turnover exceeded USD 2 billion (the company also achieved the highest return on capital invested among the companies listed on the US stock exchange – more than 40%).[5]

5 I discussed this example for the first time in my book *Pasja i dyscyplina strategii* [English version: *The Passion and Discipline of Strategy, Palgrave, 2014*] (2010) based on texts by Siggelkow and online materials.

The success of the company resulted from a new phenomenon, which was the tendency of women to take up gainful occupation in the 1970s. The American women went to work, but there was no standard "business outfit" available for then, and it was precisely this gap that Liz Claiborne exploited to build up its position and brand. The whole logic of the company's operation was shaped by several choices. Firstly, it referred to the concept of products. Every season, the company offered four to seven different collections of classic and elegant women's sweaters, jackets, blouses, skirts, dresses, and trousers. The prices of the products were relatively high, but the Claiborne collections had a great added value for the working women for two reasons. The logic of a limited number of collections and colours made shopping easier. At the same time, the clothes did not age quickly, because all of them could be combined with others. The colours did not change over the years – blue remained identical blue, green – green, and black was black. Thus, it was possible to combine a jacket purchased two years previously with a blouse bought a year earlier, and they were perfectly matched.

Secondly, the choice made by Liz Claiborne involved selling only complete collections and displaying them in elegant department stores. Instead of allowing institutional buyers to choose specific product lines, the company offered the entire collection (not only clothes, but also cosmetics, shoes and handbags) in the right proportions of colours and products, demanding that the department store dedicated space to the collection (which was then a revolution) and covered the costs of the whole project! In fact, Liz Clairborne defined the collection as a product for the purpose of the strategy and thus had its own "shops within shops."

Thirdly, Liz Clairborne had a unique sales technology – it sold collections only at the company's headquarters in New York, supported by a select group of almost a hundred sales assistants. Its competition selling to individual department stores had to drive around with samples of goods to the premises of the purchasers and meet with their textiles specialists. Liz Claiborne, by centralising its sales process, ensured contacts at a higher managerial level. Due to the place where the collections were displayed and the typical scale of contracts, the most frequent visitors to the company were the members of management boards of the purchasing companies.

Fourthly, almost the entire production process was relocated to Asia, which reduced the costs and allowed prices to be kept moderate and the collections to be changed cyclically in a planned manner.

All of the subsequent choices made by Liz Clairborne were complementary and shaped the company's operating logic for many years to come. The product concept could only be appreciated by the customers if the collection was exhibited as a whole. This, in turn, required allocating the necessary space in individual stores. It was possible, because Liz Clairborne, by selling the collection in New York City, secured for itself purchasing decisions at the board of directors level. The management of the department stores trusted the company, since it offered consultants' support in organising displays and attractive collections six times a year, which was more often than its competitors. Both the company and individual department stores secured solid margins due to the outsourcing of production to countries with low labour costs. Limited supply reduced the risk of a collection's failure, both for the company and its client department stores. The company's strong brand position guaranteed stable demand from the discerning customers, which reduced the temptation of the department stores to challenge the policies applied by Liz Clairborne. All in all, the company's strategy led to positive feedback loops – each choice was amplified by the others, and the whole system worked effectively for the benefit of Liz Clairborne and its business partners. This was the case until another significant change occurred in its operating environment: companies began to allow its employees to dress more casually, the department stores were forced to make radical cuts in the face of a frontal attack of discount stores and hypermarkets, such as Walmart or Target, the competitors started to offer significantly faster production cycles and responded more rapidly to changes in demand thanks to new information and production technologies. Liz Clairborne almost went bankrupt, because its past choices were so consistent and reflected in all the business procedures

and solutions that they made it impossible for the company to adapt to the new market situation.

Such path dependence can be observed in numerous companies, but it is most clearly visible when it causes a company to collapse, as was the case with Kodak, Polaroid or Smith-Corona, and an infinite number of originally state-owned companies, which chose to perish rather than adapt to the market economy. Another example of path dependence is the process of allocating investment funds. Traditionally, the product and business lines which represented the historical basis of a company's success and built a strong political and management position in the company, are the ones that receive the most funds. Even if they do not have a great future, they often manage to eliminate new ventures which could threaten their dominant position. That is why the BCG portfolio analysis emphasized the need to secure extra funding for "stars" and "question marks" at the cost of spending limits on dominant business lines ("milch cows"). Finally, the payroll systems and promotion criteria in many organisations typically demonstrate path dependence. On the one hand, their historical nature makes it difficult to change them (they have influential defenders), and on the other hand, if an organisation faces new challenges and needs, it often does not have the knowledge or motivation to deal with them, because the employees who could do so are poorly paid and rarely promoted. A classic example in a number of countries worldwide is lower pay and fewer promotion opportunities for women as compared with men. The business development path has always rewarded men and many countries find it extremely difficult to overcome this particular historical stereotype.

To avoid situations in which a company's development path leads to the petrification of certain aspects of its functioning, or at least to be better prepared for it, each and every management team should periodically ask themselves the following questions: What solutions and procedures are products of our development path? Are they still effective and sensible? What aspects of our organisational past are still productive, and what are simply a burden which can sink our company or make it impossible to create meaningful strategies for the future?

Imprinting

The third and probably the most theoretically promising idea of the presence of the past in the present day is imprinting. It is over a hundred years old, and originated with the observation made by a British amateur biologist Douglas Spalding that newly-hatched birds tend to follow the first object that appears in their field of vision. This was confirmed by the German biologist Oskar Heinroth, but was made famous by his pupil Konrad Lorenz, who explored this phenomenon by analysing the behaviour of young geese. It turns out that goslings separated from their mothers immediately after hatching followed either their mothers or researchers, depending on who they saw first after they hatched.

Lorenz treated imprinting as a new, specific kind of learning with two important characteristics. First of all, it is particularly pronounced mainly in the initial period of life, when newly-hatched birds are strongly excited and follow the first moving object, recording its most important features. Secondly, it is relatively stable, because the pattern of these traits is fixed in numerous brain centres and becomes easily recognizable in a permanent and long-term manner called habituation. Lorenz's research initiated a wave of studies on early developmental conditions, which have confirmed that they largely determine animal behaviour – from the choice of their carer to sexual behaviours.

The concept of imprinting was too interesting to remain only a biological theory. It was quickly adapted to their own domains by psychologists, sociologists and over time, by organisational theorists. In the 1960s, it found its first strong reflection in the essays by Arthur L. Stinchcombe, who sought to explain why organisations founded roughly at the same time had similar structures and logics of operation (Stinchcombe 1965). Like Lorenz, he focussed his explanations on the decisive role of environmental determinants at a given moment of time – the adopted operating technologies, the dominant solutions, and institutions. A very clear example of imprinting is the imitation by companies, which were founded after the appearance of rail and road transport, of very localised behaviour patterns of companies established earlier. According to the authors of research into imprinting, whether it is the model of individual farming, the functional

structures of small and medium-sized enterprises, or matrix structures of large corporations, the applied procedural solutions are often the products of their time and the influence of the economic, technological and social environment, the dominant institutions and the dominant founders-leaders.

The impact of the economic, technological and social environment on populations and/or individual organisations is the focus of so many interesting studies that it would be difficult to list them all. The supporters of population ecology claim that organisations created in crowded niches have little chance of survival regardless of the adopted strategies. On the one hand, more organisations mean more intense competition for resources, and on the other hand, the best strategic positions are occupied, which forces the new players to look for their places on the peripheries, where finding productive resources is difficult. The combination of these conditions means that the new players immediately have the stamp of failure imprinted in their life histories (Hannan, Freeman 1989).

Sociologists and organisational theorists are fascinated by the influence of institutions, which often have a dominant effect on organisational behaviours. As Douglass North wrote, institutions are socially constructed rules of the game (North 1990). Usually, they function as a triad: formal rules (the system of law, contracts, etc.), normative decisions (standards and values governing what can be done, what cannot be done, what is good, what is bad, what is desirable and what is undesirable), and cognitive maps (collections of assumptions, practices, and meanings). Such a triad of social institutions exerts a huge impact on social and organisational behaviour. Its traces can be found at all times, in every country, and in many forms. In Poland, such an important institution was, for several centuries, the above-mentioned cottar economy, whose echoes, according to some researchers, can be still found in the Polish society and in Polish enterprises. Although socialism led to a great social revolution, it is marginally present in the thinking and identity of the Polish middle class (Leder 2014).

The last source of the strong influence of the past, apart from the environment and institutions, are the outstanding individuals. As is commonly known, they have a huge impact on the fates of nations and countries. The founders of companies have a similar or even stronger impact on

their firms, as evidenced by the fates of such companies as Kodak, Polaroid, Nike, Virgin, Tesla, Microsoft, IKEA, Yandex, Alibaba, and Apple, which are widely known and discussed. Numerous studies confirm that the norms, values, and original choices of the founding fathers made during the extremely important first period of their activity and growth, often survive an and control company operations for a very long time. Some of them are functional in nature, for example, Steve Jobs' relentless drive to innovate and treat the design of Apple's products as their key distinctive feature is still part of the company's culture today. Others are bizarre, such as the use of a calendar which consisted of 13 equal months in a year (and 28-day months) by the Kodak Corporation until 1989 (Eastman Kodak, who died in 1932, was a great advocate of such a calendar), or Edwin Landa's belief that only major technological projects count (it governed Polaroid's operations until its bankruptcy). Others are simply some of the founders' practices and can literally involve anything from promotion and gender discrimination, to the company's office design, to much more serious issues, such as investment selection, recruitment, and remuneration criteria.

Moreover, the founders themselves are often victims of imprinting practices and customs prevailing in their previous workplace. The heads of companies who started work during recession are more conservative and cautious in their subsequent financial and investment decisions as company CEOs than the managers who started their careers during economic booms (Schoar, Zuo 2011). Managers who give up their corporate jobs and invest in start-ups, tend to transfer their corporate practices to them – both the good and the bad ones. In the same way, researchers who have left public higher education institutions and founded their non-public counterparts transfer to them the traditional academic rituals against which they once rebelled – starting with ermine robes, to banners, student pledges and to procedures, payroll systems, ratings and promotion systems. The founders' practices, once introduced, acquire a life of their own. Some of them are difficult to change, because they are entangled in a complex network of other organisational choices. They are often quickly accepted, absorbed, and strengthened by new participants in the organisation.

The long shadow of the past

To sum up, the past is very much alive and persists in the operation of the organisation thanks to the existence of cohorts, the logic of path dependence, and imprinting. Their impact overlap and reinforce one another. The cohorts comprise populations of people and organisations, which are founded in the same period of time and then go through the same sequence of events (starting education at the same time, getting a first job more or less at the same time, etc.). The cohorts have a similar history, which, in time, makes their features elements similar to one another. The logic of path dependence is different in that it operates primarily at the level of individual organisations. Here, specific events or decisions, often due to rather random combinations of events, largely determine the future fate of a given organisation, forming a pattern of its activity. Finally, imprinting results from a very strong, although short-term, impact of specific external factors at those moments of the system's operation at which it is particularly sensitive to them. The simplest example is the first period of operation – whether it's the human childhood or the start-up period in the life of an organisation. We still know little about the imprinting process itself and its impact on the functioning of organisations. Some of the imprinted solutions and customs appear to fade away and disappear over time, while others, on the contrary, gain in strength. The functionality of the solutions imprinted into an organisation and its participants changes and therefore we have to learn to distinguish the historical determinants of organisational solutions from their current functionalities. For example, the skills in managing the development of a network of a bank's branch offices can then be used to manage the sales department. Sometimes it is possible to observe the phenomenon called delayed imprinting, e.g. when older employees in an organisation convey to new employees the patterns of behaviour, standards and values which were formed at the beginning of their own careers (Marquis, Tilcsik 2012). The managers, therefore, when thinking about managing and strategy building, must ask themselves whether the solutions imprinted in an organisation by its founders, especially in the first period of their existence, are still functional and should be preserved and exploited, or eliminated.

What these three mechanisms – the cohort effect, path dependence, and imprinting – have in common is their extremely strong and difficult to discern impact on the present. They are often supported by a strong organisational culture, hermetic language, internal promotions, low staff turnover, the absence of mechanisms to disclose critical opinions and, of course… success. Success always leads to satisfaction, which tends to constrain critical thinking and willingness to analyse. That is why every success contains the germ of a future defeat. Recently, it has been particularly evident in the industries where the logic of the internet allowed new players to take away entire markets from the existing leaders.

For example, recent years have been less than friendly to the paper journal market. With the increasingly widespread access to the internet, blogs, social/community media, the circulation of dailies is declining year on year. A large number of readers have switched to free online editions, and people are generally reluctant to take out paid subscriptions. The advertising market in the daily press is steadily shrinking. This results in a significant drop in revenues from the sales of newspapers and advertisements, which forces the major players to redefine their business concepts and to fight for readers more and more vigorously. Few newspapers worldwide have been able to successfully adapt to the new situation, yet at their starting point they had everything at their disposal – knowledge, information resources, professional journalists, a network of correspondents, and money. In Poland, only the shadows of the past can explain the fact that *Gazeta Wyborcza*, the most influential and professional daily of the 1990s, did not create either a good information portal, such as onet.pl, wp.pl or interia.pl, or functional portals such as pracuj.pl or allegro.pl in the area of advertising. If it was unable to create them, it should have bought the existing ones (following in the footsteps of today's Facebook or Google) when they were being created, in whole or in part, treating them as experiments with the future. However, the imprinting effect (the founders and journalists were accustomed to the logic of mimeographs and paper media), path dependence (the success of *Gazeta Wyborcza* is

the success of a slowly improved and refreshed traditional daily newspaper – both this tradition and the pace of change in the internet era have become its key weaknesses), as well as the cohort effect (*Gazeta Wyborcza*'s benchmarking and comparison system included the other dailies, the radio and TV, not the modern web-based media).

The internet may prove to be similarly unfriendly to the pharmaceutical sector. Its business model shaped over the decades is based on the development of new breakthrough drugs by large corporations, testing them, introducing them at high prices on the market and selling them for as long as legally possible. When patent protection of a given medicine is about to expire, pharmaceutical companies launch a branded generic medicines and continue their attempts to monopolise a given therapeutic niche. That is why the three typical strategic competencies of pharmaceutical companies are: (a) research and development (inventing and testing medicines), (b) negotiations with government agencies to approve the drug to be marketed, and (c) distribution and sales. The internet starts to turn this model upside down, at least in certain areas of therapy, such as diabetes and heart disease. Internet start-ups, such as Livongo Health or mySugr, provide diabetics with small devices which can analyse blood sugar levels once a day (or more often, as necessary). After processing and transfer to central databases, this information is combined with the data on a person's behaviour and state of health stored in the memory, and provides input for decision-making algorithms, which give the patient such guidelines as "go for a 15-minute walk," "drink two glasses of water," or "contact a dietician" (using a button on the device), instead of medical advice such as "take your pill" (Neville 2017).

Adapting to such a model will be very difficult for the pharmaceutical sector. Companies offering care and treatment via the internet have significantly lower margins than those to which pharmaceutical companies have grown accustomed. Like the other application providers, they also excel in swiftly and regularly updating their offer, and in building long-term relationships with their customers by adapting and personalizing the offer according to the results obtained from processing large databases. All this is fairly alien to the world of traditional large pharmaceutical corporations and that is why they may find it difficult to acquire and manage such online medical companies (recently, mySugr was bought by Roche, and the strategic investors of Livongo include Humana, Merck and Microsoft).

In order to avoid similar problems, it is necessary to systematically initiate critical thinking and discussion about the impact of an organisation's past on its current status in every strategy-building project. The decisions and solutions shaped by the past space-time are reflected in its here-and-now and therefore must constitute part of its vision for the future.

Bibliography

Ciszewska-Mlinaric M., Obłój K., Wąsowska A. (2017). *Internationalisation process of emerging market firms: the role of initial institutional conditions at firm's foundation*, "Business History" (forthcoming).

Collins J. (2007). *Od dobrego do wielkiego*, MT Biznes, Warszawa.

Drucker P. (1976). *Skuteczne zarządzanie*, PWE, Warszawa.

Faulkner W. (1980). *Requiem dla zakonnicy*, Państwowy Instytut Wydawniczy, Warszawa.

Govindarajan V. (2016). *The three box solution: A strategy for leading innovation*, Harvard Business Press, Boston.

Hannan M.T., Freeman J. (1989). *Organizational ecology*, Harvard University Press, Cambridge.

Hryniewicz J.T. (2007). *Stosunki pracy w polskich organizacjach*, Wydawnictwo Naukowe Scholar, Warszawa.

Leder A. (2014). *Prześniona rewolucja: ćwiczenie z logiki historycznej*, Wydawnictwo Krytyki Politycznej, Warszawa.

Marquis C., Tilcsik A. (2012). *Imprinting: Toward a multi-level theory*, „Academy of Management Annals" 7(1).

Moore G. (2015). *Zone to win: Organizing to compete in the age of disruption*, Diversion Publishing, Boston.

Neville S. (2017). *Digital disrupters take big pharma 'beyond the pill'*, „Financial Times", April 24.

North D. (1990). *Institutions, institutional change and economic performance*, Cambridge University Press.
Obłój K. (2010). *Pasja i dyscyplina strategii*, Poltex, Warszawa.
Prats J., Sosna M., Sysko-Romanczuk S. (2014). *Entrepreneurial Icebreakers: Insights and Case Studies from Internationally Successful Central and Eastern European Entrepreneurs*, Springer, Berlin.
Santorski J. (2014). *Kapitalizm po polsku: folwark ma się dobrze*, wywiad z J. Santorskim, „Gazeta Prawna" (06.06.2014), http://biznes.gazetaprawna.pl/artykuly/801950,kapitalizm-po-polsku-folwark-ma-sie-dobrze.html,access 26 May, 2017.
Schoar A., Zuo L. (2011). *Shaped by booms and busts: how the economy impacts CEO careers and management style*, Working paper 17590, National Bureau of Economic Research, Cambridge Ma.
Siggelkow N. (2001). *Change in the presence of fit: the rise, the fall and the renaissance of Liz Clairborne*, „The Academy of Management Journal", 44(4).
Siggelkow N. (2002). *Evolution toward fit*, „Administrative Science Quarterly", 47(1).
Stinchcombe A.L. (1965). *Social Structure and Organizations*, in: J.G. March, *Handbook of Organizations*, 7, Rand McNally & Co., Chicago.
The 2017 Deloitte Millennial Survey (2017). https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html, access: 21 April, 2017.
Tilcsik A. (2012). *Remembrance of things past: Individual imprinting in organizations*, Harvard University, Cambridge, MA.

Bartłomiej Biga

The 'undervalued and overvalued' intangible company assets

Introduction

Intangible assets held by companies, their intellectual property in particular, are assets that tend to be overvalued or undervalued at the same time. This is due to the fact that the economists, lawyers and accountants usually attribute to them different roles from that which they actually play or could potentially play in companies. On the one hand, according to the predominant perception of intangible assets, their immanent features (in particular, the fact that can be copied easily and cheaply) as a problem that limits the company potential to build its competitive advantages. On the other hand, innovation metrics are too often based on harmful thinking: the more patents, the greater the innovativeness.

Intangible assets – mostly reported off the balance sheet – nowadays account for up to 90% of company value. Nevertheless, the existing accounting standards, traditional approaches to economics or the classical view of intellectual property rights largely ignore this dominant area. The accountants often take into account only the acquired intangible assets and those resulting from completed research and development projects. On the other hand, many economists are too attached to building economic value based on the rarity of goods, which occurs naturally in the case of material assets, and with respect to intangible assets it can only be created artificially by enacting legal monopolies (although this is not the essence of their actual potential), while lawyers by nature are reluctant to approach any methods of

resource protection which are essentially non-legal in nature. This is because they fear that their competences may become less useful to the company.

The purpose of the present article is to discuss the causes and consequences of the misunderstanding of the actual and potential role of intangible assets in companies, in particular intellectual property, which is manifested by two extremes: underestimating and overestimating their importance. On this basis, it will be possible to propose an alternative strategy for the use of these resources based on the concept of directed diffusion, which relies on a fairly broad conditional access to intangible assets. This, in turn, enables the entities in the external environment of a company to be involved in the process of co-generation of value.

Undervalued intangible assets

As the Ocean Tomo (Ocean Tomo 2015) study shows, in 2015, intangible assets accounted for 87% of the value of Standard & Poor's 500, which tracks 500 companies with the largest market capitalization listed on the New York Stock Exchange and NASDAQ. Unfortunately, this part of company assets attracts much less attention than their material counterparts. Moreover, even a gradually expanding company balance sheet cannot provide investors with sufficient information concerning the actual condition of the company. As a result, as J. Law and P.C. Kalafut aptly observe, they must "grope about in the dark" (Low, Kalafut 2006).

This circumstance makes it possible, to a certain extent, to explain the increasingly frequent gigantic differences between the market valuation and the book value of a company. The problem is that even including the value of the market structure in the equation does not guarantee a complete identification of the other key reason for such dissonance, i.e. market overactivity which contributes to the inflation of speculative bubbles. Markets are becoming more and more vulnerable due to the increasing number of discrepancies between the market and the book values resulting from the fact that a significant proportion of their intangible assets are reported off the balance sheets. Only a more precise measurement of the value of intangible assets may limit the impact of this factor on the differences between company market value and book value, as a result of which such bubbles would be easier to identify.

As provided by the Polish Accounting Act, intangible assets are "property rights, classified as fixed assets, acquired by the entity, which are suitable for economic use, with an expected economic useful life longer than one year, intended to be used for the needs of the entity, including in particular:

- copyrights – property rights, related rights, licences, concessions,
- the rights to inventions, patents, trademarks, utility models and decorative designs,
- know-how." (Journal of Laws of 1994, No 121, item 591, Article 3, paragraph 1, item 14).

When analysing this definition, we can clearly see that it covers only a small part of the designations of the term 'intangible assets,' which also includes, among other things, organisational culture, brand name, customer relations, human capital, intellectual property, reputation, partner relations, and leadership. This poses a huge challenge for accounting. However, taking up this challenge requires much more far-reaching measures than the previous attempts to build an expanded company balance sheet.

The problems which result in a decline in the role of intangible assets stem from the treatment of this category in company reporting almost exclusively in terms of taxation. The adoption of an accounting definition of intangible assets complicates their recognition from the accounting and economic points of view. Certainly, the changes in the treatment of this category of assets with respect to mergers and acquisitions should be considered a step in the right direction. Until recently, none of the standards required that intangible assets should be treated separately from goodwill (the difference between the purchase price and the book value of the enterprise) (Urbanek 2011).

Today, IFRS3 (International Financial Reporting Standard) requires that the goodwill resulting from the acquisition and representing the set of intangible assets of the acquired company should be disclosed in the

balance sheet. Such goodwill may be allocated to the following broadly defined asset categories:

- technological (e.g. patents),
- contractual (e.g. licensing agreements),
- artistic (e.g. films, songs),
- client (e.g. databases),
- marketing (e.g. brands).

Individual intangible assets may be separated from goodwill during a merger or purchase provided that they meet certain conditions, i.e.

- identification as a separate asset,
- the exercise of control over it,
- the potential to generate benefits in the future,
- the fair value of the asset can be reliably measured (Salinas 2009, p. 3).

However, the problem remains that part of intangible assets which, although it represents the value and development potential of companies but which has not been subject to transformation and whose key elements are not relevant from a taxation point of view. On the whole, even though brands generated independently by the company and customer relations standards or outstanding leadership to a large extent it determine the success of the company, they remain outside the accounting field of vision.

Overvalued intangible assets

The above-mentioned elusiveness of intangible assets tends to result in the allocation of excessive value to those parts of the assets in question which are included in the standard company balance sheet. This is particularly evident in the area of intellectual property, which may be covered by copyright or industrial property rights. It leads to a situation where the instruments based on legal monopolies become the dominant tools for managing a company's intellectual property. As a result, they are employed even in those areas in which alternative methods would be more effective, which will be discussed later in the text.

This is part of the wider problem of assessing the innovativeness of economies/sectors/companies/employees through the prism of the number of patents granted. The problems with such an approach to measuring innovation are described in more detail by T. Geodecki (Geodecki 2008). If R&D and employment expenditure in this sphere of the economy are not the best metrics of innovation, high technology and patent performance indicators as results of research activity must, by their very nature, duplicate the disadvantages of R&D. Patents tend to constitute indicators of inventiveness rather than innovation, i.e. they demonstrate the emergence of a new technological principle (technical method or solution) rather than market innovation. In this way, patent indicators may not take into account a number of innovations which are not inventions and equally many unpatented inventions and technologies that cannot be patented or whose patenting still raises serious questions (e.g. fragments of human DNA). Comparing the patenting rate with innovation metrics, one can notice the errors which may result from analysing innovation in terms of the patent index, such as:

1. Underestimation of innovation activity in sectors with less technological opportunity.
2. Overestimation of innovation activity in companies which cooperate in the area of R&D, which prefer to patent the most valuable part of their knowledge before starting cooperation.
3. Underestimation of the scale of innovation activity in small companies, for which the cost of the entire procedure is often too high.
4. Overestimation of innovation activity in small companies which have already patented certain solutions (the tendency to patent more solutions due to the already incurred costs).

As a result, from the point of view of reporting to shareholders and other forms of dispersed ownership, formalised ownership of intangible assets is often appreciated, or even overestimated, whereas the rest is underestimated, or even ignored. The problem posed by the slipping of a significant part of intangible assets outside the focus of interest is undoubtedly particularly acute for investors. Leaving such important parts of companies outside their area of interest, accountants have no

problems with closing the balance sheets. Likewise, lawyers are generally only useful for the establishment and enforcement of legal forms of protection. Economists are also accustomed to creating value based on rarity – the whole model of management and thinking about economics is based on the clash between limited resources and unlimited needs. The economics of intangible assets is not an economics of scarcity, but one of abundance.

The formalised part of intangible assets is thus overestimated, especially in the face of pressure on innovation. However, this does not prevent a substantial part of these resources from being overlooked. Moreover, the above mentioned 'bias' results in a shift towards the paradigm of protecting and restricting access to intangible resources, which in many cases makes it impossible to implement more effective strategies for managing intangible resources within companies themselves. Often one may even get the impression, which is, of course, a certain kind of mental shortcut, that the goal of such a process is to patent, register and exploit the formula "all rights reserved."

Managing a company's intangible assets

In order to develop effective strategies for managing intangible resources of companies, it is necessary to first understand the basic characteristics that distinguish them from the classic concept of ownership. They basically consist of four aspects, which are listed below:

1. Rarity of goods – in the case of material resources, it is their immanent feature, and in the case of intangible assets, it can only be created artificially, e.g. by legal monopolies.
2. The function of notification that something constitutes the property of someone else is much weaker in the case of intellectual property. There are no such things as e.g. a register of all the published works, with the existing patent databases being extremely difficult to navigate effectively (as opposed to, for example, much clearer land and mortgage registers).
3. Intellectual property has much more blurred boundaries.
4. Intellectual property litigation is much more unpredictable (Biga 2017).

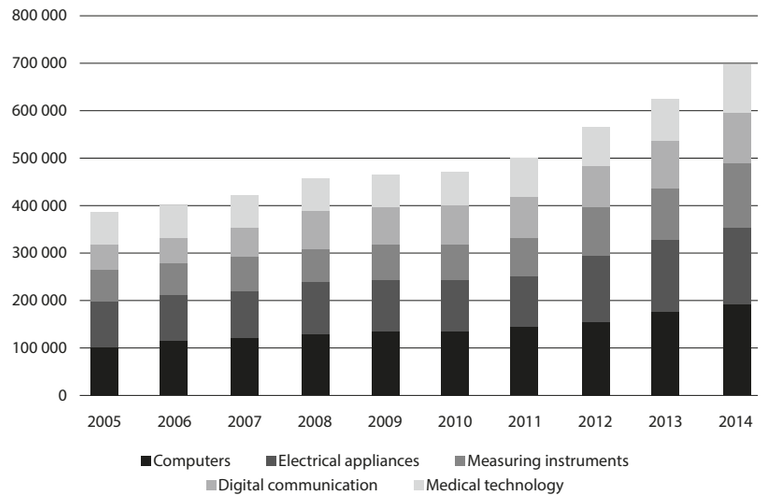
The fundamental mistake in thinking about the management of intangible assets consists in treating such characteristics, the lack of rarity, in particular, as a problem to focus on. It leads to a wastage of resources on activities whose objective is in principle unattainable. It is much better to try to develop strategies which take advantage of the fact that certain intangible assets can be easily and cheaply copied, and thereby induce companies to create business models which allow them to tap their growth potential from actions based on exploiting, rather than on opposing such features.

The remaining three differences also lead to a more frequent recourse to alternative methods of protecting intangible assets, as this allows the companies to reduce their costs related to patenting, maintaining protection, and enforcing its rights in frequent and exceptionally unpredictable litigation. Naturally, adopting such a strategy does not completely eliminate these cost categories. The fact that a company does not patent does not mean that another company will not accuse it of infringing its own patents. However, in the long run, even without overcoming the dominance of pro-monopolist strategies in their competition, it will likely contribute to noticeable reductions in many cost categories.

However, it should be remembered that patents are used by companies not only in order to protect the prospect of their dominant position in the market. They are also needed to generate profits from royalties or facilitate access to other technologies, strengthening the bargaining power in the context of cross-licensing (Martinez et al. 2006). Consequently, the use of patents in intangible asset management strategies cannot be entirely abandoned.

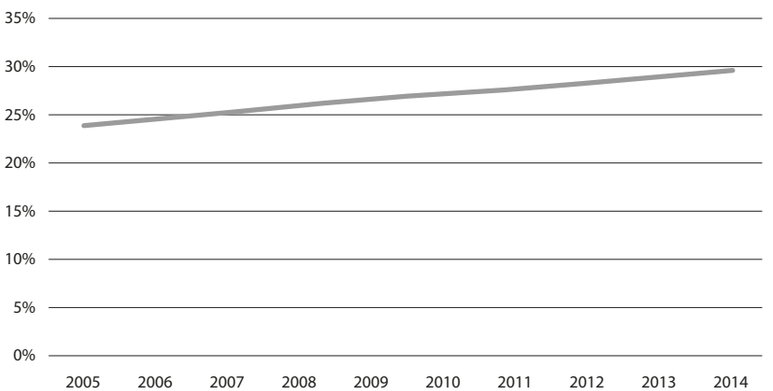
More and more data indicate that it is worth limiting the application of this tool in order to create space for alternative, often extra-legal methods, which in many cases are characterised by a better cost-benefit balance. This is due to the inevitability of innovation diffusion, which can no longer be shelved. As a result, the exchange of knowledge is inevitable (Chesbrought 2004).

Figure 1. Number of patent applications in five most popular technological areas



Source: WIPO Statistics Database and EPO PATSTAT database.

Figure 2. Share of the five most popular technological areas in the total number of patent applications



Source: WIPO Statistics Database and EPO PATSTAT database.

Nevertheless, it should be remembered that the share of solutions which should be subject to protection based on legal monopolies will depend on the specific nature of a given industry. It will be particularly difficult to create strategies in areas where patent applications are exceptionally numerous, which results in the emergence of the so-called patent thickets. Moreover, the share of the five most popular technological areas in the total number of patent applications is steadily increasing. Accordingly, in some cases, barriers entry are increasing. It does not mean that more open strategies, in particular those already established in the industry, cannot be exploited. Another factor which should also be taken into account is capital intensity.

Importantly, even those who support intellectual property protection based on monopolies believe that these resources cannot be fully controlled (Wagner 2003). Measures taken to ensure the full exclusivity of these resources are therefore doomed to failure. Therefore, in line with the proposal set out in this article, it is necessary to use these properties as an energy boost for building the competitive advantage of organisations, rather than attempt to negate the inherent characteristics of these resources, in particular, the fact that they can be easily and cheaply copied. The proposed strategy is directed diffusion.

Directed diffusion of intangible assets

Fundamentally, the concept of directed diffusion refers to intellectual property, but most of its postulates can be successfully extrapolated to other intangible assets. Two main recommendations follow from the concept of Company-Idea with respect to intangible assets:

1. Involving entities from outside the company in the process of value creation, and
2. Making them widely available.

According to the concept of directed diffusion, it is worth moving away from the kind of management of intellectual property whose focal point is protection implemented via very strictly limited dissemination in order to maximally limit access to external entities. Effective intellectual

property management in a company requires a significant reduction in the use of legal monopolies (patents, copyrights).

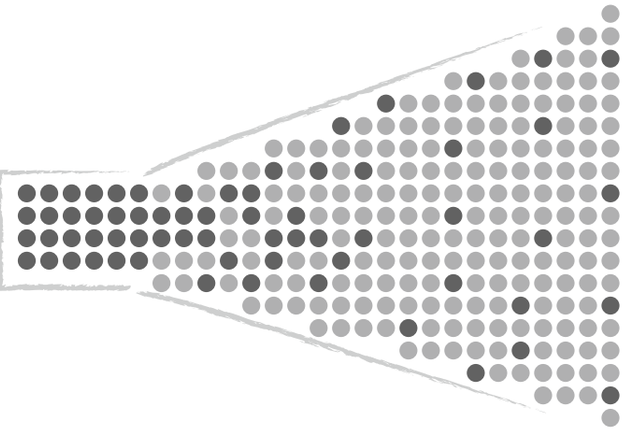
Directed diffusion helps to build a solid foundation for company development – above all, to open up new prospects for long-term profits – through the dissemination of intellectual property. In this respect, a company which shares this category of resources with others, treats it as a kind of investment which, by providing access to intellectual property to a wide range of entities, involves them in the process of creating and processing values based on the source company intangible assets. Directed diffusion does not always mean entirely free, unrestricted, and uncontrolled distribution of such assets. Its essence is to strive for a fairly wide availability.

It should be remembered that the diffusion process by definition cannot be fully controlled, as it is based on chaotically moving elements. However, it can be directed to a certain extent. The process consists in determining at what point the inventions or effects of work can be used outside the company itself: whether this is done through defensive publication, trade secrets, open-ended solution, non-exclusive licensing agreements, Pay What You Want, etc.

The strategy of managing company intangible assets must always include further dissemination, which remains largely uncontrolled. The point is to use the popularity/university of an invention or work in order to generate a profit in the long run. Such methods may include selling complementary products and services, building trust necessary to cooperate with customers and competition or developing a market. Directed diffusion occupies a position in the area between classical intellectual property management based on legal monopolies and always fully open, unconditional access to these resources by an unlimited group of entities.

For reasons mentioned above, the fundamental possibilities for targeting diffusion manifest themselves in determining the time and circumstances of granting access to a given intellectual property to the outside environment for the first time. Later, regardless of the tools, legal provisions and safeguards used, dissemination will, to a large extent, remain uncontrolled by the creators. At this stage, diffusion will be taking place in the manner in which it is described by physics, i.e. as a chaotic movement of particles down a concentration gradient.

Figure 3. Directed diffusion



Source: Own study.

For the above mentioned reasons, it is crucial for the company strategy to include the tools that determine when and how to make its intellectual property available more widely. Research (Fisher, Oberholzer-Gee 2013) shows that companies too often choose strategies based on legal monopolies as part of their competitive foreclosure strategies. Moreover, there is also an unjustified shift in the litigation stage towards the strategy that involves the invalidation of patents obtained by their competition.

The practice of most patent offices, which allow the patenting of solutions that do not actually meet the non-obviousness criterion, offers another argument for taking advantage of methods other than the monopolistic ones. The offices also accept vague functional reservations, or finally allow for large-scale software patenting. Consequently, it leads to patent flooding, which has the effect of reducing the net benefits from patenting.

Naturally, the adoption of a strategy to restrict the use of legal monopolies does not guarantee that the company will be able to offset all the disadvantages of the patent system, given that competition will continue to apply for exclusive rights. However, these inconveniences can be

minimized, e.g. through defensive publications, namely the publication of details of a solution, as a result of which other solutions lose their patentability due to the fact that they cannot meet the criterion of novelty. Quite often, companies do intend not so much to preserve their exclusive right to use a solution (which is difficult and costly to enforce, given the ease of copying intellectual property), as to make sure that their rival companies cannot effectively oppose the exploitation of a given invention. In the context of defensive publications, achieving such an effect is basically cost-free.

In the process of managing intangible resources, network effects are all too often disregarded, and in the digital age, they are often the crucial success-determining factor. This kind of error almost caused Apple Inc. to collapse in the 1990s. In the late 1980s, the company was the most profitable manufacturer of personal computers. Its products offered unique graphical interfaces, a plug-and-play system and excellent design (Fisher, Oberholzer-Gee 2013). All of these solutions were subject to monopoly-based legal protection, which allowed Apple to set high prices, but simultaneously made it difficult for the company to gain a larger market share. At the same time, IBM-compatible devices were gaining in popularity. Thanks to the networking effect, the software dedicated to this platform became a standard feature, further enhancing the attractiveness of IBM's ecosystem and discouraging the purchase of Apple products, whose market share by 2003 dropped to a meagre 1.9%.

Later on, the company, often cited as an example of a closed approach to intangible assets, was forced to partially open up its systems. The success of the iPhone would not have been possible if Apple had not made its API (application programming interface) available to external developers or failed to create the AppStore platform, from which the iOS users can download third-party applications.

A good example illustrating the fact that the universal availability of a certain kind of knowledge does not deprive professionals of the possibility to use it commercially, are cookbooks, which do not pose any threat to professional chefs. Likewise, the widely available descriptions of magic tricks do not deprive conjurors of possibilities to earn their living (Foray 2013). However, these seemingly trivial examples show that professionals, in particular organisations, such as companies, have unique opportunities for value creation in ways that cannot be copied entirely and are not threatened by dissemination.

Conclusion

The criticism of the patent system is nothing new. *The Economist* in a publication dated 26 July, 1851, wrote that "patents induce fraud, stimulate the search for tricks that allow taxing society, lead to discussions and disputes between inventors, provoke endless litigation, and reward the wrong people." It was pointed out, among others, that that, as long as the steam engine was patented in the UK, its power output increased by approx. 750 horsepower per year, and for the 30 years after the patent expired, it increased by approx. 4 000 horsepower per year. This was due to the inability of steam engine improvement technologies to be applied during the patent protection period.

The intellectual movement of Open Eyes Economy does not seek to change the patent system in a top-down manner. Its representatives regard the bottom-up changes as a more effective path to that end, since they result from the decisions taken independently by individual enterprises. There are many indications that this may happen in a fairly short time frame. There is a growing interest in non-monopoly methods of managing and protecting intangible assets, intellectual property in particular. Numerous examples of successful strategies related to the concept of directed diffusion may therefore result in the marginalisation of the monopolistic patent and copyright systems based on the 'all rights reserved' formula. Relatively open strategies, which make use of a wide range of legal and non-legal tools, will become the dominant approach.

However, it will only be possible as a result of an in-depth understanding of the nature of intangible assets. In this context, the crucial task is to further develop the measurement and valuation methods of these assets. It will be possible once the objectives for which these measures are

taken have been redefined. It is impossible to unreflexively extrapolate the experiences with material resources onto other areas. Thus, although intangible assets tend to be either undervalued or overvalued, we can see that on balance, they are undervalued as a result of the lack of understanding of their characteristics which account for their huge potential in today's economy.

Bibliography

Biga B. (2017). *Ekonomiczna analiza odmienności własności intelektualnej i materialnej na przykładzie patentu,* „Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach" 312.

Chesbrought H.W. (2004). *Open Innovation*, Harvard Business School Press, Boston.

Fisher W.W., Oberholzer-Gee F. (2013). *Strategic Management of Intellectual Property,* "California Managament Review" 55(4).

Foray D. (2013). *Patent-Free Innovation- A Review of Economic Works Including the Analysis of a Recent Work in the Field of Experimental Economics*, "Revue economique" 64(1).

Geodecki T. (2008). *Pomiar innowacyjności gospodarki przy użyciu pośrednich i bezpośrednich wskaźników innowacji,* „Zarządzanie Publiczne" 3(5)/2008.

Low J., Kalafut P.C. (2006). *Niematerialna wartość firmy. Ukryte źródła przewagi konkurencyjnej*, Wolters Kluwer, Kraków.

Martinez C., Sheehan J., Kamiyama S. (2006). *Valuation and Exploitation of Intellectual Property*, OECD.

Ocean Tomo (2015). *Annual Study of Intangible Asset Market Value*, Ocean Tomo.

Urbanek G. (2011). *Kompetencje a wartość przedsiębiorstwa: zasoby niematerialne w nowej gospodarce*, Wolters Kluwer S.A., Warszawa.

Wagner R.P. (2003). *Information Wants to Be Free: Intellectual Property and the Mythologies of Control*, "Columbia Law Review" 103(4).

Hubert Izdebski

The right to the city

Exactly fifty years ago, the concept of the right to the city – *droit à la ville*, *direito à cidade*, *derecho a la ciudad*, *Recht auf Stadt*, *prawo do miasta* – was formulated by the French Marxist philosopher and sociologist Henri Lefebvre (1901–1991) in his essay *Droit à la ville* (intentionally completed on the centenary of the publication of Karl Marx's first volume of *Capital*, to which he makes numerous references throughout) (Lefebvre 2012). The essay was also published just before the outbreak of the student revolt of 1968 – it was not entirely a coincidence, given the atmosphere of that time – and heralded the thrust of its demands. In a sense, therefore, the declaration of the right to the city is a legacy of 1968, both in its European and American versions (Bodnar 2013, p. 73 ff.). Moreover, today, few traces of the 1968 heritage remain as strong as the idea and various formulations of the right to the city, including the legal ones, to which the present study is devoted.

The right to the city is an important component of transdisciplinary content, or perhaps more so – as it can be described, although it is an oxymoron – of the post-disciplinary discipline of urban studies. It is an untypical right (a "subjective right" in the broader sense,[1] conceptually

1 The French doctrine assumes that "subjective rights" (*droits subjectifs*) can be both individual (previously exclusive) and collective (*collectifs*), while the doctrine of the Iberian countries largely maintains the distinction between subjective rights (*derechos subjetivos*, *direitos subjetivos*) as individual and collective rights (*derechos colectivos*, *direitos coletivos*). It must therefore be stipulated that we are concerned with the subjective rights as per

opposed to substantive *law* – a subjective public right, of course), which may also acquire the characteristics of a fundamental right, because it is dealt with mainly by non-lawyers: philosophers, sociologists, political scientists, geographers, economists, architects or urban planners. One can even speak of a deficit, not only in Poland, of legal studies on the right to the city (which, regardless of the legal background of the author of these words, who does not shun urban studies[2]), requires even more focus on the legal aspects of this right, which is outside the legal professions, the subject of very extensive literature.

Fundamental rights as a concept have been shaped in the German doctrine (*Grundrechte*), but have been adopted in recent decades by European law and the laws of many European countries, thus largely replacing the respective Anglo-Saxon term, i.e. *human rights*, as well as the traditional European concept (generally phrased together with "and freedoms") of human and citizen rights.[3] Although this notion does not exist in Polish law, and even our doctrine is not too inclined to use it instead of, in particular, the constitutional term "human and civil rights and freedoms," it will appear in this text – because of its international, especially European, legitimacy, which is important for the international, rather than purely domestic, context of the right to the city.

Fundamental rights are qualified public subjective rights, which are particularly important from the point of view of the rule of law and democracy, and therefore are identified, on the one hand, by virtue of their

the broader French definition. The classification of subjective rights in the context of the right to the city will be discussed further in this paper.

2 This is particularly true of the book *Ideologia a zagospodarowanie przestrzeni. Doktrynalne prawno-polityczne uwarunkowania urbanistyki i architektury* [*The Ideology and Spatial Development. Doctrinal Legal-Political Conditions of Urban Planning and Architecture*] (Izdebski 2013). The considerations concerning the right to the city (in particular, p. 172 ff.) presented in this book have been used and expanded.

3 I discuss the issues of fundamental rights together with the 'Revolution of Rights' in a comprehensive book titled *Doktryny polityczno-prawne. Fundamenty współczesnych państw* [*Political and Legal Doctrines. Foundations of Contemporary States*] (Izdebski 2017a, p. 151 ff.).

axiological importance and, on the other hand, by their superior position in the hierarchy of the legal system. Although public subjective rights are essentially synonymous with "human rights," they differ from the latter term in that they do not necessarily focus on individuals, since they also take into account collective rights. Since they share this feature with "public freedoms" (*libertés publiques*), a concept established in France one and a half centuries ago and followed by other Romance countries, they are in turn characterised by a focus on expressing interests which are not entirely universal, but also specific to particular categories of collectivity (critical interests) (Champeil-Desplats 2010). For these reasons, the right to the city that refers to specific category-based interests (the intrinsically diverse interests of urban dwellers) should be analysed from a legal point of view, first and foremost, in terms of its eligibility as a fundamental right – even though, so far, it has not been explicitly mentioned in the formal legal acts, of which the fundamental rights constitute a subject, starting with the Charter of Fundamental Rights of the European Union.

It should also be noted at the outset that after World War II, the 'rights revolution' began to take place on a global scale – a change in the perspective of the fundamentals of 'good governance,' which have been sought for thousands of years. Rights are increasingly being treated, at least in democratic law-governed states, not only as a basis for ordinary legal norms, but also as an independent component of the legal order. Moreover, they constitute the starting point for consideration of doctrine and jurisprudence, rather than only one of the elements of a system that is supposed to ensure the best possible governance. At the same time, by way of a feedback loop, the right to good governance (*droit à la bonne gouvernance*, *derecho a la buena gobernanza*, *prawo do dobrego rządzenia*) is recognised.[4] Instead of the traditional search for optimal political and organisational solutions, human rights or fundamental rights are therefore

4 The right to good governance, stipulated, among others, by Recommendation 7 (2007) of the Committee of Ministers of the Council of Europe on good administration, consists not only of the right to good administration mentioned in this Recommendation – and recognised in general terms – (of which certain aspects must be included in the content

taken as the starting point – a good system is one that effectively ensures the realization of these rights. This means that the issues of fundamental rights have a special place in political debates, which also gives appropriate priority to considerations concerning the right to the city.

According to Lefebvre, as a result of the inevitable urbanization processes and thus the rapid growth – and spillage – of the historically formed cities, a city separated from the village – an economically and culturally dominant feature for several millennia, is "no longer alive," remaining a dehumanized "object of cultural consumption for tourists, an object of a catchy aesthetic spectacle and a nauseating picturesqueness" (2012, p. 185). However, "urbanity" (*l'urbain*) is still alive, but it requires the realization of a new urban society consisting of people with equal opportunities for self-fulfilment, which can be provided, as Lefebvre believed, only by the working class. The city is a place of socially produced space – the right to the city emerges as "a transformed and renewed right to urban life." Lefebvre's essay contains to more concrete indication of the content of this right. However, it was not a purely philosophical or anthropological idea, because the author raised certain legal issues, pointing to the place of the right to the city in the development of social and economic rights: "Rights appear and become customs or prescriptions, usually followed by enactments. And we know how, through gigantic destructions, World Wars, and the terror of nuclear threats, that these concrete rights come to complete the abstract rights of man and the citizen inscribed on the front of buildings by democracy during its revolutionary beginnings: the rights for people of all ages and genders (children, the elderly, women), the rights of social groups (proletariat, peasants), the right to education and training, the right to work, culture, rest, health, housing." (ibid., p. 194). The threads of "urbanity" and thus of the right to the city recurred in Lefebvre's further work, although this is not particularly important from the point of view of this study, there is no uniform assessment as to whether

of the right to the city), but also of the right to good legislation and, at the earliest and most strongly recognised right to a (fair) trial (ibid., p. 339 ff.).

they embodied a simple continuation or a changing approach to urban issues (cf. Purcell 2002, p. 101 ff. and Merrifield 2013, p. 73 ff.).[5]

In his own way, the American neo-Marxist anthropologist David Harvey (born in 1935) adapted Lefebvre's thoughts to the living conditions of almost two generations later.[6] In his opinion, the right to the city is not only an individual right of access to the city's resources. It is the establishment of a democratic management of the city's development, the collective right of citizens to influence the life and shape of their city, "it is a right to change and reinvent the city more after our hearts' desire," "a focused collective right … inclusive not only of construction workers but also of all those who facilitate the reproduction of daily life." (Harvey 2012, p. 49 and 188).

Harvey, who promoted the concept of "spatial justice,"[7] is not the only neo-Marxist follower of Lefebvre's thought on the right to the city. On the contrary, the various intellectual and socio-political expressions of the right to the city are still largely left-wing, often even ultra-left-wing and intellectual. This does not mean, however, that the right to the city exists only in its left-wing version and in left-wing discourse – it is important for some of the manifestations of conservative thinking, above all, thinking in terms of the special version of republicanism known as communitarianism.[8] At the same time, the very date of Harvey's presentation of his views on the right to the city (2008) proves that its idea arrived in the

5 The book by R. Shields entitled *Lefebvre, Love and Struggle. Spatial Dialectics* (1999) is devoted to Lefebvre's rich output, of which urban issues constitute only a crowning achievement. The present significance of Lefebvre's considerations about the city is discussed by Matesanz et al. (2017).

6 His reflections can be found in *Rebel Cities: From the Right to the City to the Urban Revolution* (Harvey 2012) in Chapter I, which is a modification of his article of 2008 titled "The Right to the City" (2008, pp. 23–40). Cf. Also (Piskozub 2013, pp. 20–34).

7 At the same time, this term was disseminated by Edward Soja, an American geographer and theoretician of the city of Polish origin (see, in particular, Soja 2010).

8 On communitarianism, see Izdebski (2017a, p. 56 ff.). A summary of American literature on the city since the 1970s and its philosophical sources can be found in Fainstein (2014, p. 1 ff. and the impressive bibliography).

Anglo-Saxon thought much later than in the French thought[9] – but it has also found, especially in the USA, suitable ground for development both in the left-wing and in the republican mainstream.

The idea of the right to the city developed (and continues to develop) in Latin America much earlier than in the Anglo-Saxon world, with a direct impact on normative solutions. This is most clearly visible in Brazil, which is why the French version of the right to the city is closely followed by its Portuguese equivalent at the very beginning of this paper.

The Brazilian act *Statuto da cidade* no 10.257 of 10 July 2001, which develops the general formulation of the Brazilian Constitution of 1988 (where the right to the city is not explicitly mentioned, but Articles 182 and 183 lay down the principles of urban policy). According to Article 2 of the *Statuto*, "The objective of urban policy is to ensure the full development of the city's social functions and urban ownership, in the following directions: [16 directions follow, including:] guaranteeing the right to sustainable cities, including the right to urban land, housing, clean environment, urban infrastructure, transport and public services, work and leisure time – for the present and future generations; to democratic administration – through the participation of populations and representative associations of various circles in the identification, implementation and monitoring of urban development projects, plans and programmes; by cooperating between public authorities, the private sector and other sectors of society in the urbanisation process in order to meet the public interest; by ensuring that collective infrastructure, transport and public services are provided in accordance with the interests and needs of the population, taking into account local circumstances; by monitoring the use of land …" (Lopez de Souza 2001, pp. 25–31; Soares 2016, p. 73 ff.).

9 M. Morange and A. Spire even write about "discovering Lefebvre" in the Anglo-Saxon countries at the turn of the 20th and 21st centuries thanks to English publications of some of his works (*La production de l'espace* in 1991, but *Droit à la ville* not until 1996) (*Droit à la ville*, www.hypergeo.eu/spip.php?article698#; accessed 21 July,2017).

The right to the city also appeared in French legislation, but only temporarily. Article 1 of the City Act no 91-662 of 13 July, 1991 obliged the competent public authorities at all levels in implementing the right to the city to "ensure living conditions for all the city dwellers that are conducive to social cohesion, which may lead to the avoidance or elimination of segregation." This provision was repealed by the new City Act of 21 February 2014, whose Chapter One lays down the principles of urban policy in much more detail, but without mentioning the right to the city as such.

The tendency to express the right to the city in international documents, evident since the 1990s, has predominantly originated in Latin America. Thus, the development of the right to the city can be summarised by presenting the general direction of its dissemination: France – Brazil – international (Pereira, Perrin 2011, p. 15 ff.). The direction coincides in part with another brief presentation of the evolution of the right's content from an explicit left-wing position: "Originally understood as the right to collective recovery and transformation of the city from a socialist perspective, it was subsequently reduced to equal access to local centrality[10] for everyone. Nowadays, transformed into a purely demagogic slogan, it is accompanied by the creation of 'civic participation mechanisms' to dilute them within the framework of veiled urban policies led by and for the benefit of oligarchy."[11] The above opinion on this last stage can be better understood when it is combined with the distinction between two urban policy models: the contractual-liberal and market-oriented one, which treats city residents as consumers and clients, and the universal-social one, which emphasises social and civic solidarity (Ribeiro, dos Santos Junior 2005, p. 106 ff.). These models correspond to the more general

10 *Centralidad*, *centrality* – the term corresponds to Lefebvre's *centralité*, which rejects both segregation and centralisation, and can be understood as a focus on the city, or rather on urbanity.

11 Cf. (Garnier 2011). According to the author, it is time to return to championing the right to the city as a part of the fight against capitalist urbanization, following Harvey in the name of "spatial justice."

trends in public management: the former, to the neoliberal New Public Management, whose impact culminated in the 1980s, and the latter, to good Public Governance. The assessment essentially refers to the policies implemented in line with the former model, only gradually replaced by the latter, with a different intensity in different places.[12]

The assessment of the status quo dating back to several years ago may be even more closely related to the current international dimension of expressing the right to the city.[13] The World Charter on the Right to the City (Charte Mondiale pour le Droit à la Ville)[14] adopted in 2004 by the representatives of interested NGOs with the support of relevant UN structures has directly stipulated the right to the city ("everyone has the right to the city without discrimination […]; the city is a culturally rich and diverse cultural space that belongs to all residents").[15] However, in the latest international document, discussed for a number of years, adopted at the UN Habitat III conference in Quito in October 2016 and confirmed

12 On the relationship between New Public Management and Public Governance see Izdebski (2017a, p. 113 et seq., and the cited literature).

13 L. Costes even argues that international organisations (UN-Habitat programme, UN-Habitat, UNESCO) addressing the issue of the right to the city have brought about yet another approach to the issue, alongside the Lefebvrist and post-Lefebvrist approach, interpreting them as a set of rights functioning in the city, with a focus on institutional and political mechanisms, rather than on the fight against the urban effects of the neoliberalisation economy of globalisation (*Néoliberalisation* 2014).

14 The charter, the original draft of which was titled Charter of Human Rights in the Cities, was adopted at the Congress of the American Social Forum in Quito in July 2004 and by the World Urban Forum in Barcelona in September 2004. There are several consecutive editions of the charter, including one dated 2005.

15 Article I. Article II of the Charter enumerates 8 principles of the right to the city: democratic urban governance, the social function of the city, the role of social property, the full exercise of human and citizen's rights, equality and non-discrimination, the special protection of disadvantaged groups and persons, the social involvement of the urban private sector and the stimulation of a solidarity economy and progressive fiscal policies. Subsequent Articles of the Charter refer to individual rights; their catalogue is close to the definition of the right to sustainable cities in Article 2 of the Brazilian Urban Statute, with a distinction being made between urban governance rights and the civil and political rights of cities.

by the UN General Assembly in December 2016, namely the New Urban Agenda (Nouvel Agenda Urbain – Nouveau Programme pour les Villes), the right to the city has been included in a less substantial form and only under pressure from non-governmental organisations (it was not included in draft zero of May 2016). This right is included in the Agenda in quotation marks, which in itself deprives it of its objective existence. Moreover, it is mentioned only once in a specific context: "We note the efforts of some national and local governments to enshrine this vision, referred to as 'right to the city,' in their legislation, political declarations and charters." The 'vision' shared by the authors of the document, comprises "cities for all, referring to the equal use and enjoyment of cities and human settlements, seeking to promote inclusivity and ensure that all inhabitants, of present and future generations, without discrimination of any kind, are able to inhabit and produce just, safe, healthy, accessible, affordable, resilient and sustainable cities and human settlements to foster prosperity and quality of life for all." The formula adopted in the Agenda was rightly considered to be a "half-victory – due to the vagueness of definitions and the parallel presence [in the document] of other contradictory concepts, such as urban competitiveness and the progressive nature of rights" (Criqui 2016) and the "dilution" of the right to the city (Cástan Broto 2017).

In any event, the *World Charter on the Right to the City* determines the answer to the question asked with regard to the subject of the right. The right to the city is, as a consequence, the right of every city resident (whereby the Charter immediately replaces the term 'resident' with the term 'citizen') and at the same time of all the city residents, whereas citizens are defined as "all the persons who live in a city permanently or temporarily." This is a specific collective right and, as will be discussed below, is considered as such. It should be noted, however, that the category of residents is not legally uniform, and hence not all the residents can benefit from all the rights that included in the content of the right to the city. The formal participatory rights can to a significant extent be attributed only to those who are associated with a given city by more or less formal links (*urban citizenship*, *citoyenneté urbaine*, *ciudadania urbana*) (Ugalde 2015, p. 577; Giband, Siino 2013, p. 644 ff.) This historical term is

beginning to gain a new import in the present conditions (cf. also Ribeiro, p. 644 ff.), at the same time linked to a new concept – and a problem – of adequate social capital, which remains entirely outside the stipulated right.

When discussing the World Charter and the New Agenda, we should also mention a document inspired by the Charter, which, in turn, inspired the Agenda. This document, although not of an international character, not only has an official value, but also its content influences in various ways, including its detailed character and length, the urban movements on a global scale and the authors of their programming documents. The document is The Mexico City Charter for the Right to the City (Carta de la Ciudad de México por el Derecho a la Ciudad), which was adopted by the authorities of Mexico City in 2010, after more than three years of democratic discussion and consultation (Zárate 2017). The Charter's preamble identifies its purpose: to contribute to the development of "an inclusive, enjoyable, just, democratic, sustainable (*sustenable*) and enjoyable (*disfrutable*) city, creating active and responsible citizenship (*ciudadania*), and the building of an equitable (*equitativa*), inclusive and even-handed city economy. The Charter includes the following definition: "is the equitable usufruct of cities within the principles of sustainability (*sustentabilidad*), democracy, equity, and social justice. It is a collective right of the inhabitants of cities, conferring to them legitimacy of action and organization, based on respect for their differences, expressions, and cultural practices, with the objective to achieve full exercise of the Right to Free Determination and to an adequate level of life. … [It] is interdependent of all the integrally-conceived, internationally recognized human rights, and therefore includes all the civil, political, economic, social, cultural and environmental rights regulated in the international human rights treaties […]." For this reason, it is referred to as a "city of human rights" and to the fact that these rights are indivisible and interdependent; at the same time, the social function of the city, land and property is emphasised.

The fact that the right to the city is not mentioned in Europe either in the legislation of individual countries or in European law does not mean that certain aspects of its contents are not recognised. European Union law contains a category of general interest services or universal services which should be available to the general public. In Polish local government law they correspond to general interest (public utility) services, which constitute the basic part of the municipal economy (Izdebski 2012, p. 103 ff.). Apart from the development of traditional local government, including municipal government, ways to strengthen the influence of citizens on the functioning of local government are sought, whether by strengthening the auxiliary units of communes or encouraging the creation of "bridging" institutions between local government and citizens, known in the UK as community councils. The subjective rights, whose content is covered by the right to the city, starting with the right to housing, should be mentioned separately, which will be discussed further. The specific content of the right to the city is therefore already present in legal circulation, although they are not necessarily considered to be the components of such a general and comprehensive right.

The right to the city may have a different ideological charge: even the slogan "Cities for People, Not for Profit" (Brenner et al. 2012) does not have to reflect the same ideological premises. Initially, it was completely left-wing, but it can also be founded on republicanism, as was said before; at the same time, it cannot be disregarded that many of its aspects correspond to the social content of the Catholic Church's teaching, and to personalism in general. The right to the city has the least in common with neoliberalism, if we limit ourselves to the ideologies associated with the construction of a democratic law-governed state – one can even claim that it is directed against the effects of neoliberal urban policy, or at least intended to restrict such effects.

The right to the city may be enshrined in acts of different legal value. Estatuto da cidade is an act that explicitly specifies the general provisions of the Constitution, hence it is a typical example of hard law, which may give rise to certain rights vis-à-vis public authorities and impose certain obligations on them. It is difficult to recognise the World Charter as an act of international law, even as a soft one.[16] On the other hand, the

16 On "hard law" vs "soft law" see Izdebski (2017a, p. 227).

New City Agenda is undoubtedly an act of "soft law." The Mexico City Charter seems to be positioned somewhere in the middle, between the domestic "hard law" and "soft law." The French "urban" act was an act of "hard law," but, notably, according to the French doctrine, the repeal of its provisions in 2014 related to the right to the city did not invalidate the legal basis of that right.

This fact means that the right to the city is by no means octroyed, i.e. it is not granted by an act of a competent public authority. If its existence is recognised despite its absence from the body of laws, it may indicate that it has certain characteristics of fundamental rights – whose origins are non-legislative and supra-statutory, not even in the sphere of national law, but in universal terms, and which represent the implications of the inherent and inalienable dignity of everyone. At the same time, despite the formal character of the Mexico City Charter, the Mexican author may claim that the right to the city is not yet recognised as a subjective right (in the narrower sense of the term) or as a collective right under the legal system in force in the City of Mexico (Ugalde 2015, p. 589). This may, in turn, indicate that the doctrinal consolidation of this law is inadequate. Of the three theoretical approaches to fundamental rights, which function in the doctrine – the literal one (fundamental rights are the most important), the positivist one (fundamental rights are those formally declared in legal acts), and the objective one (the rights are necessary to guarantee the existence of a human person with his or her inherent dignity) (Izdebski 2017a, p. 154) – one must be guided by the last approach, but bearing in mind the evolutionary development of fundamental rights.

According to the French author of a recently published legal monograph on the right to the city, the right enters into the legal systems as an instance of "soft law." Therefore, whether or not it will become fully operational as a principle expressing social requirements with a moral basis depends on the extent to which judges apply such a "soft law" (Lamare 2015). One could generally agree with this position if it were not for the fact that, on the one hand, the right to the city can, as Brazil's example shows, be enshrined in "hard law" and, on the other hand, that fundamental rights exist irrespective of whether they are formulated as "hard" or as "soft law."

Hence the key problem remains, as was pointed out at the outset, namely whether the right to the city is, or rather *already* is, a fundamental right.

The right to the city can be understood in different ways, hence the implication that it is underspecified. More importantly, it is "a political slogan, a critical analytical concept for thinking about the process of exclusion in the city, and sometimes also an element of the repertoire of public policies," and therefore it is difficult to reduce it to one simple sense (Morange, Spire 2017). In another approach, it can be interpreted as an analytical concept, a political project that postulates a social utopia, a catalogue of claims that can be satisfied within the framework of political reform, including by declaring the right in legal acts, and finally as an organisational platform that brings together various dispersed social movements. As a result of its underspecification, it can be considered as an ideal basis for aligning various interests and different directions of struggle (Mullis 2013, p. 57 and 67). It is a concept "according to some people, unclear, according to others, not demanding enough, utopian, but also instrumentalised" (Mathivet 2016, p. 13). It can be understood very broadly, as encompassing all the potential rights of city residents aimed at a good – better than now – life of all of them in the city considered, as did the Romans, and then the Renaissance people as *urbs* (city in material terms – "city-walls") and, at the same time, as *civitas*, which is otherwise close to the Greek concept of *polis* (city in social terms – "city--community").[17] In such a broad sense stipulated by the World Charter, and even more so by the Mexico City Charter, it is therefore the right to benefit from any and all participation in the functioning of the urban community, which duly satisfies the needs of citizens, including public infrastructure and public services. But it can also be understood very narrowly, as the right to use one aspect of 'urbanity,' e.g. the right to public

17 The terms 'city-walls' and 'city-community' are used by B. Jałowiecki (2010, p. 315) who quotes A. Wallis. I explore the implications of this bipartite division in my *Zarządzanie miastem – tradycje i wyzwania przyszłości* [*Managing the City – Traditions and Challenges of the Future*] (Izdebski 2017b, in print).

space in connection with the right to housing[18] (which in this case means limiting itself to a significant aspect of the "cities-walls").

The choice in this area is very broad, especially if one takes into account the definition of the city presented by Louis Mumford (1895–1990), an American classic representative of urban studies. The definition emphasises the complexity of such his physical and social life: "a geographical plexus, an economic organisation, an institutional process, theatre of social action and the aesthetic symbol of collective unity." (Mumford 1937, in: Gates, Stout 2011, p. 94).

At the same time, there are different catalogues listing the desirable features of the city, to which the residents are entitled at least in postulative terms. These are certainly not the features of an ideal city: a city imagined (and to some extent, realised during Renaissance), Ebenezer Howard's "garden city," Broadacre City, or Frank Lloyd Wright's city outside city, or (even more so) intellectual and physical creation of modernism associated primarily with Le Corbusier, but maybe even more so with "bulldozer-based urban development" (Izdebski 2013, s. 35 ff.). The right to the city refers to a city that is formed more organically, having its own identity and internally diverse, without zoning typical of modernism, to a city that does not impose a way of life on anyone, but satisfies the varied physical and spiritual needs of its inhabitants, which are made up of relatively independent smaller parts ("cities within the city"),[19] but which do not constitute mosaics of mutually unrelated parts. Particular attention is paid to the whole range of different features expressed by such phrases as *aesthetic city* (the American City Beautiful since the turn of the 19th and 20th centuries; Wilson 1989), *sustainable city* (it is worth remembering that the term appears in the Brazilian *Estatuto da cidade*, in the formula of *cidades sustentáveis*) and the similar concept of *green city* (Mikos-Romanowicz 2014, s. 17 ff.), vibrant, diverse and

18 For example D. Mitchell (2003) draws special attention to the rights of the homeless.

19 C. Petcou (2009, pp. 118–119) emphasises the need to distinguish semi-public/semi-private intermediate levels in a larger city in order to shape the "micro-political and micro-social practices" and "new solidarity." Cf. Aureli 2011, p. 176 ff.

intense city,[20] *smart city* (Albino et al. 2015, pp. 3–21), *just city*,[21] *happy city* (Montgomery 2015), *ville du commun* (city of what is common) (Petcou 2009, p. 120), city of human rights (an already cited phrase from the Mexico City Charter), or *creative city*.[22] The last concept, although just like others it rejects modernist urban planning, it also contains strong neoliberal elements that make it different from many others, searching for the factors determining the city competitive advantage in the natural competition among cities.

It is also hard to resist the reflection that all these expressions, except perhaps the last one, were already expressed together by the Catalan Franciscan Francesco Eiximenis (ca. 1340–1409) as: "ciudad bella, noble y bien ordenada" (Izdebski 2013, p. 36) and that the right in question should refer to precisely such a city: a beautiful, dignified, and well-governed one.

Certain aspects of the right to the city – utopian or revolutionary in 1968 – have become the obvious elements of the political system in modern liberal democracies. They include decentralisation and civic participation, which are recognised today as the essential components of "good governance," to which the citizens are appropriately entitled (in an international forum it is undoubtedly more strongly recognised than the right to the city). Lefebvre's thought was not without influence on the fundamental reforms undertaken in France by the left ruling in the 1980s – reforms aimed at decentralisation. However, as early as 1974, during the presidency of Georges Pompidou (not a leftist at all), the Minister in charge of spatial planning and housing could declare that: "we want to ensure the right to the city even better than the right to housing"

20 The term was used by J. Jacobs in *The Death and Life of Great American Cities* (1961) (Kraków 2015).

21 The term used and elaborated by S.S. Fainstein since the end of the 1990s, is described in detail in her book *The Just City* (2010) and based on three core values: basic equity, which is close to spatial justice, democracy and diversity. It is also found in a more radical Harvey's formula (Marcuse et al. 2009).

22 See *The Rise of the Creative Class* (Florida 2010) and, with a slightly different distribution of emphasis, *The Creative City. A Toolkit for Urban Innovators* (Landry 2015). Cf. also Rogowska (2013, p. 156 ff.).

(Costes 2010, p. 180 ff.). The contents of the right to the city must be subject to progressive changes also because of the incorporation of some of its elements into official doctrine and legislation.

The widespread underspecification of the right to the city invariably affects the attempts to define it in legislative and legal terms. The legislative and legal proposals, even if limited to *de lege ferenda* (for example, due to the absence of an equivalent in *lege lata*), must have a normative dimension, and not purely postulative, or even utopian. Therefore, lawyers seek and demand a degree of precision from themselves and from others. It should be stressed that this is a right as a legal category that creates a specific legal relationship between the entitled entity (we already know that it refers to the city residents collectively) and the entity obliged to implement it (city authorities, but because they operate in a specific constitutional system, in fact, they are the competent public authorities), not as a moral or political category.

The definitions cited above – more or less elaborate, formulated in the Brazilian *Estatuto de cidade*, in the World Charter, in Mexico City Charter and, more generally, in the new Agenda – generally have a broad scope, covering different aspects of the life of "cities-walls" and "cities--communities." Moreover, the right to the city is more or less clearly linked to universally recognised human rights. Starting from the premise of the social function of the city, and within it, the social function of ownership, and the principle of solidarity, they seem to exclude only the understanding of the right to the city from the neoliberal standpoint. It is a separate issue, however, to identify the order and the distribution of emphasis amongst the different aspects of this right.

On the one hand, the legal doctrine often adopts a broad understanding of the right to the city. Thus, the Colombian author mentions three elements of the content of the right to the city: 1) usufruct and access of all the residents to everything that the city can offer; 2) collective participation of residents in all matters of the city; 3) effective functioning of all human rights in the urban context (Correa Montoya 2010, p. 133 ff.). On the other hand, one can find very restrictive definitions in the legal doctrine. According to the eminent French representative of the science of public law, the right to the city (which still exists, despite the repeal of Article 1 of the 1991 Act) can be defined as a minimum of access to the basic services provided by cities, in particular with regard to housing, mobility and security (Auby 2016, p. 272 ff.). However, the latter author rightly argues that the right to the city as a new right is still in the process of gradually shaping its scope and character. Fundamental rights, as recognised today, took their shape as human and civil rights in a predominantly rural society. Nevertheless, the cited definition is not only narrow in scope, but also imprecise, because it does not indicate the criteria for determining minimum access or who defines the minimum, which makes it useless both *de lege lat*a and *de lege ferenda*. This also confirms the fact the legislative and legal contents of the right to the city are still at the formative stage.

In order to determine not only the legal value, but also the scope of the right to the city as a special public and subjective right – a human and civil right, a fundamental right – it is necessary to start with a more general analysis of subjective and fundamental rights, in the context of their classification in particular. As was already mentioned, the fundamental problem with regard to the subject matter of this text is whether the right to the city is already (while it is often referred to as new or 'emerging') a *legal* right, and, still more, a fundamental right.

Among the various classifications of public subjective rights, for the purposes of this paper, particular attention should be paid to the four still vital approaches.

Firstly, the French doctrine has consolidated the division of rights into freedoms (*droits-libertés*) and obligations (*droits-créances*) – the former are traditional, essentially individual, and amount to a claim on the public authority to refrain from intervening in the legally protected sphere of freedom (and thus they are defensive rights, protecting against illegal intervention), and the latter, newer ones, which constitute claims on the authority concerning its undertaking of a specific action (delivery of a positive service/benefit). In traditional terms, *droits-créances* have

served to the extent necessary to exercise freedom and have a strong individual dimension. In more recent approaches, given their different nature and content, they are self-contained and implemented collectively (Gay 2004). The tendency (expressed in many UN documents) to treat all rights as indivisible and interdependent, and therefore indeed equal, is now predominant. However, the traditional position of the West (the so-called Asian values are shaped differently) that consists in giving priority to freedoms and emphasising the secondary nature of social rights (this is, the content of *créances*) remains influential even in France, where social rights were declared the earliest, for already in 1793 (Gründler 2012, p. 103 ff.). It can be taken for granted that the right to the city, if it is a right in the legal sense, would have to be categorised as *droits-créances*, given its complexity and specificity, which, despite the equivalence of rights, makes it "softer" in nature.

Secondly, it may seem that the above-mentioned division adopted in France corresponds to the term "rights and freedoms" commonly used in the European constitutions (its equivalent can be found in the title of the act commonly referred to as the European Convention on Human Rights: Convention for the Protection of Human Rights and Fundamental Freedoms).[23] However different the wording may be, it is not intended to conceptually contrast rights with freedoms. The Constitution of the Republic of Poland, on the other hand, not only adopts the opposite order, i.e. freedoms and rights, but the doctrine generally embraces what is already close to the French division in its traditional sense: freedoms mean that public authority cannot interfere in the area of individual freedom without a constitutional or statutory authority, whereas rights mean that an individual can demand certain behaviour or services for his or her own benefit from other entities, including public authorities (Winczorek 2008, p. 78). In this sense, the right to the city would be qualified as a right, i.e. something "softer" than freedom.

Thirdly, the other division of public subjective rights is still operational not only in the German doctrine. It was formulated by Georg Jellinek and reflects the different statuses of the subject of these rights with respect to public authorities. They include (apart from the purely objective *status subiectionis*, or *passivus*): the defensive *status negativus*; the *status positivus*, which gives rise to the right to certain positive behaviours or benefits on the part of the authority (*Leistungsrecht*); and finally, the *status activus*, which ensures the exercise of rights that amount to exerting an influence on public decisions (the right to participation – *Mitwirkungsrecht*) (cf. Autexier 2015). The right to the city would be combined with the triple resident status: apart from the obvious passive status, with the positive and active status. The steps taken recently in some tourist cities to protect the standard of living of their residents against excessive tourist traffic (e.g. in Venice) suggest that the right to the city may include certain aspects of *status negativus*.

Fourthly, in various contexts, but still mainly international law, there is a division of rights into individual and collective rights (*droits collectifs*), also known as group rights.[24] However, collective rights are a complex category due to the fact that collectivities themselves may be very different: first of all, they may be more or less random groupings of individuals (*aggregate collectivities*, *aggregates*, *sets*) or be more organised (*conglomerate collectivities*, *collectivities*, *organisations*), and only with respect to the latter can we recognise their rights as separate from those of their individual members (Jones 2017, para. 3). The above division corresponds with the distinction between group collective rights (collective rights in the strict sense), which consist in a collective realization of individual rights in the scope and manner unavailable to individual right holders, and corporate rights, which are the rights held by groups (organisations, conglomerates), not by the individuals who belong to them (ibid., p. 4).

If corporate rights, which are generally outside the scope of the right to the city (apart from the strictly political rights of city dwellers), are excluded from collective rights, the narrowly understood collective

23 By comparison, the European Social Charter deals exclusively with rights.

24 Among the more general studies, M.A. Jovanović book *Collective Rights. A Legal Theory* (2012) clearly stands out, however, it mainly concerns the legal and international aspects of the issue. Cf. also Koubi (2008).

rights mentioned in the framework of the right to the city will not only be impossible to contrast with individual rights, but will also remain organically associated with them. They actually serve to implement the right to which every city resident is entitled. Such a construction can help solve the problem of whether the right to the city is an individual right of individual residents inhabitants or a collective law of the residents, because it could qualify as a collective law in a narrow sense.

Such divisions are understandably largely related to fundamental rights. Since the inaugural lecture given by the Czech-French lawyer Karel Vasak (1929–2015), who presented the concept of the division of human rights into generations for the first time, fundamental rights have been assigned to successive generations (cf. Plis 2014, p. 42 ff.). Vasak linked the division into generations with specific slogans – and values – of the French Revolution: the first generation comprised negative rights which protected the principle of freedom, the second generation of socio--economic rights implemented the principle of equality in a positive way, while the third generation of rights (he mentioned the right to peace, to development, and the right to a healthy environment) is linked with the principle and value of solidarity (which replaced fraternity). According to Vasak, third-generation rights are collective in nature, unlike earlier generation rights. Moreover, their implementation requires concerted efforts by individuals, states, public and private groups, and the whole community. It is obvious that Vasak, as a representative of the science of international law, could not deal with a right such as the right to the city. However, his proposition that third-generation rights are necessary to overcome the solitary autonomy of competing individuals and achieve social solidarity, which will enable individuals to develop their full potential by participating in the life of their communities (Wellman 2000, p. 642), allows the right to be incorporated into the city's sphere of fundamental rights which invoke solidarity.

While the general concept of generations of fundamental rights has been widely accepted, its detailed expression has been and continues to be interpreted in a variety of ways. Regardless of the fact that e.g. The Charter of Fundamental Rights of the European Union associates solidarity with socio-economic rights, that is, second-generation rights, it includes ensuring a high level of environmental protection and improving the quality of the environment, it classifies the right to good administration as a civil right. Vasak's concept does not include rights which are currently referred to as third-generation rights, and which are difficult to associate directly to solidarity. Their common feature is, first of all, in the absence of simple legal mechanisms for their enforcement, their collective – but not corporate – nature. This is particularly true of the right to good governance, which has already been mentioned above, and the ensuing right to good administration; the rights of various minorities, which are also included in the third generation, are related to solidarity, but are even closer to the values and the principle of equality. It should be noted that attempts have been made to identify fourth-generation rights founded on features common to humanity as a whole (Cornescu 2009, p. 2488 ff.), or based on the belief that they ensure the protection of the right to life of every human being (Ciszek 2010, p. 112 ff.), or by constructing a classification of generations of laws based on completely different criteria from those proposed by Vasak.[25]

Despite these differences in views regarding the generations of fundamental rights, especially the fundamental differences concerning the third- and possibly the fourth-generation rights, it is hard not to agree that the right to the city – if it is a fundamental right, the findings to date imply that it indeed is the case – can only find its place in the third generation of rights.

An important feature of these rights is that they are even more difficult to enforce than the second-generation rights, because, on the one hand, they are clearly more collective than individual rights and, on the other hand, different public authorities are simultaneously obliged to respect

25 For example, D. G. Evans proposed a division of the generations of human rights according to the basic stages of their development: establishing the principles (1948–1965), formulating standards (since 1966, i.e. the adoption of the UN Covenants on Human Rights until 1989/1991), the search for a new world order in the 1990s and finally, making these rights real, which is an end yet to be achieved (Abdi, Schultz 2008).

(and to protect) them. At the same time, however, these rights, which are comprehensive and complex in nature, are made up of different types of rights which are more specific and more individual, partly suitable for effective legal enforcement rather than socio-political enforcement. "Soft law" may also include pieces of "hard law." For example, the right to good governance – which also includes some aspects of the broadly conceived right to the city – includes, amongst others, certain procedural administrative and judicial rights or the right to public information, which can be individually enforced in formal proceedings.

Third-generation rights, such as the right to development and the right to live in a healthy environment, have been recognised as an attempt, made under the new conditions, "to establish ethical and legal norms which will protect people against new threats to their well-being created by systems of power" (not only political, but also economic power), "upon whose actions their fates depend but which they cannot control." (Winston 1999, p. 13). Apart from the latter, it seems that comprehensiveness is the most important argument in favour of the possibility of including the right to the city in the group of fundamental rights.

It was already mentioned that the content of the right to the city may include such recognised (moreover, formally declared) second-generation rights as the right of access to public utility services (general interest services, universal services) and the right to participate in the decision making process, for example in the area of civic budgeting (similar to citizens' rights, i.e. closer to first-generation rights), as well as the right to good administration as an important part of the right to good governance (which belongs to third-generation rights). Other fundamental rights, as stated in many constitutions and instruments of international law, remain intimately related to the content of the right to the city, including the right to housing (*droit au logement – droit à l'habitat*, *derecho a la vivienda)*, a second-generation right, and right to the environment (*droit à l'environnement*, *derecho a un medio ambiente*), which is a third-generation right (Izdebski 2013, p. 168 ff.).

The right to the city is also closely related to the content of yet another third-generation right – more postulative than actually recognised, although it can be inferred e.g. from the broad formulation of the right to the environment in the Constitution of Portugal. It includes the right to good quality space (ibid., p. 175 ff.). They can be accounted for in at least three ways. Firstly, it can be understood in terms of physical access to air, light and nature – the categories which guided the founders of urban planning, each of them in their own way; without any association with subjective law, such an approach was expressed by the originators of the sanitary aspects of the 19th century construction law. Secondly, the right to a good quality space can be understood as the right to a – good quality – *public* space. Criticising the disappearance of public space resulting from the tendency to mark off private streets both in single-family housing estates and in 'private cities' of certain housing complexes (where public authorities consciously abandoned their powers and duties in shaping the urban public space), the architect Magdalena Staniszkis proposed a formal recognition of the natural human right to public space as an important aspect of the quality of the living environment (Staniszkis 2005, p. 281). In doing so, she referred to the famous American-Canadian opponent of the "bulldozer-driven urban renewal policies," Jane Jacobs (1916–2006). The implications of her assessment – reminiscent of Lefebvre's observations – are not overly optimistic: "if legal guarantees for urban public space are not instituted, the contacts and meetings of future city dwellers will transfer to the virtual space, and in the real world, there will remain the tourist attractions of historical Old Towns, while the city of citizens along with the life of man as a social being will be consigned to the history of civilisation and culture" (ibid., p. 291). Thirdly, the right to good quality space can be understood as the right to a good arrangement of space not only in terms of physical access to air, light and nature, as well as access to properly constructed public space, but also from the point of view of spatial harmony – a primarily aesthetic category, which is a crucial determinant of spatial order in its more specific sense. As historical experience has shown, the content of the category of spatial harmony is not universal or given once and for all, because it is not defined by any objective laws of science, and it tends to vary with time. In a pluralistic liberal democracy, there are no axiological grounds for recognising the

right of public authority to impose certain aesthetic models. However, this does not relieve public authorities of their responsibility for ensuring the order of the whole urban space (public, but also private space at least with regard to visual access for third parties) within the framework of a coherent and consistent spatial policy, which, unfortunately, is sorely lacking in Poland. It should be noted that 'spatial harmony' cannot be separated from 'spatial justice.'

Whilst the right to good quality space in its first sense was not only recognised in the standards of construction law, and planning and land use laws, which have been developed since the 19th century, it also constitutes, or at least should constitute, the implication of the already respected fundamental rights: to the environment and to housing (of sufficient quality), its understanding as the right to public space has not yet been directly reflected in the generally accepted legal standards. However, if fundamental rights constitute the response to the existing forms of economic and political threat to the conditions of a sufficiently dignified life for individuals and their various groups (Winston 1999, pp. 12–13), without the right to a good quality space, the content of the right to the city would, especially in Polish conditions, be reduced in such a way as to make it impossible to treat this very comprehensive right as a right at all, let alone as a fundamental right. However, the right to the city, as one may believe, already deserves to be treated as such – despite all, partly legitimate warnings against the proliferation of fundamental rights and their resulting inflation (Izdebski 2017a, pp. 158–159), and despite the generally "soft" nature of the law (but also the general "softness" of third-generation rights).

In conclusion, it is necessary to emphasise that fundamental rights, even the "hardest" ones, i.e. the first-generation rights, are not absolute. This is particularly true, when specific rights find themselves in conflict. Moreover, such conflicts occur with an increasing frequency, as the subsequent generations of rights come into play, since these rights, especially the third-generation ones, to a greater or lesser extent overlap with those of previous generations.

Consequently, the right to the city, in its various aspects of substance, taking into account the values of solidarity, social justice, including spatial justice and democracy, may clash with various similarly well-established fundamental rights. Such a clash may be related primarily to property rights and their historical derivative in the form of freedom of economic activity. Not only from the points of view presented by Lefebvre, Harvey or the authors of Estatuto da cidade and the Mexico City Charter, but by virtue of its import, the right to the city is intended to defend its residents, especially the poorest ones, from the effects of the selfish exploitation of ownership rights by urban landowners and developers, whose interests are also important for the city's authorities, rendering the city "no longer alive." It is not a matter of chance that the broadly conceived rights to the city are frequently combined not only with the declared social function of the city, but also, and above all, the social function of property ownership within the city.

Fundamental rights, historically opposed to the arbitrary (*bon plaisir*) power and constituting its limitation, are also considered today in the context of relations between non-state actors – their horizontal application, which goes beyond the traditional matter of public law, is widely discussed (ibid., p. 159 ff.). The ownership right, one of the most classical fundamental rights, is currently subject to both traditional public law restrictions in the form of public interest considerations (their particularly important instrument in cities are regulations concerning land use planning and construction law) and horizontal restrictions resulting from the coincidence with other fundamental rights – at least the right to the environment, the right to housing and the right to good administration, and at the same time from the right to the city.

The doctrine and jurisprudence of democratic law-governed states assume that resolving conflicts amongst specific rights requires balancing the relevant rights and the values behind them, i.e. seeking a compromise in their simultaneous application, not a complete disregard of one of the rights, or even restricting its application, which would undermine its essence (ibid., p. 143 ff., in particular, with reference to R. Alexy's views [2010]). The right to the city, although generally still very "soft," has already

taken shape and cannot be ignored in such a balancing act, whereas its distinct comprehensiveness, which manifests itself in the fact that in contains a number of other fundamental different generation rights, should reflect a deep concern for the preservation of its essence, namely the opportunity for all city residents to shape their lives subjectively in a way that corresponds with the qualities of the city identified by the medieval Franciscan monk from Valencia: "bella, noble y bien ordenada."

Bibliography

Abdi A.A., Schultz L. (eds) (2008). *Educating for Human Rights and Global Citizenship,* Suny Press, Albany.

Albino V., Berardi U., Dangelino R.M. (2015). *Smart Cities: Definitions, Dimensions, Performance, and Initiatives,* „Journal of Urban Technology" 22(1).

Alexy R. (2010). *Teoria praw podstawowych,* Wydawnictwo Sejmowe, Warszawa.

Auby J.B. (2016). *Droit de la Ville. Du fonctionnement juridique des villes au droit de la Ville,* wyd. 2, LexisNexis, Paris.

Aureli P.V. (2011). *The Possibility of an Absolute Architecture*, The MIT Press, Cambridge, Mass.

Autexier Ch. (2015). *Les droits fondamentaux. Introduction au droit public allemand,* Revue Générale du Droit on line 2015 – www.revuegeneraledudroit.eu/?p=20739 (accessed 31.07.2017).

Bodnar J. (2013). *What's Left of the Right to the City?*, in: D.J. Sherman, R. von Dijk, J. Alinder i A. Aneesh (eds) *The Long 1968. Revisions and New Perspectives*, Indiana University Press, Bloomington.

Brenner N., Marcuse P., Meyer M. (2012). *Cities for People, Not for Profit: Critical Urban Theory and the Right to the City,* Routledge, London.

Cástan Broto V. (2017). *Here's what happened at Habitat III, the world's biggest conference on cities* – discovery.ucl.ac.uk/1528815/1/Castan%20Broto (accessed 1.08.2017).

Champeil-Desplats V. (2010). *Des "libertés publiques" aux "droits fondamentaux": effets et enjeux d'un changement de denomination,* "Jus Politicum" 5, http://juspoliticum.com/article/Des-libertes-publiques--aux-droits-fondamentaux-290.html (accessed 7.08.2017).

Ciszek M. (2010). *Postulat czwartej generacji praw człowieka w politycznym systemie międzynarodowej ochrony: próba filozoficznego uzasadnienia z perspektywy personalizmu etycznego,* „Studia Ecologiae et Bioethicae" 8(1).

Cornescu A.V. (2009). *The Generations of Human Rights,* in: D. Sehnálek, J. Valdhans, R. Dávid, L. Kyncl (eds), *Dny práva – 2009 – Days of Law,* „Acta Universitatis Brunensis Iuridica" 358.

Correa Montoya L. (2010). *Qué significa tener derecho a la ciudad? La ciudad como lugar y posibilidad de los derechos humanos,* „Territorios" 22.

Costes L. (2010). *Le droit à la ville de Henri Lefebvre: quel héritage politique et social?,* „Espaces et Sociétés" 1.

Criqui L. (2016). *Habitat III et le Nouvel Agenda urbain: le debrief des debriefs* – blog.iddri.org/fr/2016/12/22/habitat-iii-nouvel-agenda--urbain-debrief-desbriefs/#_ftn2 (accessed 5.08.2017).

Evans D.G. (2008). *Human Rights: Four Generations and Development,* in: A.A. Abdi, L. Schultz (eds), *Educating for Human Rights and Global Citizenship,* Suny Press, Albany.

Fainstein S.S. (2014). *The Just City,* „International Journal of Urban Sciences" 18(1).

Fainstein S.S. (2010). *The Just City,* Cornell University Press, New York.

Florida R. (2010). *Narodziny klasy kreatywnej*, Narodowe Centrum Kultury, Warszawa.

Garnier J.P. (2011). *Del derecho a la vivienda al derecho a la ciudad. De qué derechos hablamos y con qué derechos?,* „Biblio3W. Revista Bibliográfica de Geografía y Ciencias Sociales" 16(909), www.ub.edu/geocrit.63W-909.htm (accessed 2.08.2017).

Gay L. (2004). *La notion de „droits-créances" à l'épreuve du contrôle de constitutionnalité*, „Cahiers du Conseil Constitutionnel" 16.

Giband D., Siino C. (2013). *La citoyenneté urbaine pour penser les transformations de la ville?*, „Annales de Géographie" 122(694).

Gründler T. (2012). *La doctrine de libertés fondamentales à la recherché des droits sociaux,* „La Revue des Droits de l'Homme" 1.
Harvey D. (2008). *The Right to the City,* „New Left Review" 53.
Harvey D. (2012). *Bunt miast. Prawo do miasta i miejska rewolucja*, Fundacja Bęc Zmiana, Warszawa.
Izdebski H. (2012). *Gospodarka komunalna a zasada pomocniczości,* in: H. Izdebski, A. Nelicki, I. Zachariasz (eds), *Finanse komunalne a Konstytucja,* Studia i Materiały Trybunału Konstytucyjnego Tom XLIII, Warszawa.
Izdebski H. (2013). *Ideologia a zagospodarowanie przestrzeni. Doktrynalne prawno-polityczne uwarunkowania urbanistyki i architektury*, Wolters Kluwer, Warszawa.
Izdebski H. (2017a). *Doktryny polityczno-prawne. Fundamenty współczesnych państw,* wyd. 4, Wolters Kluwer Polska, Warszawa.
Izdebski H. (2017b). *Zarządzanie miastem – tradycje i wyzwania przyszłości,* in: A. Lutrzykowski (ed.), *Miasta przyszłości. W poszukiwaniu paradygmatu zarządzania i rozwoju,* PWST we Włocławku, Włocławek (w druku).
Jacobs J. (2015). *Śmierć i życie wielkich miast Ameryki* (1961), Centrum Architektury, Kraków.
Jałowiecki B. (2010). *Społeczne wytwarzanie przestrzeni,* Wydawnictwo Naukowe Scholar, Warszawa.
Jones P. (2017). *Group Rights,* in: *Stanford Encyclopedia of Philosophy* (https://plato. stanford.edu/entries/rights-group – pkt 3 (accessed 8.08.2017).
Jovanović M.A. (2012). *Collective Rights. A Legal Theory,* Cambridge University Press, Cambridge.
Koubi G. (2008). *Distinguer entre droits individuels et droits collectifs,* Droit cri-TIC 2008 – http://koubi.fr/spip.phb?article13 (accessed 30.07.2017).
Lamare M. (2015). *Le droit à la ville. Justifications, apports, manifestations et portées*, L'Harmattan, Paris.
Landry Ch. (2015). *Kreatywne miasto. Zestaw narzędzi dla miejskich innowatorów*, Narodowe Centrum Kultury, Warszawa.
Lefebvre H. (2012). *Prawo do miasta,* „Praktyka Teoretyczna" no. 5, www.praktykateoretyczna.pl/indeks.php/henri-lefebvre-prawo-do-miasta/ (accessed 3.08.2017).

Lopez de Souza M. (2001). *The Brazilian Way of Conquering the 'Right to the City'*, „The Planning Review" 37.
Marcuse P., Connolly J., Novy J., Olivo I., Potter C., Steil J. (2009). *Searching for the Just City. Debates in Urban Theory and Practice,* Routledge, Abingdon.
Matesanz A., Ávila D., Auirre J., Álvarez M. (2017). *„El derecho a la ciudad". Un análisis actual de la obra de Henri Lefebvre*, Capitan Swing, Madrid.
Mathivet Ch. (ed.) (2016). *De quoi le droit à la ville est-il le nom? Représentations, usages et instrumentalisation du droit à la ville*, Ritimo, Paris.
Merrifield A. (2013). *Politics of the Encounter: Urban Theory and Protest under Planetary Urbanization,* Athens, Georgia.
Mullis D. (2013). *Recht auf die Stadt. Facetten und Möglichkeiten einer Parole,* „Emanzipation" 3(2).
Mikos-Romanowicz E. (2014). *Kształtowanie przestrzeni miejskiej jako element realizowania polityki zielonego miasta,* in: M. Madurowicz (ed.), *Kształtowanie współczesnej przestrzeni miejskiej*, Uniwersytet Warszawski, Warszawa.
Mitchell D. (2003). *The Right to the City: Social Justice and the Right to the City*, Guilford Press, New York.
Montgomery Ch. (2015). *Miasto szczęśliwe. Jak zmienić nasze życie, zmieniając nasze miasta,* Wysoki Zamek, Warszawa.
Morange M., Spire A. (2017). *Droit à la ville,* www.hypergeo.eu/spip.php?article698# (accessed 21.07.2017).
Mumford L. (2011). *What is a City?* (1937), in: R.T. Gates, F. Stout (eds), *The City Reader,* Routledge/Taylor & Francis Group, London-New York.
Pereira E.M., Perrin M. (2011). *Le droit à la ville. Cheminements géographique et épistémologique (France – Brésil – International),* „L'Information Géographique" 75(1).
Petcou C. (2009). *La ville – constuction du commun,* „Rue Descartes" 63.
Plis J. (2014). *Wprowadzenie do problematyki koncepcji praw człowieka trzeciej generacji Karela Vasaka*, „Ius et Administratio" 1.
Piskozub P. (2013). *Davida Harveya koncepcja prawa do miasta. Pomiędzy odzyskiwaniem a przebudową wielkich aglomeracji,* „Przegląd Administracji Publicznej" 2.

Purcell M. (2002). *The right to the city and its urban politics of the inhabitant*, „Geojournal" 58 (2-3).
Ribeiro L.C.Q., dos Santos Junior O.A. (2005). *Democracia e cidado. Divisão social de cidade e cidadania na sociedade brasileira,* „Análise Social" 40(174).
Rogowska R. (2013). *Koncepcja kreatywnego miasta w teorii i praktyce,* „Prace Naukowe UE we Wrocławiu" 320.
Shields R. (1999). *Lefebvre, Love and Struggle. Spatial Dialectics,* Routledge, London-New York.
Soares Gonçalves R. (2016). *La reforme urbaine et le droit à la ville au Brésil,* in: Ch. Mathivet (ed.), *De quoi le droit à la ville est-il le nom? Représentations, usages et instrumentalisation du droit à la ville*, Ritimo, Paris.
Soja E. (2010). *Seeking Spatial Justice*, University of Minnesota Press, Minneapolis.
Staniszkis M. (2005). *Prawo do przestrzeni publicznej*, „Czasopismo Techniczne" z. 9-A.
Ugalde V. (2015). *Derecho a la ciudad, derecho en la ciudad,* „Estudios Demográficos y Urbanos" 30/3(90).
Wellman C. (2000). *Solidarity, the Individual and Human Rights,* „Human Rights Quarterly" 22(3).
Wilson W.H. (1989). *A City Beautiful Movement,* The John Hopkins University Press, Baltimore-London.
Winczorek P. (2008). *Komentarz do Konstytucji Rzeczypospolitej Polskiej z dnia 2 kwietnia 1997 roku,* wyd. 2, LIBER, Warszawa.
Winston M.E. (1999). *Indivisibility and Interdependence of Human Rights,* lecture, University of Nebraska, Lincoln.
Zárate M.L. (2017). *Mexico City Charter: The Right to Build the City We Dream About* – base.d-p-h.info/fr/fiches/dph/fiche-dph-8536.html (accessed 5.08.2017).

Jerzy Hausner
Michał Kudłacz

City-Idea – how to ensure circular development

Introduction

The observations of the present day evoke an involuntary feeling of a deepening crisis of ideas – a crisis with a negative impact on the functioning of the world as we know it, because it is precisely the idea that binds together various areas of its development. It will be difficult to remedy this problem other than by undertaking specific local actions – resulting not only from the requirements of the situations of specific social actors, but also from the adoption of a new, different cognitive perspective. We need to 'open our eyes' and our minds in order to take a further and broader look at the world and go beyond the short-term helplessness and short-sightedness. It appears that the city – one's own city – is a particularly convenient and desirable area of cognitive activity and remedial actions.

The current view on the determinants and directions of urban development was shaped at the beginning of the second half of the 20th century. According to it, the dominant factors and conditions of development were global megatrends. The socio-economic and spatial consequences of the megatrends (including globalisation, metropolisation, digitisation of the economy), along with a set of recommendations concerning the direction of urban development, the behaviours of their authorities and key stakeholders, have been extensively described in the literature all over the world. The megatrends have a substantial impact on our reality, including

the directions of urban development. However, it is worth noting that these megatrends have led to disastrous economic consequences leading to the economic, social, cultural, spatial and environmental degradation of cities. This process will continue and will manifest itself primarily in the degradation of space, disappearance of social ties and economic polarisation, even though the purely economic indicators will show a different picture. For example, the growing value of economic indicators as stimulants of development may theoretically indicate that a given city is developing, but a thorough analysis will prove that the developmental gap between the richest people and the middle class vs the socially excluded is widening. Moreover, the richest ones are willing to sacrifice the city's common resources for their own development goals. The development of the city is perceived through a flawed perspective since it concerns only the chosen, the richest and the most resourceful social group. Therefore, the growing economic indicators (city development) are accompanied by social stratification. Furthermore, the city's development is based on the use of resources, which will deplete over time. A significant problem is the lack of self-reflection among the 'city users' on the value or the relationships of their own goals to the city's development directions. Nowadays, in general, the only answer to the ubiquitous, dominating economic and social megatrends consists in deploying various concepts of city development, which in our view constitute a façade which, instead of an idea, conceals just passing fads – a kind of herd instinct caused by the entities whose benefits result from their particularistic understanding of the city's development resources. Hence the drive to imitate and the attempts to change one's city into one that is *smart*, *creative*, *green*, *eco*, *compact*, *sustainable*, *resilient*, etc.

That is why we need both discourse and experimentation, one and the other. It is not just a matter of questioning reality, but of transforming it as well. The way out of the deepening crisis is through dialogue and participation – we cannot isolate ourselves in the naïve faith that we are defending ourselves, we must work together with those who are ready to do so. However, the essence of such interaction must be to address specific intensifying problems. At the same time, the implemented solutions must empower the stakeholders and thus contribute to increasing the capacity of each them to act individually and together. In this way, the stakeholders will be able to create a new strategic *imaginarium* for their part of the world, their territory, and their cities.

The force needed to overcome stagnation cannot be found in individual factors and organisations or in discrete areas of activity. We can only create it by generating new, specific links between the various social actors and resources at their disposal, but these links must be both material (hard) and non-material (soft) in nature. Only then will the social forces emerge capable of effecting a profound institutional change that will enable the city to follow a different development trajectory.

The process must start at the same time in different places and organisations, but especially in cities, companies and schools. Individual organisations must initiate partnerships related primarily to: (i) the use of their own resources and potential, (ii) the production and co-generation of value, and (iii) the stimulation of development circularity (see Bendyk et al. 2016). For this to happen, individual autonomous organisations must define their own specific value-creation process and work together with those stakeholders on whom it depends. Cities, firms, and schools need to become cities-ideas, firms-ideas, and schools-ideas by jointly creating their new environments of activity and partnership. They must create their own archipelago[1] and their own fields of gravity, which will allow them to go beyond the previous opportunistic models and pressures.

If we attribute such a great importance to co-producing values in the process of overcoming the global crisis, it is also in order to emphasise the special role of culture understood as an axiological dimension of social activity. Culture is crucial for the transformation of our civilisation – the more crucial, the more it is dominated by technology. Technology alone will not deliver if we do not balance it out with culture. It is culture that generates new (i) cognitive perspectives, (ii) languages

1 More information on the topic of 'islands and archipelagos' can be found in Mateusz Zmyślony's text titled "Islands and Archipelagos – formal and informal value networks. Slow road vs. fast world" (in this volume).

of description and reflection, and (iii) planes of social communication. Technology gives us the tools, but does not define their areas of use. It is always useful, and facilitates doing both good and bad things. It is generally the case that some people put it to good use, whereas others exploit it to achieve their evil ends. Technology alone cannot prevent it. Only culture can endow our efforts with an axionormative dimension. Then, and only then – through discourse and shaping specific institutionalised social relations – will we be able to move towards what is socially beneficial and sustainable, that is, to move forward, because we will know where 'forward' is. As Przemysław Czapliński emphasises (2016), a chart is always preceded by a narrative.

The ontology of the city

In most urban theories, the city is interpreted in functionalist terms and is perceived as an organism. Ash Amin and Nigel Thrift (2002) oppose such an approach. In their opinion, the city does neither has a centre or is rigidly divided into parts. It is an amalgam of numerous frequently disjointed processes reflecting its social heterogeneity.

This approach is characterised, among others by attention to the mutual permeation of space and time in city development, a phenomenon called transitivity by Amin and Thrift (ibid., p. 9). For theis reason, it is possible to talk about spacing time and timing space (Lefebvre 1996). It allows us to perceive the city as a "living complexity" – in order to describe it we need at least several narratives and maps (Amin, Thrift 2002, p. 11).

Importantly, the functionalist approach emphasises how the city works and the developmental one – how it transforms. We are not setting out to prove that the former is not justified, but we believe it is evidently inadequate. The city cannot be understood if we do not grasp how it operates and how it changes at the same time. Every kind of social being is what it becomes. Being is a process and without becoming, there is no being. Amin and Thrift formulate the ontological premises of their urban concept in this way, drawing deeply on the thoughts of Alfred N. Whitehead, which can be described as the "philosophy of becoming" (1978). The main theses of this philosophical approach are described by Amin and Thrift (ibid., pp. 27–8) as follows:

- an emphasis on the role of tools as essential components of cognition, and not just passive means of reflecting knowledge,
- the existence of other forms of subjectivity than self-awareness,
- emotions, however defined, are considered to be the foundation of understanding,
- time does not occur as a "uniquely serial advance" (Whitehead 1978, p. 35), but exists as a series of diverse, yet interrelated forms,
- becoming is discontinuous; "there is a becoming of continuity, but no continuity of becoming" (ibid., p. 35),
- in the end, and most importantly, it all means that a new understanding (*prehension*, understanding of the world, ideas) can be continuously formed.

At the same time, it can be brought into the world to a greater extent (and it cannot be reliably anticipated, since such cognitive activity is virtual). Starting with such philosophical assumptions, the cited authors think (ibid., p. 27) that meaning is the basic component of urban life. Such a meaning, in our view, is the idea of an individual city. It is not given, but emerges as a consequence of the various ties and interactions between many different urban entities (subjects). It is not a summation of reasons and views, but rather a result of the accumulation of numerous interactions that cannot be programmed.

When reflecting on the city, one must distinguish between territory and space. Territory is a designated and developed fragment of land, i.e. it is in one way or another restricted by people, even if the borders can be moved. On the other hand, space is naturally open, and if we limit it, it becomes a territory. This does not mean, however, that it disappears, because its existence is, among other things, a social phenomenon. It is a human way of capturing the world – it refers to both objects and people, and allows us to grasp the relationships between them which exist or may exist. In other words, space has a social nature and, at the same time, what is social is spatial (see Harvey 2009, p. 11).

Territory and space are different types of order. They can overlap, but they are also split and separate, which is becoming more and more discernible with the application of successive generations of technologies. Virtual space appears, which, by nature, is an aterritorial space, although attempts are being made to limit it and territorialise it.

The existence and expansion of space means that the city has many different borders and they are constantly changing. Czapliński (2016) captured it in an inspiring way, distinguishing between the solid, liquid, and volatile maps, respectively. He writes, "Today, we live on a map which can be called volatile, unlike the previous cartographies of the solid and the liquid world. The emergence of the volatile map does not invalidate the two previous ones, but everything becomes very complicated. […] The liquid map defines possible flow routes, the volatile map – the rising and falling zones." (ibid., p. 406).

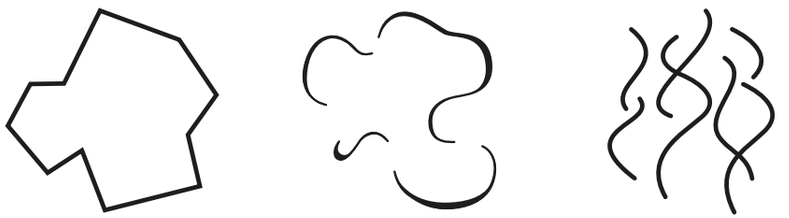
This distinction allows Czapliński to reflect on the nature of sovereignty in the contemporary world and to say, "Full sovereignty, understood as independence from foreign influences, can only be placed on the map of solid bodies. […] The map of volatile bodies forces us to redefine sovereignty: instead of seeing it as an autonomy, i.e. a self-regulation of its own law, it has sovereignty understood as the ability to participate – to recognise one's own responsibility for changing the whole ecosphere and to participate in the restoration of its self-corrective power." (ibid., pp. 407–408).

In his considerations, Czapliński does not focus on the territories themselves, but first and foremost on how their maps are drawn up and on how the territories are designed and interpreted. The example of Poland shows how the self-awareness of Poles is formed depending on how its location is understood and interpreted culturally and politically; how it shapes the sense of closeness to and the distance from the other neighbouring nations; how a specific reference to others creates a collective image of oneself and one's fate; how by understanding, interpreting, and shaping international interdependence we gain or lose subjectivity; and how it impinges on Poland's development.

We believe that Czapliński's approach can be equally useful for exploring city development and the fate of its inhabitants. It allows us to capture the multidimensionality of space and different ways of urban territorialisation. Following this trail, we can distinguish three basic dimensions of space whose boundaries have a different nature:

1. Physical space – rigid boundaries.
2. Exchange space – liquid boundaries.
3. Discourse space – volatile boundaries.

Figure 1. Types of space



Source: Own study.

Each of these forms of space can be shaped by human activity, but each time a different type of activity is involved. In the first case, it is spatial development, i.e. an object-oriented approach to space that territorialises it physically. In the latter case, we are dealing with the creation of various socio-material relations, thanks to which space becomes a system, it is territorialised as a complex social system with fluid boundaries. In the third case, however, we shape the available space through a multi-stakeholder discourse and the creation of a community-based *imaginarium*, we territorialise it as a modality with volatile borders.

The Berlin Wall is a significant example of the multidimensionality of city space. Although it has been demolished and physically no longer

divides the city, it still exists as a component of heritage and has a multifaceted impact on its functioning.

Each of these ways of understanding and shaping space has its own inclusive and exclusive consequences, derived from the nature of boundaries which we impose on space by the way we create it. By forming space appropriately, we give it a certain scale – we can make it bigger or smaller. The multidimensionality of space means that its scaling is also multidimensional and cannot be closed.

The different ways of scaling city space may be in opposition, which is generally due to the conflicts of interest among the participants in a given territory. The only way to make different modes of spatial scaling more coherent is to enable the temporal dimension to be scaled, apart from the spatial one. This implies strategic thinking about urban space, which brings together the object and subjective approaches to space. Under such circumstances, we want to consciously shape it in such a way as to create and launch further and new possibilities using the already recognised and available ones. In this case, time is not understood as an interval, but as a measure of social change referring especially to social relations.

Only by introducing the dimension of time into the multidimensional space can we open up a development path – a path leading into the future. Making the multidimensional scaling of city space more coherent requires dynamics and only such an approach offers the basis for maintaining balance. We need diachrony to be able to move towards synchrony – without it, the city or any other organisation may grow but not develop. If, on the other hand, it only grows, it will invariably lead to catastrophic imbalance and collapse.

The sequence of thought which results from it is as follows: space – multidimensional scaling of space – strategic discourse – temporary scaling of space – shaping the relations between social actors – development. Such a conceptualisation allows us to perceive the shaping of the territory structure in terms of transformation of social relations.

David Harvey (2015, p. 91) proposed a similar line of thinking. It portrays urbanisation as a social process embedded in space, involving a broad wide range of different entities with very different objectives and action programmes, which interact through the configuration of interlocking spatial practices.

For us, therefore, development is a social process driven by the energy and activity of numerous different and autonomous actors. Such energy and activity is born in an open public space, which needs to have its own infrastructure, but it is formed by social interactions. They occur if social actors mutually trust and recognise one another, if they demonstrate a certain level of solidarity and pursue common goals. In order to develop, the city needs to have such a space – in its centre, not in the periphery. Therefore, the intensive commercialisation of city centres weakens and, over time, blocks development. Hence our strong resistance to founding development mainly on the concept of city marketing – if the city is a product, it means that it is for sale and it can be purchased piecemeal, gradually eliminating public space – i.e. common and cooperative space.

The crisis of public space perceived in today's cities derives from the neoliberal revolution which leads to commercialization and private appropriation of all resources. It is also a reflection of the cult of mobility intended to encourage the intensification of mass consumption, which has become the main driver of economic growth.

Krzysztof Nawratek makes a firm statement on this subject: "Cities are no longer political and economic entities, they have ceased to decide their own fate, instead, they have become resources of space, buildings, infrastructure, and finally people …" (2012, p. 13). And as such, they are primarily exploited by global corporations.

As a result, commercialisation and consumerism are displacing citizenship. The latter is revived as the protest against the unfavourable consequences of these processes, but it is too weak to effectively limit the elimination of public space. If we want to rebuild public space, urban democracy cannot be reduced to the right to vote and to the right to object. Conversely, without public space, we will not create a different form of urban democracy.

The cult of mobility stems from the belief that the big city must be a multifunctional node of global market exchange. The result is a perverse effect:

we preach "Think globally, act locally," while the strongest players in such a global exchange that wield a decisive influence on the functioning of big cities, think only about how to use what local people use in their global market game. They exploit local resources, but they are not concerned about sustaining or multiplying them. If such resources are not available, the global payers will relocate to another territory.

Nawratek aptly captures this phenomenon: "The only reason for the flourishing of contemporary cities is the fact that they are nodes of a network of global 'tides.' … The city thus exists in its instability, and the attempt to freeze the 'tide' must end in its destruction. Nevertheless, contemporary cities are trying to 'bind' the tides in a sense" (ibid., p. 18). What Nawratek calls prosperity or peak development, is uncontrolled growth for us. The authorities of numerous cities are aware of the resulting threat and are looking for remedial measures. This has no positive effects as long as the mobility of resources and production factors is prevented as a counterbalancing measure. They cannot be 'grounded' directly or tied locally. The answer is therefore not to pursue autarchy or exclude the city from globalisation, but to scale the city space in multi-dimensional manner in order to discourage the possibility of exploiting urban resources without contributing to their co-production. This can be called the 'spacing of globalisation.'

Public space – a common space for the inhabitants of the city – is indispensable in every emerging part of the city. It is right to think that the big cities consist of small towns. And if there is no community of trust, cooperation, or joint responsibility in these small towns (districts, housing estates), they become degraded. Often the process runs so deep that they need to be revitalised. In literal terms, it means that they must be revived. The point is not that there is no life left in them, that they are empty, but that there are no social relations that stimulate development – they have simply 'stagnated.' To help them, we need to stimulate activity. Material actions are needed to that end, but they are far from sufficient.

This can be seen as a way of endowing space with multifunctionality. What it means in practice is that we formulate space in a multi-dimensional and subjective way, yet acting on the assumption that many functionalities of the city have left its physically understood territory. The transformation of structures of a given territory is a transformation of social relations occurring in it.

Anna Karwińska, Grzegorz Węcławowicz and Michał Kudłacz use an elegant phrase 'economy – space – society' (ESS), which contains an important suggestion that desirable relationships among these categories should be shaped (2017). However, the authors rarely recognise or emphasise the fact that it is possible to shape such desirable relationships only when the associations subsumed under the acronym are formed not only in an object-oriented, but also in a subject-oriented manner – in a way that helps to shape the subjectivity of various urban actors. In this context, it is important to address an issue that is increasingly emerging in urban discourse, i.e. 'the right to the city.'

The right to the city

The issue of the right to the city is becoming increasingly important. So, if we want to analyse it as a category, we must start with three basic questions: Whose right? What does it consist in? and What should it be like?

It is not easy to answer these questions – it requires open discourse between different research disciplines and groups. Of course, the right to the city must be shaped in the context of other kinds of rights. It must be assumed that the various rights must not only correspond with one another, but also limit one another.

The debate during one of the seminars of the Open Eyes Economy on Tour[2] series (13.03.2017) allowed us to formulate certain basic premises in order to help us steer further reflections on the right to the city:

1. The right to the city must be understood as an active right, not as a passive one.

2 Open Eyes Economy on Tour is a series of seminars and conferences on various aspects and issues of Open Eyes Economy. More information available at www.oees.pl.

2. The right to the city is the basis for balancing the different interests and thus balancing the different dimensions and aspects of city development.
3. The right to the city is supposed to express substantive (object-based) and procedural (subject-based) interdependence.
4. The right to the city cannot be an exclusionary right.
5. The right to a city must balance the positive side – the 'right to' and the negative one – the 'right against.' The aim is to prevent the socially unfavourable actions and solutions, but at the same time to foster creativity and exploit the creative potential of individuals and social groups.

The last thesis, importantly, also refers to the creation of a mechanism which combines the ways of thinking seemingly difficult to reconcile: particular economic goals of individual entities operating in the city, care for the common space and skilful (harmonious) reconciliation of various interests (expectations) of the inhabitants.

A component of the right to the city is undoubtedly the possibility to participate in shaping the spatial structure of the city. However, some people speak openly about the aberrations of participation, contrasting it with the professionalisation of city management. It does not seem justified. We believe that participation and professionalisation can complement each other if we adopt the following procedure for shaping city space:

1. Defining the problem.
2. Developing its proposed solutions.
3. Public consultation.
4. Presentation of a draft solution.
5. Public consultation.
6. Modification of the solution.
7. Decision to implement the solution.
8. Implementing the solution.
9. Professional and civic monitoring.

We are aware that in such a perspective, participation is treated as public consultation, i.e. its simplest form. However, in the case of regulatory actions taken by municipal authorities, which include spatial planning interventions, a simple (consultative) form of participation can be considered sufficient the more so that any disputes between the municipal authorities and the citizens can be settled in court.

Advanced forms of participation require certain extra conditions to be met. Only then will they be useful. These conditions require the adoption of several fundamental principles:

- participation without empowerment is a fiction,
- empowerment must involve collectivities, not just individuals,
- real participation presupposes restoring the city to its inhabitants, recognising their right to the city,
- how? by intentionally taking advantage of their creative potential.

In practice, it means, among other things, that the citizens-residents should take over the management of a number of municipal facilities, such as libraries, community centres, kindergartens and other properties where activities beneficial for the community can be carried out, including e.g. non-commercial trade fairs. Such urban facilities should not be privatised, but rather communitised, and thereby become public – civic in nature. In this way, a certain pool of urban resources is generated for common use.

More importantly, it is also necessary to provide the citizens' initiatives with financial resources in order to avoid forced commercialisation of the facilities handed over for management. However, it must be done in such a way that, on the one hand, it does not relieve activists of the associated risks and responsibilities, and, on the other hand, does not trap them in a bureaucratic corset by demanding that they submit complicated proposals and countless reports. What is more important than bureaucratic control in this case is social control, which is possible if civic management remains transparent.

Participation ensues from civic dialogue, not the other way round. If citizens are incapable of effectively expressing and confronting their opinions, they will not be prepared to participate in decision-making or to share responsibility. The launch of civic dialogue requires different forms of public space, which makes it not only a space of co-presence, but also a space of common goal-orientedness. Public space is therefore a key development resource.

If we view civic dialogue in this way, it is hard to imagine a socially embedded urban policy without it. It who opens the path to participation understood as co-management. The political and public co-management function is not only meant to solve specific urban problems, but also to define and establish the rules for city management and urban policy, binding for both municipal authorities and citizens. Thus, civic dialogue produces a number of community goods extremely useful for managing the city. They include, among others, (i) information and knowledge, (ii) trust in certain urban actors, (iii) their ability to cooperate, (iv) collective reflection and strategic imagination, and (v) the capacity to revise urban policy.

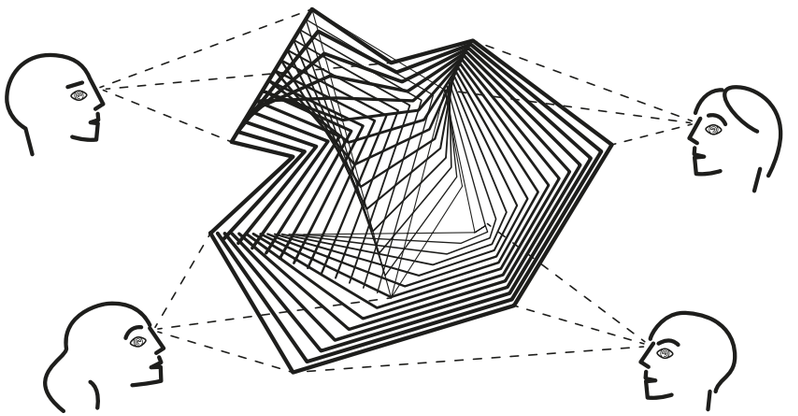
As Edwin Bendyk said in his speech during the seminar The Democratisation of Urban Democracy, which also took place as part of Open Eyes Economy on Tour (3.06.2017), urban democracy is threatened not only by the "tyranny of the majority," but also by narrow thinking about development goals and the operational dexterity of the rich and the influential, as well as "the dictatorship of an active minority." It may lead to misrepresentations, as well as to blind reliance on liberal democracy, unless these actions are "immersed" in values.

It is crucial that urban dialogue is not reduced to dealing with individual issues. If it is to contribute to city development, one cannot abandon development reflection and perspective. "What do we want to achieve?" – this is the basic question, the starting point, and that is where dialogue must begin. Of course, it does not thwart the possibility of dealing with specific issues. However, the current issues do not conceal a broader and longer-term perspective.

Community does not only mean co-governance, but also co-management, co-production and cooperation.

Civic dialogue in the city should not be made institutionally rigid. It should be characterised by 'variable geometry' understood as openness to the inclusion of other and new actors, their points of view and cognitive perspectives. The exclusion of active and organised actors from urban dialogue results in constraining the city's development capacity. Consequently, such exclusion always costs more than social inclusion.

Figure 2. Civic dialogue in the city



Source: Own study.

Exclusion is a testimony to the objectification and instrumentalisation of the excluded actors. It destroys the possibility of co-generation of values and, as a result, weakens the capacity to exploit the urban development potential. Social exclusion goes hand in hand with economic inequality and spatial stratification. This phenomenon is symptomatic of large contemporary cities. Overcoming it requires an extensive system of public services, which is difficult, burdensome, and costly to implement. It is therefore more sensible to prevent mass social exclusion rather than counteract it by means of social spending and benefits (Metropolitan 2017, pp. 94–95).

The co-generation of urban values is only possible as a result of the empowerment of urban actors. This does not occur automatically, but results from a complex process. We believe that at least several phases can be distinguished in it: (i) noticing other actors leads to the recognition of their co-presence in urban space; (ii) engaging them in a discussion, in dialogue leads to giving them a voice; (iii) undertaking joint projects

leads to cooperation; (iv) a partnership develops, which is in essence, co-generation of values; (v) this triggers the need to share the benefits that accrue from partnership, thus leading to its institutionalisation. As a result, an extra pool of resources for common use is created.

One of the great challenges of the present day is to define the role of the state in the information civilisation. It appears that this role must not be reduced to the establishment and enforcement of relevant legal regulations, although it is certainly the responsibility of the public authorities to enact them prudently. However, the dynamics of technological and social changes is so high that any public regulations will probably follow them with delay. It will not necessarily cause serious systemic disruption as long as private and community regulations are formed and developed before certain public regulations appear. This will be the case if a common area of reflection, dialogue, and confrontation among the different beliefs on the principles and rules of operation of these networks emerges. A virtual public space is needed (but not a state or government-imposed one) in which public authorities will be one of the participants in dialogue, not an entity imposing its own point of view. This can be described as 'virtual creative partnership.'

The proposal inevitably raises the questions concerning the infrastructure of dialogue, the organisation of its participants, the capacity for partnership and a conclusive debate. The state (public authority) can and should create and finance such infrastructure, e.g. in the form of public (not-for-profit) social portals. It may also suggest the subject matter and procedure for such a debate by contributing ideas and proposals. However, it cannot organise or select participants in the dialogue; they must emerge on their own and preserve appropriate autonomy.

Universal education must remain another, parallel area of state activity, including the development of cultural and communicative competences (media education). A component of public policy should also include the opportunities to finance, including direct subsidies, of specific goods, services and symbolic and cultural content. Certainly, this should also include the archivisation (digitisation) of the cultural heritage.

The value creation process in the city

The municipal management functions should not be reduced to the issue of pre-emptive interventions. This is far from sufficient. Administrative and regulatory actions are necessary, but they can only ensure the current functionality of the city, not its development. Without the latter, serious urban dysfunctions are bound to emerge sooner or later.

Interventions and pre-emptive actions are all the more necessary the more the behaviour of various types of urban actors, especially of the investors, is narrow-sighted – point-focussed. As such, it reflects linear thinking, devoid of imagination and a sense of joint responsibility. This leads to various unfavourable effects, which adversely affect first of all the other actors, including those who represent and undertake such actions. Yet it reveals itself with time and in a complex process, which makes it difficult to recognise cause-effect relationships. Such a situation is well illustrated by the concept of a vicious circle, which describes a complex circularity of actions and consequences that gradually and involuntarily leads to stagnation and collapse. In general, the current benefits tend to obscure the adverse effects, especially if the latter occur with a significant delay. The circularity of actions and consequences is inscribed in the nature of the world. The fact that we do not see it and do not understand is due to the lack of imagination and responsibility, as well as to the deficit of perspectives and cognitive tools.

The starting point for overcoming these weaknesses is to acknowledge that whether we like it or not, circularity works in one way or another. It works for or against certain social groups and entire communities. None is immune to its impact. The awareness of this should lead us to reflect on how to make circularity socially beneficial, how to counteract stagnation and set the 'development circle' in motion. This does not imply a utopian demand for development programming. We cannot program the future, because it is not programmable. Instead, we can devise and implement a way of using the available resources which gives us – individuals and communities – more development opportunities, thereby paving the way for the future to match our human imagination and responsibility.

In fact, it means starting with reflections on the value-creation process. In the context of the present considerations, it is the process of generating urban values. In this process, the relationship between the creation of existential values and instrumental ones is crucial.

The opposite of development-oriented circular thinking is focusing on the linear approach to growth. The latter removes the significance of existential values from the field of reflection. As a result, what counts is only the amount of income streams generated on an ongoing basis. In the case of land use, it is therefore important what kind of income is generated by a specific urban area. And urban policy, including the management of city assets, is subordinated to it. In this context, urban space is thought of primarily in market-oriented and commercial terms.

Harvey thoroughly analyses this approach and its consequences. He defines it as the orientation of city authorities towards entrepreneurship and the entrepreneurs. The point of departure for his reasoning is that "… governing the city now relies on attracting highly mobile and flexible production, financial and consumption flows in its space." (2015, p. 97). Such an approach consumes public funds, which are lacking for programmes meant to reduce social polarisation. As a result, income and wealth disparities increase and the general population becomes poorer due to, among others, increasing real estate prices on the local market. As a consequence, cities contract massive debts with urban systems becoming less stable and more vulnerable to economic fluctuations. Harvey summarises his argument as follows: "The disastrous competition between cities … pushes them into a spiral of ever-increasing debt." (ibid., p. 100).

Importantly, even in the case of concentration on entrepreneurship, there is a moment of reflection and choice in relation to the market cycle, which can be represented as an oscillatory movement. Development circularity does not occur within a closed circuit, instead, it implies spiral motion. Such motion can be rising or falling and leads to irreversible structural change – it is beneficial when it creates additional and broader opportunities for action, and it is unfavourable when it does the opposite.

Circularity is self-driven by both what socially beneficial and socially unfavourable. We cannot disable or design it. However, we can always notice the mechanisms that drive it and try to shape them accordingly. Circularity ensues from interdependence, which is inevitable. However, we can influence the nature of interdependence by influencing its participants (actors) as well as the relationships between them. Interdependence rooted in exploitation does not contribute to development. Opportunism gives rise to this kind of interdependence. Only relationships (partnerships) generate developmental interdependence. It is also important to note that this kind of interdependence is diachronous. It is not reducible to repetitive synchronous couplings. It is not just a simple, repetitive and schematic interactivity, but a constant transformation of its participants. It has both spatial and temporal dimensions. It creates a specific social space-time.

In such a dynamic space-time, new links emerge between the participating actors. However, the space-time also transforms the actors themselves (as the subjects of partnership-based interdependence). In consequence, they modify their own value creation processes. They become all the more intense, the more the partners base their cooperation on co-production of goods, not only on their exchange. Partnership in the co-production of goods changes the subjects of partnership, which, as a result, become able to produce new goods, not only more of them.

The spiral developmental movement does not occur without learning and changing social relations. It is therefore not a technical or technological, purely material change, but a social change, and therefore also a cultural change. Development is based on imagination and knowledge. Imagination allows us to notice the challenges – threats and opportunities. Knowledge, on the other hand, enables us to confront them, i.e. to reduce the threats and to exploit the opportunities. In this case, it is about shared knowledge which results, including strategic discourse. Development circularity derives from discursive (modal) strategic imagination.

Learning is not automatic. It is motivated by a specific need. It therefore requires self-knowledge. It is of fundamental importance for development to shape a social environment that generates the capacity

for self-knowledge, including critical thinking, including heritage. Heritage is a key development resource, not because it is remembered and preserved, but because it is critically reinterpreted and transformed, which means that it must be narratively incorporated into strategic reflection on development.

In order for developmental change to take place, four areas must be linked in a specific, creative way: (i) the discursive, (ii) the institutional, (iii) the organisational and executive, and (iv) the instrumental. In practice, we associate problem solving and change mainly with the third and fourth dimensions, even though the first and second dimensions are much more important. Without activating them, no change will be socially consolidated. On the contrary, it will be constantly challenged, temporary and reversible, which does not imply a return to the starting point, but rather a loss of resources and time, an instance of looping back on itself rather than development.

Development circularity is shaped by open discourse and critical civic reflection. It results from the activation of strategic imagination, which should not be confused with planning. The point is prospective reflection imposed on autonomous and local experimentation. Its utility results from the search for other types of application of available resources and stimulating new ways of their multiplication and improvement in their quality. Urban development resources are at the disposal of numerous different actors. If they have even a limited right to experiment, they test new ways of doing things at their own risk. It is therefore about making their own experience scalable and implementable for other actors. Individual learning also becomes a process of generating social knowledge, especially if individual experiences are subject to reliable expert assessment and critical social evaluation.

Each and every major urban problem is complex in nature and requires a comprehensive approach, i.e. solving it requires different modes of management and various mechanisms to be integrated: leadership, partnership (co-management) and spontaneous ones. Under all circumstances, solving a problem requires social knowledge derived from information (evidence), interpretation, and discourse. We therefore need knowledge related to how things used to work, how thing work now, and how they may work in the future. Analytical knowledge is needed – not only expert and object-based one, but also normative one – civic and modal knowledge. Not only the knowledge of what is true and what is not, but also axiological knowledge – what is right and what is wrong.

By eliminating axionormative reflection, we seemingly objectivise our view of the world. Harvey correctly described this phenomenon as "objectification" rather than "objectivisation," which he considers as a process in the course of which the things we create return to us as different forms of domination (ibid., p. 91). Without normative reflection and discourse, we objectify the world by renouncing our subjectivity.

The creation of values, including urban values, should not be treated as a linear process, as illustrated by the metaphor of the 'value chain.' Chains restrict movement, hence they cannot contribute to the development that results from the search for and introduction of new phenomena. It is an instance of discontinuity in continuity. Pro-developmental links must therefore be weak and appear at inter-organisational borders. Referring to urban connotations, they emerge 'on the edges.' The point of such linkages is described, among others, by Jan Gehl (2014, pp. 82–88). It shows, citing the example of numerous cities from a number of continents and different cultural backgrounds, how city life is stimulated by a proper design of the ground floors of buildings, including residential ones, so that it is possible to link what is closed with what is private with what is public on the edge between the building and its surroundings. In his view, the urban planner must respect the principle that "People come where other people are." He recalls Christopher Alexander's significant statement (1997, Polish edition 2008): "When the edge does not work, space will never vibrate with life."

Tadeusz Kudłacz and Tadeusz Markowski (2017) emphasise the importance of creating the so-called club goods as a factor of territorial development, including urban development. In their opinion, such a process is relational in nature, constituting co-production. The role of public authority, among others, consists in fostering conditions conducive to the co-production of club goods as developmental resources.

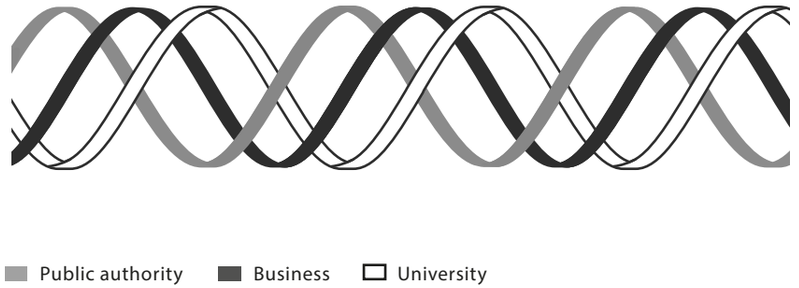
In the conception presented by these authors, the following statement attracts particular attention: "… together with the globalisation of demand for products and services, the sources of competitive advantages of companies are shifting to other, less mobile 'resource-oriented' location factors, e.g. associated with a high quality labour force, the so-called human capital …" (ibid., p. 13). However, we think that the significance of the observed phenomenon is not that certain factors are immobile or less mobile. High-class specialists are in many respects even more mobile than goods or equipment. What is not mobile or copiable is an environment in which certain key resources are generated. Therefore, if it is important for business to gain access to such resources, finding an alternative location proves to be difficult.

Such a territorial advantage is sustainable only if companies in need of this kind of resources become strongly 'localised' in the sense that they become an integral part of the environment which co-produces such resources. Thus, they not only exploit them but also contribute to their production. This is precisely what causes development circularity in the generation of such resources. It appears that a good example to support this opinion may be Cracow as a business services centre. Within a fairly short time, the city has become the largest centre of this kind of services in Europe, among others, due to the extensive and diverse structure of academic education and a large number of students who want to remain in Cracow after graduation, because they find it attractive. This trend has generated sixty thousand well-paying jobs. Cracow's power of attraction is so great that it draws graduates from other academic centres. However, all this is not yet tantamount to development circularity. On the contrary, we are dealing with the exploitation of available labour resources – they are multiplied and their quality increases only very moderately.

Stimulating development circularity would require the inclusion of resources of corporations that recruit large numbers of students and graduates in the process of education and launching joint teaching programs and locating their research and development centres in Cracow. The didactic and R&D cooperation between global corporations and Cracow's universities would lead to systematic joint generation of knowledge. This would translate into a higher and steadily increasing level of education and a growing level of competence. Not only the companies cooperating with universities, but also the small and medium-sized, strongly localised ones, would benefit from it. Referring to the above-cited concept developed by Kudłacz and Markowski, it would result in the creation of a specific club good, which would have a strong development-promoting effect, i.e. improving the quality of production processes contributing to a much higher development potential of the city. Circularity in this case would also mean that particular club assets would become in time public goods, from which everyone can take advantage. Kudłacz and Markowski refer to such goods as 'public club goods' or 'quasi-public goods' and offer their following definition: "Mixed public goods or those otherwise called quasi-public goods should be understood as goods whose consumption is related to the cost of their acquisition, i.e. it requires payment (price internalisation) or other costs related to their use (acquisition) which do not compensate their producers and suppliers for the manufacturing costs of these goods (cost internalisation). The presence of good internalisation costs means that the good also displays the features of a private good." (ibid., p. 14).

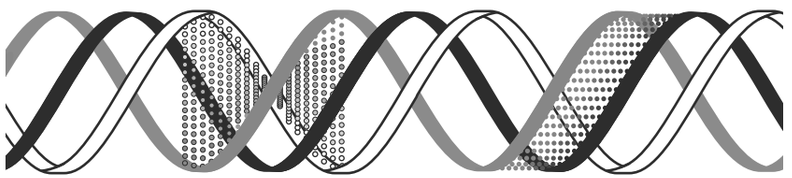
Values are not generated through a simple networking of different actors. If this were the case, everyone could easily start their own Silicon Valley. Of course, numerous countries and cities are trying to create it in the same way as the original. Failures of these attempts was aptly described by Josh Lerner (2009) who used the graphic term "boulevard of broken dreams." The realisation of such ambitious plans mostly consists in the creation of various types of technology transfer centres, which are supposed to link business with universities and to organise and finance cooperation within the triangle municipal public authority – business – universities. The results of this line of thinking include such recommendations as establishing the post of Chief Innovation Officer in the city office responsible for coordinating information and technology exchange initiatives. Networking is therefore understood mainly as the creation of organisational nodes linking different actors.

Figure 3. Triple helix – the traditional approach



Source: Own study based on (Lombardi 2012).

Figure 4: Triple helix – a new approach



Source: Own study.

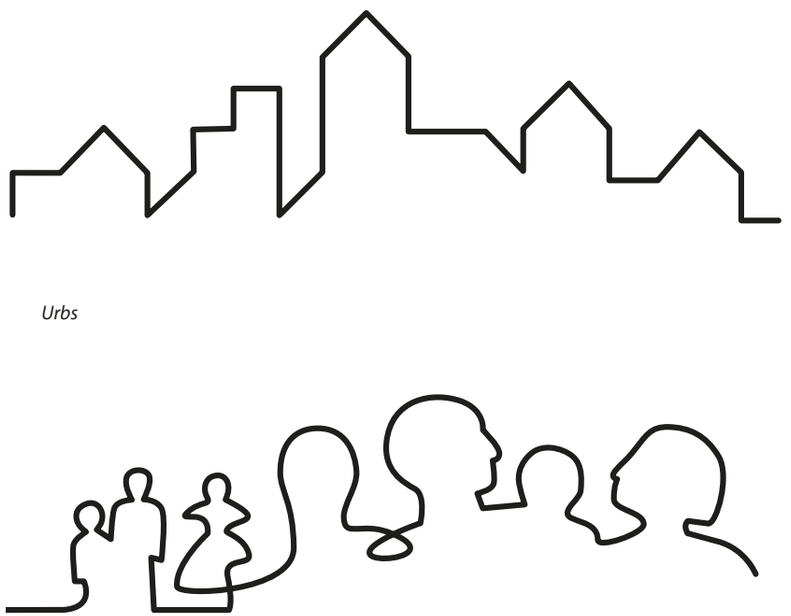
This shows that the metaphor commonly used in social sciences is flawed, especially, which is what has been highlighted by, among others, John Urry (2000) and Bruno Latour (1999), if the network is considered as a rigid system of nodes connected by established exchange channels, rather than as a loose and variable system of low-intensity flows.

Development is a social process, not a technological one. It results from the activities of people meeting and working together. The more often different people meet and cooperate, or communicate, cooperate, and trust each other, the greater the opportunities for the creative use of available resources.

City development always results from the combination of material and non-material elements, from the interaction of the material urban fabric – *urbs* and its social fabric – *civitas*. Such a combination generates pro-development forces, but development also requires a constant transformation of this mixture. In order to contribute to city development, it must include both synchronic (functionality) and diachronic (transformation) components. The latter always derives from the strategic imagination of the main urban actors and emerges from their discourse. The actors must transcend their own cognitive perspectives and venture into the unknown – understood as a common axionormative space. We define this kind of space as a 'modality' and it is where the Idea of an individual city is born.

A corresponding approach can be found in Nawratek's work cited above (2012). He asks the following questions: "What kind of need underlies the existence of the city? What unique qualities are generated in the city? … What determines its uniqueness?" (ibid., p. 14). And he offers the following answers: "The city has always been something extra, it has always created the need for its existence." (ibid., p. 20). It means for him that "cities are faced with the challenge of adding yet another layer, going through yet another mutation, reinventing themselves again." However, what happened was: "… the fascination with tides, networks, creativity or art and culture as the driving forces for the development of contemporary cities has become a kind of intellectual brainwash, which in no way helps to understand what contemporary cities are and what their future may be." (ibid., p. 12). As a result, cities have lost their ability to control themselves. Therefore, they must rebuild their subjectivity, regain the possibility of shaping their own destiny (ibid., p. 21).

Figure 5. *Urbs* and *civitas*



Urbs

Civitas

Source: Own study.

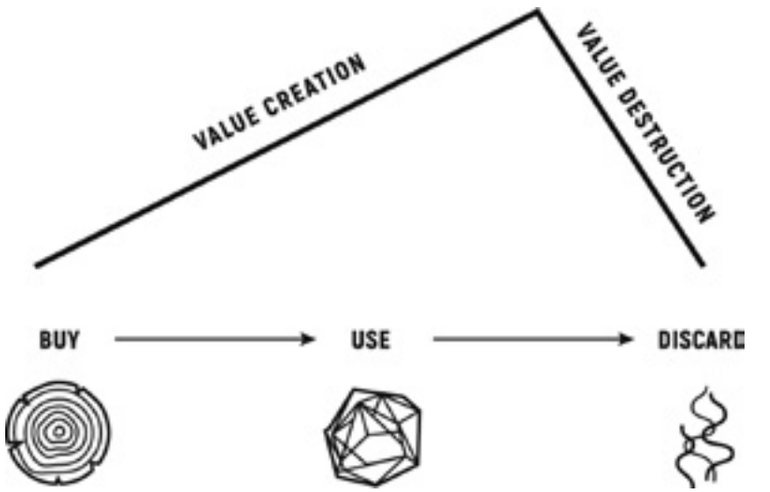
The concept of City-Idea is based on the belief that in order for the city to develop, it must be constantly invented. Each successive generation of its inhabitants does not invent it anew, but should invent it further, push it along the next trajectory. Kamila Kamińska, Małogorzata Pięta-Kanurska and Aleksandra Snisatruk (2016, p. 10) emphasise that the future generations of the city must fill an old frame – not only the spatial one, but also the axiological one – with new contents. And it should be done in a way that ensures continuity and stimulates development, reconciling synchronicity – functionality with diachronicity – developmental transformation.

Accordingly, shaping city space becomes tantamount to generating urban values. It contributes to reconciling the existential urban values with the instrumental ones and ensures a high quality of life for city inhabitants. This is the essence of circular development of the city, which is driven mainly by exploiting the creative potential of its inhabitants.

Stimulating circularity results from the partnership of a number of empowered actors. One may say that it is a consequence of imagination, dialogue, education, knowledge, innovation and cooperation. The activation of these resources generates space for modal – prospective – thinking.

Capturing the relationship between urban synchrony and diachrony makes it possible to see the missing parts in the urban circular developmental mechanisms construed as sustainability of development. It should certainly not be identified with circular economy. This does not mean that we disregard this form of activity, which is especially important for the functioning of the municipal economy and infrastructure. Circular economy is much more efficient than traditional linear economy (buy – use – discard).

Figure 6. Value in a linear economy



Source: Own study.

A waste-free economy offers considerable savings and improves the quality of life. It therefore generates both instrumental and existential values. But circular economy alone will not create development circularity. It is an expression of modern, but still narrow and functional thinking. One of the manifestations of such thinking is the sectoral approach to city economics and urban policy. For example, in a fairly new handbook titled *Urban Economics*, it was divided into the following five functional areas:

1. Market forces in the development of cities – this area deals with phenomena related to the location decisions of households and firms, and their influence on the size and structure of cities.
2. Land use patterns – location decisions of the city users, concentration of economic entities not only in city centres but also in suburban areas and other economic forces influence the way the city is managed and spatial and social segregation.
3. Urban and metropolitan transport – focuses on the role of public transport and its development in today's cities.
4. Public security – this area analyses the relationships among poverty, low level of education, social exclusion and public security in cities.
5. Building and housing policy – housing policy is a specific type of public policy because of its nature; housing resources as goods significantly differ from other goods mainly because of their price (O' Sullivan 2007, pp. 2–3, cited from Stawasz, Sikora-Fernandez 2016, pp. 16–17).

Such a view of the city implies that it is understood as a firm run by managers whose task is to offer the city as a product. The dominance of such thinking has serious social consequences over time and disrupts development. An example of this phenomenon may be the sprawl of the modern (modernist) cities. Applying linear economic calculations, housing estates were built on the outskirts of cities, because it was cheaper to do so, but with time the total municipal operating costs significantly increased. What was initially cheaper, turned out to be much more expensive. The same was the case with car transportation, which was supposed to save time, but has led to something quite opposite. At present, municipal authorities implement special incentives for residents to give up travelling by car.

Thinking in terms of development circularity makes it possible to eliminate narrow- and short-sightedness. It allows us to seek out links and relationships that lead to defining city-specific processes of urban value creation, in which generating revenue streams goes hand in hand with multiplying and improving the quality of resources, which, in turn, are used to generate these streams. Such a viewpoint allows us to look at the city not only through the prism of individual sectors, sub-areas or functions, even if they are approached un terms of arrays, but above all, in the context of development and specific processes of value creation, in which the production of existential and instrumental values is sustainable. To the extent that instrumental values are generated in such a way as to sustain the creation of existential values, the creation of existential values enables the generation of instrumental values. This ensures development sustainability. The city functions, because it changes, and it changes, because it functions at the same time. It is change in continuity.

Ewa Rewers believes that the post-modern city (post-polis): "… verbose, overfilled with signs whose meanings we fail to discern not because we have lost their code and context, but because we are unable to agree on them quickly enough." (2005, p. 30). It is an interesting idea, although it raises our objection by emphasising the need to agree on meanings relatively quickly. However, we think that the city space must generate ambiguity, allow for different and changing cognitive perspectives and interpretations of heritage and the present. Therefore, agreeing upon meanings cannot imply homogeneity. It is not so much about uniting meanings, but about their loosely understood harmonisation, about working out a certain set of common and close meanings, while allowing for the inflow of new interpretations and meanings.

Such a process of harmonising meanings never ends, so its pace cannot constitute its desirable attribute. Deliberation matures, it requires social time. It should operate against the time compression required by today's market economy. The more we speed up the economic turnover, the more the intellectual turnover must be liberated from the pressure of time. For the idea of the city to fulfil its modal role, it must not result from an intellectual race and media pressure, but from in-depth reflection.

Development sustainability cannot simply be programmed by urban authorities. However, the authorities can (and should) intentionally create a counter-balance to the narrow economic, market-based approach to the city, i.e. they should block the predatory exploitation of its resources, even if it is temporarily profitable by generating extra revenue.

Creating counterbalances is easier if there are many autonomous and functionally diverse actors in the city. They can be metaphorically regarded as islands in the urban sea. The problem is how these islands are communicating: do they combine to form archipelagos, and if so, what are they like? Urban authorities should not only encourage the presence of many of these diverse islands-actors, but also stimulate the formation of archipelagos – networks of cooperation and support.

The concept of "islands and archipelagos" proposed by Jerzy Hausner and Mateusz Zmyślony can be summarised by their following key characteristics:

- harmonious, but not homogeneous diversity,
- islands in an archipelago attract one another, but do not engulf them, they remain close, but distant,
- each island (actor, participant) must be aware of its own distinctiveness and diversity, but also combine its actions with what others do and who they are,
- to be in an archipelago, one must change, become someone else,
- relations in an archipelago are be non-linear,
- thanks to it, they remain autocatalytic and emergent.

In the archipelagos, new ideas, solutions, forms and instruments of action are born. They constitute the potential "bubbles of change." Nawratek phrased it aptly emphasising that "What is 'in between' is indispensable for understanding how the city works." (2012, p. 9).

Conclusion

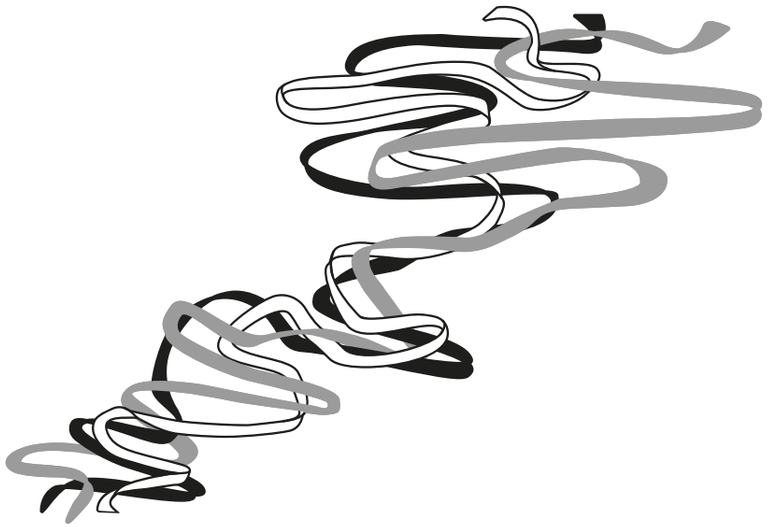
Innovation is often considered to be a process of transforming the existing opportunities into new ideas and putting them into practice. We believe that the opposite is true: we need new ideas, in this case, the ideas for the development of a given city, in order to see and reach in practice for the existing potential resources and opportunities.

We are therefore support the views of these authors, including Jan Gehl, who demand an organic rather than constructive approach to urban development. Gehl writes in this spirit about medieval cities: "…these cities did not develop based on plans but rather evolved through a process that often took many hundreds of years, because this slow process permitted continual adjustment and adaptation of the physical environment to the city functions. The city was not a goal in itself, but a tool formed by use." (2009, p. 41).

At the same time, he emphasises the fundamental difference of the Renaissance cities: "The city was no longer merely a tool but became to a greater degree a work of art, conceived, perceived, and executed as a whole. No longer were the areas between buildings and the functions to be contained in them the major points of interest, but rather the spatial effects, the buildings, and the artists who had shaped them took precedence."

The ideal model of a Renaissance city was Palmanova built from scratch to the north of Venice by Scamozzi in 1593. Today it is a textbook example of a city devoid of adaptability and development capacity (ibid., p. 43). The example is not intended to negate the importance of aesthetics and beauty in shaping urban space. It is an essential component of high quality of life for city residents. However, the point is that the beauty of the city should emerge from the community-generating experience of its inhabitants and be an organically created existential value in contract to an approach to urbanism as a beautifully created aesthetic shell created by the artist-architect to be filled later with community content. It cannot be generated in this way. And even if it is possible, it only occurs within a certain historic passing moment. The approach was neatly summed up by Le Corbusier who commented on Zlin built by Tomáš Baťa, the Czech manufacturer of footwear: "Ah, the self-replicating city… the first functionalist city in the world." (in Szczygieł 2010, p. 276).

Figure 7. Circular development



Source: Own study.

In the past, the metaphorical ideal of the city was the clock, which determined the rhythm of its functioning, giving it regularity and discipline. The clock is a simple form of circularity. However, when it comes to city development, its developmental subjectivity, the metaphor of the clock is misconceived. Its proper graphic symbol should be a specific form of multidimensional spiral.

Bibliography

Amin A., Thrift N. (2002). *Cities. Reimagining the Urban*, Polity Press, Cambridge, UK.

Bendyk E., Hausner J., Kudłacz M. (2016). *The city idea – a new approach to urban development*, w: E. Bendyk, J. Buzek, J. Hausner, M. Kudłacz, A.D. Rotfeld, M. Zmyślony, *Open Eyes Book*, Fundacja GAP, Kraków.

Czapliński P. (2016). *Poruszona mapa*, Wydawnictwo Literackie, Kraków.

Gehl J. (2009). *Życie między budynkami. Użytkowanie przestrzeni publicznych*, Wydawnictwo RAM, Kraków.

Gehl J. (2014). *Miasta dla ludzi*, Wydawnictwo RAM, Kraków.

Harvey D. (2009). *Social Justice and the City*, The University of Georgia Press, Athens, London.

Harvey D. (2015). *Od menedżeryzmu do przedsiębiorczości: transformacja procesu zarządzania miastami w późnym kapitalizmie*, „Zarządzanie Publiczne" 3(33).

Kamińska K., Pięta-Kanurska M., Snitsaruk A. (2016). *Wprowadzenie. Strategie dla miasta przyszłości*, in: K. Kamińska, M. Pięta-Kanurska, A. Snitsaruk (eds), *Rewers scenariusze miasta przyszłości*, t. 0, Biuro Festiwalowe IMPART, Wrocław.

Karwińska A., Kudłacz M., Węcławowicz G. (2017). *Dysfunctions and Eufunctions of Urban Sprawl in Poland – Research Perspective*, in: Theory and Practice of Functional Areas Development, "Studia Komitetu Przestrzennego Zagospodarowania Kraju PAN" 174.

Kudłacz T., Markowski T. (2017). *Miejskie obszary funkcjonalne wyzwaniem dla terytorializacji polityki rozwoju*, mimeo

Latour B. (1999). *On recalling ANT*, in: J. Law, J. Hassard (eds), *Actor Network Theory and After*, Blackwell, Oxford.

Lefebvre H. (1996). *Writings on Cities*, Blackwell, Oxford.

Lerner J. (2009). *Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed – and What to Do About It*, Princeton University Press, Princeton.

Lombardi P., Giordano S., Farouh H., Wael Y. (2012). *Modelling the smart city performance*, "Innovation: The European Journal of Social Science Research" 25:2.

Metropolitan (2015). *The Metropolitan Century. Understanding Urbanisation and Its Consequences*, OECD, Paris.

Nawratek K. (2012). *Dziury w całym. Wstęp do miejskich rewolucji*, Wydawnictwo Krytyki Politycznej, Warszawa.

O'Sullivan A. (2007). *Urban Economics*, McGraw-Hill Education, New York.

Rewers E. (2005). *Post-Polis. Wstęp do filozofii ponowoczesnego miasta*, Universitas, Kraków.
Szczygieł M. (2010). *Gottland*, Wydawnictwo Czarne, Wołowiec.
Stawasz D., Sikora-Fernandez D. (2016). *Koncepcja smart city na tle procesów i uwarunkowań rozwoju współczesnych miast*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź.
Urry J. (2000). *Sociology beyond Societies*, Routledge, London.
Whitehead A.N. (1978). *Process and Reality*, Free Press, New York.

Mateusz Zmyślony

Islands and Archipelagos – formal and informal value networks
Slow road vs. *fast world*[1]

The phrase 'Islands and Archipelagos' appeared for the first time in 2014 in the discussions with Professor Jerzy Hausner that we have been having for years on the subject of Open Eyes Economy, a concept that makes it possible to redefine the whole of our present day. The "Islands and Archipelagos" not only matured in subsequent conversations as an increasingly complex theory, but also attracted me personally and tempted me to implement it in reality.

Together with Professor Hausner, we felt that we would need some time to reflect on these topics and recognise the emerging patterns. I decided to carry out an experiment parallel with the theoretical model being constructed. After all, the empirical approach has its undeniable advantages and is often necessary for the ultimate clarification of theoretical claims.

And so, while describing certain phenomena in our theory, matching it with the practical examples on the market, we developed our own project, which started to work before we managed to complete the theoretical work. Therefore today I can share with you not only our thoughts,

1 The text below is a part of a multimedia study "Islands and Archipelagos" prepared for the Open Eyes Economy Summit 2 in 2017 as part of the BRAND-CULTURE thematic block. It represents the fruit of our continuous work on the theses put forward by the author during the Open Eyes Economy Summit in 2016, further reflection on the mutual relationships between the concepts of BRAND = CULTURE, CULTURE = BRAND, and an expanded version an article published in the *Open Eyes Magazine* vol. 2.

impressions and observations, which collected together as "Islands and Archipelagos" will help us to notice something interesting, perhaps even new, but also better understand the social and economic processes taking place around us. This time I can do much more, because during the three years of theoretical efforts, a working prototype was developed. Its name is Slow Road and… it works great! But let us deal with one thing at a time.

Our World is entwined by various networks – air and sea connections, power, telecommunications, gas, road, chains of shops, hotels, petrol stations and institutional networks composed of police stations, branches of the Tax Office, hospitals…

The whole world can be essentially described as a single large network of connections. This perspective makes us aware of how international governance – the network of regulations, relationships, rules and standards – promotes the global development of our civilization and transforms societies from local ones to cross-border values communities.

The existing formal networks have been created in a top-down manner. They were usually established on the initiative of a competent office, ministry, institution, and in the commercial world, by a larger or smaller company or corporation. This is how networks were created, which have covered our world with millions of similar or even identical shops, offices, bars, cafes and restaurants. Formal networks are usually highly unified, efficiency-oriented, and well-developed. Smaller 'organisms' are often absorbed, taken over or pushed out of the market in the wake of collisions of incomparable potentials. The situation can be symbolised by the expansion of chain stores (previously TESCO, today e.g. Lidl or Biedronka), which have completely changed the retail market, eliminating most small shops located in housing estates.

However, the growing number of formal networks, which have monopolised our reality so far, are facing an interesting competitor. These are the islands and archipelagos – 'informal networks' of a completely new generation.

The new communities of values shape their collective worldview thanks to social media and other forms of global communication. Exchange is constantly taking place – not only the flow of goods and migration of people, but above all the transfer of thoughts, the export and import of ideas, concepts, culture and principles. This is how the contemporary islands are created. They represent bottom-up initiatives built on values, which are locally produced, but also constitute the elements of a larger, regional (national or international) exchange of information and impressions.

If the islands make and maintain contact with one another, they form archipelagos – archipelagos of Values. Between the islands there are flows of knowledge, mutual inspirations and sometimes much more advanced social processes, which lead to the creation of a more or less advanced network, community, tribe or group around a certain set of common values.

The formal networks known from today's world – corporate or state-established – institutions, their branches, subsidiary offices, shops, offices and stops are now beginning to compete with the archipelagos, or with the networks of islands – the new generation institutions. We did not even notice when the archipelagos exploded around us.

Airbnb is one of such archipelagos. It noticed islands in the form of people willing to rent their apartments to tourists and rapidly became the largest hotel in the world, without building a single room of its own. It has simply connected the existing islands and created an archipelago, which surprised the traditional hotel chains, changed the face of cities all over the world within a few years (unfortunately, not necessarily for the better), and – like low-cost carriers – revolutionized the tourism industry.

Another Archipelago is Uber, which managed to notice the potential of islands – car owners who wanted to earn their living or make extra money by driving others. In a few years has become the world's largest taxi corporation without purchasing a single car. Of course, the debate on the good and the bad sides of such a solution is likely to take a very long time, but it is impossible to deny its popularity.

There will be more and more such solutions. They will emerge in various forms: as businesses, as organised communities, or as new platforms for cooperation between different interest groups.

Today, the archipelagos of values, i.e. informal networks built on a common philosophy, seem to me to be the most interesting. In order for an archipelago to be created, first the islands must exist, understood

as local initiatives with similar initial values. As soon as they are noticed, if distinct connections begin to develop among them, an archipelago will begin to emerge, which, evolving further, can become more or less formalised, gradually becoming more definite and mature. We do not yet know the particulars of the process.

Such archipelagos of values are formed around numerous NGOs, which employ their values to raise funds (microgrants, crowdfunding). Greenpeace is a good example of such an archipelago. It is supported exclusively by its own community and is capable of effective action even in extremely difficult conditions anywhere in the world.

Archipelagos – more or less permanent ones – can also be created around well-known people. Former fan groups can become functional communities capable of performing complex operations. My favourite example of such an archipelago is the community of the Great Orchestra of Christmas Charity (GOCC) centred around Jerzy Owsiak. The GOCC is a proper archipelago built on a very distinctly articulated community of values with its distinguishing (it has its colours, symbols, anthems, and musical style). The culmination of its efforts is the annual Finale, as well as its own festival, the Woodstock Festival Poland, the biggest open-air free entry music festival in Europe. The GOCC has been operating for many years as most likely the most massive and most positive social initiative in Poland, which unites people. Of course, the initiative has its leader, who is the moving spirit of the Orchestra and who guarantees the sustainability of the entire project.

The French movement En Marche!, which brought President Macron to power, became something like an Archipelago, at least for some time. Although the movement lost its momentum relatively soon after the elections, it is a very impressive example of how quickly the islands can organise themselves into an archipelago in our times. It took just a few months for a great political initiative to emerge in a large country and to put to rout the traditional party system.

We are discussing islands and archipelagos in other categories and on different levels. Typically, the use of a community of values filter helps to immediately notice certain recurring motifs, and see interesting potential islands and archipelagos, which can be formed out of them.

Applying the emerging model to the current solution, which organises our world in macro scale, I have in mind the global network of nation states which actually define all the contemporary politics and economics. Of course, the nation states are not the only formal network which currently controls our reality. Global corporations cooperate (but at the same time compete) with them. So if these two networks continue to rule the 'old world,' what alternatives can be offered by the islands and archipelagos model?

In the case of multinational corporations, the answer is fairly simple: an alternative for them are smaller business entities, which on a larger or smaller scale create or will create their archipelagos, in the form of transaction platforms, trade organizations, certificating institutions, etc. Such an archipelago of millions of small entrepreneurs is, for example, Allegro (a Polish online auction website).

In the case of nation states, the answer is much more complicated. Nation states are certainly not eternal – they were preceded by other solutions, such as tribes, dynasties, and cultures, which employed different methods of succession and development procedures. They usually shared certain features. Borders, principles, an army and an economy managed by the centre of power were needed to avoid anarchy in a given area.

If our model works, the archipelagos of values should already exist as alternative networks to nation states – such archipelagos work across the existing dividing lines. In my opinion, they exist or are being created. They include all kinds of cooperation methods which ignore the existing borders, such as international scientific cooperation or international community centres in the form of computer games. Participants in these archipelagos sometimes do not define themselves so eagerly by nationality. They rarely introduce themselves as "I am Polish" or "I am American." For them, it is more important to identify themselves as "First of all, I am interested in science", or "First of all, I am an online gamer, I can live anywhere."

The United States of America used to be a unique archipelago, which initially, was not a monolithic country at all. We ourselves inhabit an interesting archipelago, by living in and co-creating the European Union. Certainly, another struggle between 'the old' and 'the new' is taking place right in front of our eyes. I personally feel that I am a European

first, and only then Polish. For some it is sheer obviousness, whereas for others, it is heresy. The European Union has the potential to become an alternative to the still functioning network of traditional nation states. But what next? I think the world will eventually and literally become a single integrated global village.

Nowadays, the networks of modern cities are also becoming an interesting archipelago, with their growing importance, independence and versatility of impacts.. If we look at the cities as islands, we will immediately see their archipelagos. Cities have their own harbours and airports, and it is between them that the lines of road, rail and water transportation are marked out. The borders of nation states between them only interfere.

Looking at the cooperation of local governments, the developing cooperation between city mayors, I see a great potential that can be imagined as an effectively functioning organism, with which the old-fashioned nation state…. perhaps only interferes. As part of Open Eyes Economy, we are working on the concept of CITY-IDEA. I think that the cooperation among Cities-Ideas will lead us to the creation of an archipelago. Let us remember that it can function in parallel with the dominant, formalised network of nation states. Tourists who want to relax for a few days or do not have time for a longer holiday, do not fly to Spain anymore, but to Barcelona, not to Poland, but to Cracow – the idea of city break is becoming more and more popular. Cities-Ideas have their own common values, such as the smart city vision, sustainable development philosophy, urban agriculture or everything associated with the thinking of urban planning and architecture which focus on people and their needs. It seems that a certain 'urban culture' with globally reproducible characteristics was born. The inhabitants of Cities-Ideas often feel that they as not so much the citizens of America or Europe, but rather the citizens of the world. What are the values shared by these people? There are a lot of them: street art, global pop culture, contemporary art, ecology, slow life, hygge, vegetarianism, cycling, the Igers (people who are passionate about photographing their cities and post the effects of their work on Instagram), and so on. Numerous other global urban trends can be enumerated. I travel around the world and feel at home in almost every city. Sometimes I find myself much more comfortable in San Francisco, Beijing or Cape Town than in the countryside with my mom and dad.

The smaller towns and cities, which have been forming their own archipelago of values for a number of years, are also worth mentioning. I am referring to the Cittaslow movement, a deliberately created network of 'good quality cities.' There are more than 20 such cities in Poland. The archipelago of cities is a topic, which we are currently exploring among others with the mayors of Cracow, Słupsk, Poznań, Kołobrzeg and Łódź. I think that it will result in a lot of interesting implications in the near future. Vienna, Barcelona, Gdynia, and Eindhoven have are joined in the discussion. Why? First of all, because they have much in common with one another, they want to talk, and get on very well. There is also another reason: cities have become numerous and powerful. Few people know that e.g. New York City spends more on culture than the entire National Endowment for the Arts, or that the small town of Kołobrzeg is visited annually by more room-booking tourists than the entire Podlaskie province.

It is time to see the working prototype! With a sketch of our theory of island and archipelagos to hand, I decided not to wait anymore and create my own archipelago from scratch.

The test started in 2015 with the film project *The Most Beautiful Polish Roads*, implemented in cooperation with Mazda Poland. The islands were the drivers, as in the case of the Uber archipelago. People who drive Mazdas, from Monday to Friday stuck in big-city traffic jams, dream of escaping with their beautiful car at the weekend as far away from their city as possible… somewhere off from the beaten track. Somewhere they can drive their car for the sheer pleasure of driving it, to catch their second wind. Thanks to such a community of values, truly beautiful impressions were created, showing Poland as a paradise for drivers who love slow driving surrounded by beautiful nature. Such a hobby is called slow driving. The clips in question can be watched at www.slowroad.pl

Slow driving helped us to discover the lifestyle called slow life. I find the collection of values that make up this philosophy not only interesting to me personally, but most of all, as one that has the potential

to consciously create an archipelago of islands. What a fascinating adventure to be able to deliberately introduce a new theory into practice! This pioneering project certainly offered a great satisfaction. I think that such an approach to marketing is the future. And if I am right, the future will be very good.

However, it would not have been possible to carry out such a project with every brand. When we decided to cooperate with Mazda, we decided that the slow life philosophy will be attractive for people whom we want to persuade to buy cars made by this company. Mazda has been consistently building its brand world for years on the basis of specific values, which include, among others, *kodo* (i.e. the 'soul of motion,' the Japanese school of designing aesthetic and dynamic vehicle bodies), interest in design (the prestigious Mazda Design contest). It is also known for promoting the pure joy of driving a car for pleasure (called 'zoom-zoom' and 'driver together'). Our data showed that people who buy Mazda cars are often interested in aesthetics, are sensitive to beauty, and consciously seek mature forms of spending their free time. Slow road was born from these observations.

The slow road island is a place in the *slow* style: agritourism and art, a beautifully renovated barn with a handicraft workshop, a mountain bike station owned by a passionate enthusiast, cuisine guided by the principles of *slow food*, minimalist architecture beautifully integrated with the landscape. It is a place where one can find unhurriedly consumed healthy and delicious food, a place of silence and tranquillity, usually also animals and plenty of beautiful nature in the immediate vicinity.

We started to look for such islands in Poland. In less than two years, we have visited more than 600 of them, all of which have been carefully tested, and those that were selected by the jury (composed of the representatives of the Polish Tourist Organisation, the local Marshal Offices and the editors of such periodicals as *National Geographic*, *Kukbuk*, or *Slow Life*) were given Slow Road recommendations.

These recommendations provide access to a large, free of charge support programme, which is primarily about promoting these places in order to increase the profitability of running valuable, although difficult, businesses. Slow Road promotes places situated "off the beaten track" – truly original, beautiful, created with passion and for this reason, trustworthy.

In just under two years, we created a Slow Road Archipelago from our islands. Today, it caters for a community of more than 25,000 people – these are the people who follow our routes to visit, relax, taste and really spend their free time in what in our opinion are the best places under the sun. Anyway, what is the point of writing anymore? Why not see them for yourselves on the Slow Road Facebook fanpage?

The participants in the Slow Road project include, among others, Mazda Poland, the Polish Tourist Organization, the Marshal Office of Mazowieckie Voivodship, *Kukbuk*, *National Geographic*, *Slow Life Food & Garden*, *Poznaj Świat*, Polska Niezwykła, NaviExpert and a number of other institutions. The clips produced as part of the Slow Road project have been viewed by more than 2.5 million internet users.

Today, the annual capacity of the 'Slow Road Hotel' amounts to over 900,000 nights. This is only the second year of activity of the archipelago, which is still under construction. We are creating something akin to such initiatives as Booking.com or Airbnb mentioned earlier, but the difference is the advanced community of values. The mission of the archipelago is to combine the potential of the islands, which are gradually being discovered. It is about supporting them and ensuring high quality, because there is no room for compromise in the world of slow life. The Slow Road project brings together a community of true enthusiasts to support their independent and very original initiatives. From the perspective of regional development, Slow Road is a project aimed at supporting and animating rural regions. Where little or nothing has happened so far, something really valuable and attractive for people may emerge. And the initiative will attract demanding tourists (and their wallets) to places so far visited by very few people.

What is also valuable is that the typical Slow Road island (such as the Mazovian Leluja Habitat, the Mazurian Kadzidłowo Habitat, the agritourist operation At the Edge of Time located on the border between the Opole Region and Łódź Province – is always very ecologically-oriented and closely cooperates with the local market. The island buys the best regional

produce; often its mission is to preserve the local tradition, which reflects its ethnographic ambitions. It is also almost always a kind of community centre and, quite often, a centre of creative work.

The Slow Road archipelago is still in the early stages of development, but its growing popularity can already surprise us: the materials posted in social media have hundreds of thousands of fans, the idea is directly supported, and even the Ministry of Sport and Tourism has adopted *slow life* as one of three priorities for the development of Polish tourism. Over the next two years, the project will cover the entire territory of Poland, and the efforts to disseminate it throughout the other European Union countries are already underway. The potential of such an archipelago is amazing.

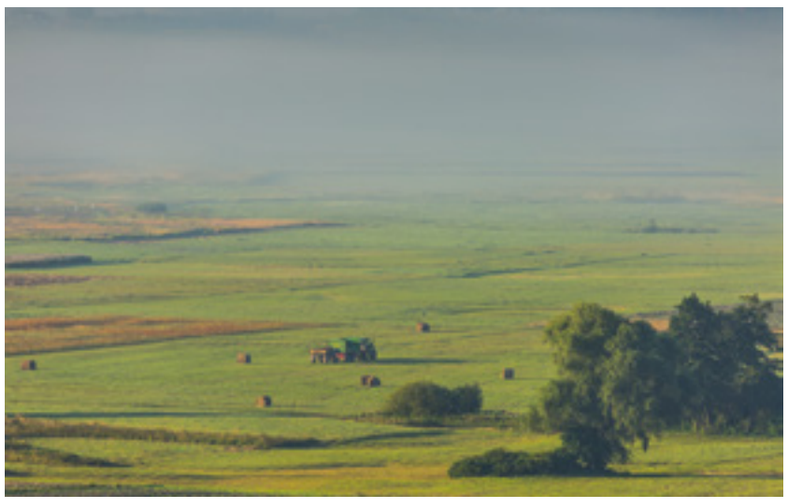
Thanks to this project, a tourist who is looking for an idea of an interesting trip and wants to spend his/her free time in an attractive way, will definitely find it. Each island will benefit from this kind promotion. Many of these wonderful places, which find it hard to make ends meet or cannot survive on the revenues from the two summer months alone, sometimes are completely unable to promote themselves. However, the situation is improving and the demand for *slow* space is so high that the best islands are almost fully booked even in December and in March. It is worth noting that the islands and their creators, the hosts, do not incur any costs related to the Slow Road project. The archipelago business model is based on funding from other sources, which distinguishes it from many social networking sites based on commission for advertising or sales. The regions benefit, because Slow Road is an excellent instrument for supporting what are more often than not the weakest points on its map. That is why we urge the regions to commit themselves financially and substantively to the project. In the long run, Slow Road initiates the establishment of new *slow* islands across the entire region.

Our main partner, Mazda Poland, benefits, because it consistently builds a unique community of values with its customers. In the marketing industry, it is called storytelling or content marketing… In practice, it means interesting stories to be told and then read, beautiful photographs which people want to see, clips which really engage and inspire, or everything we call BRAND-CULTURE.

Zaścianek manor house (north-east Poland)
Photo by Mikołaj Gospodarek

Slow Road Project promotes unique places, people and their occupations
Photo by Mikołaj Gospodarek

Galloping horses. Jasminum Stables
Photo by Mikołaj Gospodarek



Slow-road views
Photo by Mikołaj Gospodarek

Kraków

Cracow as the leader

in ecological public transport

Since August 2017, Cracow dwellers have had 20 new electric buses to criss-cross the city. In April 2016, the first contract for the delivery of 107 modern and environmentally friendly city buses was completed under the Integrated Territorial Investments project. Nearly 200 new buses, including electric and hybrid ones, have appeared in Cracow streets since June 2016.

„Currently, Cracow dwellers have 26 electric buses at their disposal, of which 20 have only just been bought. Our city has the biggest number of electric buses in Poland," says Jacek Majchrowski, Mayor of Cracow. „We were the first Polish city to launch a regular line of 100% electric buses, and it was here that the first pantograph charging station was built. Finally, we are also the first city with an electric articulating bus," adds the city mayor.

We would never have been able to buy so many cutting-edge vehicles, had it not been for the cooperation between the city of Cracow and the Małopolska Province on the development of the Regional Operational Programme for the Małopolska Province and the identification of specific actions and tasks to be subsidised by the European Union.

All the buses ordered by MPK SA are low-floor vehicles, fitted with air-conditioning, a ticket machine (accepting both coins and payment cards), monitoring system and a dynamic passenger information system. The passengers who use mobile devices are in for a nice surprise. Each bus is fitted with four USB ports/chargers, where they can charge their smartphones or tablets.

The new Solaris Urbino 12 electric buses bought by the MPK in Cracow have a central electric engine (160 kW) and Solaris High Energy batteries with the capacity of 160 kWh. The Urbino 18 electric buses are in turn powered by a 240 kW electric motor, with the power being stored in Solaris High Energy batteries with the capacity of 200 kWh. The batteries can be charged in two different ways: either through the pantograph installed on the vehicle's roof or through a plug-in connection within the depot area.

Cracow's electric buses

Photo Krakow.pl

After the delivery of the 20 new buses in August, the zero-emission Solaris vehicles served not only line 154, but also lines 304, 124 and 169. Next to the purchase of electric buses, MPK SA in Cracow also invested in the expansion of charging infrastructure. A station with 28 charging bays with plug-ins was built at the depot in Wola Duchacka, while the Nowa Huta depot was fitted with a transformer station to charge electric buses. Further five pantograph charging stations are to be opened in 2018. Three of them will be located in the city centre, in Konopnickiej, Piaszczysta and Pawia streets, one in the depot in Wola Duchacka and one in Brożka street.

"I have emphasised many a time that by ordering the buses, we aim to improve the comfort and safety of our passengers, both Cracow dwellers and tourists, whilst making sure that our fleet is environment-friendly. What also counts is our plans for the future. This year we have concluded an agreement with the National Centre for Research and Development for the purchase of further 150 electric buses. Assuming that the investment will be implemented in 100%, zero-emission vehicles will constitute ⅓ of the Cracow's bus fleet," adds Rafał Świerczyński, president of the management board of MPK SA in Cracow.

We should remember that the project is executed as part of the Regional Operational Programme for the Małopolska Province for the years 2014-2020. MPK SA in Cracow will receive more than 115.7 million zlotys for this purpose, which is 85% of qualified costs of the investment. The entire project will be worth over 167.4 million zlotys. The agreement on co-financing the purchase of 107 buses and 12 ticket machines was concluded on 21 April 2016.

It is good to know that this February Cracow signed a letter of intent concerning cooperation on the development of electromobility. The document was signed by representatives of the Ministry of Development and Finance, Ministry of Energy, Polish Development Fund and cities from the Union of Polish Cities. "We want to play a major role in the electric revolution in transport, planned by the Polish government," says Tadeusz Trzmiel, Deputy Mayor of Cracow for Investment and Infrastructure. "In our city, the green revolution in transport has already begun. Subsequent acquisitions of modern ecological vehicles show that for Cracow, efforts favouring low-emission transport go well beyond a set of good intentions, as they translate into very specific actions," he adds.

President Jacek Majchrowski handing ecological buses over to the Cracow's transport operator (MPK SA)

Photo Krakow.pl

Bike

KRAKÓW REGION MAŁOPOLSKA

as a perfect alternative. New biker rest areas for the Małopolska region

Several modern, solid and functional biker rest areas are scheduled for construction in spring 2018 in Brzeszcze, Oświęcim, Gromiec, Rozkochów and Łączany, as part of the comprehensive VeloMałopolska project of a network of cycling routes pursued by the local government. The construction contract was concluded by Jacek Krupa, Province Marshal, in October 2017.

Małopolska is a perfect biking region. Not only are we a global leader when it comes to the length of bike routes, but we also make sure that our routes are biker friendly. By 2020, a further nearly 1,000 kilometres of ultra-modern routes are to be opened for bicycle traffic, to add to the cohesive network criss-crossing the region. "Rest areas will be ensured along most of the routes, for the bikers to take a breath, eat and drink," says Jacek Krupa.

Five of them are scheduled for completion within the next eight months. They will be located along the 84 km-long section of the Vistula Bike Trial between Brzeszcze and Skawina. For the fans of two-wheelers going for a ride in the neighbourhood, the rest areas will be a perfect place to stop by and eat, drink, rest in comfort, take cover from the wind, rain or sunlight, or check the map. Each area will be fitted with a covered shelter with benches, tables and an information signboard. Next to the shelter, there will be bike racks, a barbecue and a portable toilet. The whole area will be well-lit. The investment will cost nearly 850,000 zlotys and will be subsidised with funds from the Regional Operational Programme for Małopolska for the years 2014–2020.

Six similar areas have already been opened for use in Małopolska: along the Vistula Bike Trail (Niepołomice – Szczucin) and VeloDunajec (section: Ostrów – Wietrzychowice), with subsequent ones scheduled for completion in immediate future. The overall number of biker rest areas in the region is soon going to reach several dozen.

Malopolska bike--riding promotional campaign

Public Economy and Administration (GAP) Foundation

Supporting business by organising events

Planning to organise a symposium or a business conference? Why not make use of the expertise and more than 10 years of experience of the GAP Foundation? We will prepare your event from the idea, through obtaining world-class lecturers, to technical organisation. Our previous symposia were attended by many prominent figures including, among others, Leszek Balcerowicz, Marek Belka, Jerzy Buzek, Roman Kluska, Daniel Rotfeld and many other distinguished representatives of science, politics, business, cultural life and the media.

Promotion of your company

Each and every event that we organise is accompanied by a meticulously planned promotional campaign. Additionally, our customers win the opportunity to present their company among the participants. Our offer includes:

- development of an attractive conference agenda and inviting outstanding experts
- comprehensive support for lecturers from different fields of expertise
- development and production of technical materials and promotional gadgets
- production of promotional videos, photographic services, streaming
- rental of conference halls, interior arrangements
- multimedia equipment and technical support
- catering services during the events
- care of qualified team, reception management
- organisation of evening entertainment, artistic performances

First edition of the Open Eyes Economy Summit, Cracow 2016

How it works in practice? Come to the Open Eyes Economy Summit 2 and see it all for yourself. As the main organiser, we are responsible for the technical aspects and organisation of the meeting.

We know the value of business. Build it with us

Supporting companies

Choose from our research / analytical offer, which we use to support the management processes in public institutions and companies. See how the expertise of outstanding authorities from the field of economy can be of service to your plans for the future.

Combining different interests

We organise meetings and conferences which bring together representatives of local governments and companies. With our support, many of

them find inspiration and to implement projects that will be beneficial to the business and the local community alike.

Supporting students

As part of our cooperation with entrepreneurs and academic circles of the Cracow University of Economics, we organise internships, scholarships and traineeships for students.

Events organised by GAP Foundation: conferences, symposia, seminars, congresses.

Economy and Public Administration Foundation
(Fundacja Gospodarki i Administracji Publicznej)
ul. ks. bp. W. Bandurskiego 58/11
31-515 Kraków
Phone no. +48 12 423 76 05
e-mail: biuro@fundacjagap.pl www.fundacjagap.pl

Eskadra
Open Eyes Advertising

Firm-Idea

Our motto is "Some *think* new," as for more than 20 years we have been creating ideas which set new directions in marketing. We could talk about it for hours, but it will be enough for now if we say that it was our creative director, Mateusz Zmyślony who came up with the idea of the Open Eyes Economy Summit, together with Professor Jerzy Hausner, and has been developing the concept ever since.

As an agency, we are in charge of the congress's marketing communication, and prepare and produce all kinds of advertising materials. As experts in the field, we manage the BRAND-CULTURE panel. In day-to-day

First edition of the Open Eyes Economy Summit, Cracow 2016

practice we use our potential to persuade further customers to go over to the 'blue' side, where values such as honesty, sustainable development, concern for the good of others and economy hold the reign.

We offer

- strategic analyses and consultancy services
- development of marketing communication
- big ideas to distinguish your brand
- development and implementation of advertising campaigns: ATL, BTL, OOH, the Internet
- development of concepts and organisation of events
- PR and social media services

OEES in our own patch

We make sure to apply the precepts of the Open Eyes Economy in our own patch, too, by segregating rubbish and taking care of the beautiful part of the Borkowski Forest where our firm is seated. Plus, we do our best to offer friendly and comfortable working conditions to Eskadra employees. These include a spacious car park, the possibility to bring dogs to work and a hammock in the garden, where people can relax.We were the first in Poland to introduce workplace air quality measurements, and now we are pioneers in the installation of air cleaners. As a result, our employees and customers who attend meetings in our conference halls always breathe clean air.

Creating culture

Although we are still involved with traditional marketing, we do change the way of thinking about brands and their functioning in the society, city and culture.

Together with Mazda Poland, we stand behind the Slow Road project developed based on the Theory of Islands and Archipelagos.

We have also formulated the concept of place marketing and its practical application, which has made a number of Polish cities and regions more friendly to their dwellers and local businesses.

Improving the quality of life

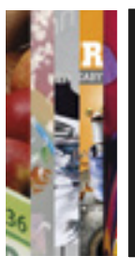
We mainly conduct social campaigns aimed at improving the quality of life. Our achievements include, among others, a smog-fighting strategy for Silesia. Recently, we have also held a campaign to recruit potential bone marrow donors for the DKMS foundation which helps people with blood cancer.

Do you like our approach to business?

Meet us and see how the Open Eyes Economy can benefit your company in a long-term perspective.

Would you like to work with us?

See our offers at www.eskadra.pl/praca



Contact

Grupa Eskadra sp. z o.o.
ul. Jeleniogórska 17
30-422 Kraków
phone no.: +48 12 25 23 700
e-mail: eskadra@eskadra.pl

Open Eyes Book 2 –
published for the second edition
of the Open Eyes Economy Summit

Organiser

FUNDACJA GAP
FOUNDATION OF ECONOMY AND PUBLIC ADMINISTRATION

Host City

Kraków

Main Partner

KRAKÓW REGION MAŁOPOLSKA

Co-Organisers

CRACOW UNIVERSITY OF ECONOMICS

GAP

Employers of Poland
member of BIAC, IOE, ILO, EESC

Partners

kapsch challenging limits

MIEDZICOPPER

DIEBOLD NIXDORF

ING

MAŁOPOLSKA European Entrepreneurial Region 2016

Business in Małopolska

Supporting Partners

fortum

GT GreenbergTraurig

WORK SERVICE

Jerónimo Martins | Biedronka

Raiffeisen POLBANK

IKEA

SOCIETE GENERALE

GRUPA BORYSZEW

PIBR Polska Izba Biegłych Rewidentów

Komisja Europejska | Przedstawicielstwo w Polsce

Fundacja Kronenberga | citi handlowy | Inspiration to Act

Coca-Cola HBC Polska

Main Media Partners

RZECZPOSPOLITA

rp.pl

Media Partners

TOK FM Pierwsze Radio Informacyjne

POLITYKA

BUSINESS INSIDER POLSKA

Forbes

Harvard Business Review POLSKA

ICAN INSTITUTE

respublica

Życie regionów Rzeczpospolita

PARKIET

A&B

CEO COMPL BIZNES W PRAKTYCE

INTELIGENTNE MIASTA I REGIONY.pl

GRAMwZIELONE.pl portal zielonej energii

Link to Poland

MY COMPANY

MAMSTARTUP

CONTENT MANIA

Cultural Events Organisers

AGENCJA ARTYSTYCZNA GAP

nowohuckie centrum kultury

Powered by

Eskadra

Content Partners

POLITYKA INSIGHT

future of life

AIESEC

FAIRTRADE POLSKA

VISEGRAD INSIGHT

warsztat innowacji społecznych

MSAP

MFES MAŁOPOLSKI FUNDUSZ EKONOMII SPOŁECZNEJ

MUZEUM INŻYNIERII MIEJSKIEJ

15 LAT

Partner Events

REGIONS & CITIES | European Week Brussels 9-12 October 2017

nienieodpowiedzialni.pl

Patronage

European Committee of the Regions

European Economic and Social Committee

RDS RADA DIALOGU SPOŁECZNEGO

ISBN 978-83-947017-6-5

9 788394 701765 >

FOUNDATION OF ECONOMY AND PUBLIC ADMINISTRATION

Kraków

KRAKÓW REGION MAŁOPOLSKA

CRACOW UNIVERSITY OF ECONOMICS

Employers of Poland

Fundacja Kronenberga citi handlowy