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The fundamental issue: The system

11th Congress of Polish Economists: Key Message

The 11th Congress of Polish Economists, held in December 2025 in Poznań, proved to be an important foundation for and impetus to in-depth reflection not only on the state of the Polish economy but also on the state of the global economy. Although the successes of the Polish economy were not questioned during the Congress debate, it was simultaneously pointed out that the current intensification of geopolitical tensions, together with growing chaos, fragility, and volatility in the global environment and in international structures and agreements, is expanding the scope of risks, uncertainties, and threats to further sustainable, harmonious socio-economic development at the local, national, and global levels.

It is no coincidence that the Turkish-American economist Dani Rodrik, who participated in the Congress, stated in his message: "We are living in fragile times with many of our economic and political institutions under great stress. We desperately need economists all around the world to inject some rationality and sense of social justice in our policy discussions, both nationally and globally. I look forward to taking part in the 11th Congress of Polish Economists and to advancing this conversation in your midst" (XI Kongres, 2025).

> Rodrik's message to the Congress can be treated as an indication of the urgent need to undertake multidimensional work on policies aimed at shaping the socio-economic system and transforming capitalism.

It is, after all, the socio-economic system—the institutional order—that constitutes the foundation determining the nature and direction of human activity. It can therefore be argued that almost all dysfunctions occurring in socio-economic and political life have, to some extent, a systemic and institutional basis. This is confirmed by numerous academic studies, including those conducted by Nobel laureates (e.g., Acemoglu, Robinson, 2014).

Systemic Dysfunctions: Critique and Warnings

The extraordinary dynamism of the socio-economic and geopolitical changes taking place in today's world, together with the uncertainty and ambivalence of assessments of the current and future consequences of these changes, means that systemic and institutional issues, as well as the transformation of capitalism, have perhaps never before assumed such a global dimension. This was expressed particularly pointedly by UN Secretary-General António Guterres, who stated: "The world has changed. Our institutions have not. We cannot effectively address problems as they are if institutions do not reflect the world as it is" (*Secretary*, 2023). Particularly alarming is Guterres's warning: "We are edging towards the unimaginable—a powder keg that risks engulfing the world" (UN's, 2024).

The validity of such warnings is confirmed by national and international research findings, the scholarly literature, as well as the proceedings of the 11th Congress of Polish Economists (Gorynia, Mączyńska, Pysz, Urbaniec, 2026). These sources indicate that the deep dysfunctions characterizing today's reality are largely a consequence and manifestation of failures to adapt to socio-economic challenges, maladjustments and errors in systemic policy, and shortcomings in policies shaping different models of capitalism. Accordingly, academic research increasingly identifies a structural crisis of capitalism characterized by profound dysfunctions and maladies.

> These maladies are symptomatically reflected in the unflattering labels applied to contemporary capitalism, such as turbocapitalism, casino capitalism, cancer capitalism, McWorld capitalism, crony capitalism, surveillance capitalism, predatory capitalism, technofeudalism, and others.

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There is no shortage of blunt criticism of contemporary capitalism. One example is a warning by 2025 Nobel laureate Philippe Aghion: "We must not allow crony capitalism to arise in Europe" (*Laureat Nobla*, 2026).

All of this indicates that policies shaping the socio-economic system and the resulting institutional order constitute fundamental determinants in the development, prosperity, and success of every country and its regions. They also shape the condition of enterprises operating within that system and the level of social well-being. At the same time, flaws in systemic policy are one of the sources of anomie, that is, chaos in the system of values. The importance of this issue is also aptly reflected in, among other things, the title of Jerzy Hausner's latest book: *Value vs. Greed: From the Economy of Greed to the Economy of Values—in Search of Ideas and Hope* (Hausner, 2025). It is from this institutional order that state—market relations, systems of values, and preferences and strategic, long-term socio-economic goals extending beyond the electoral cycle emerge.

Artificial Intelligence—Systemic Challenges

The importance of discourse on the socio-economic system is determined not only by experiences resulting from the dysfunctions of capitalism but, above all, by new phenomena (positive and negative) emerging as a result of advances in artificial intelligence (AI). These developments are leading, among other things, to a fundamental reassessment of the assumptions and principles underlying existing socio-economic theories and models.

> Of key importance here is the question of systemic solutions that could foster more effective use of the potential of the digital revolution and artificial intelligence and optimize the distribution of the benefits they generate. These questions are particularly relevant, since models of capitalism are heterogeneous, and the solutions adopted in individual countries differ significantly from one another and produce different outcomes.

Essential Inclusivity

Analyses of the dysfunctions of capitalism show that social inclusivity—that is, the inclusion of all resources of social knowledge in the processes of socio-economic development—is of fundamental importance in counteracting them. Such inclusivity characterizes the ordoliberal concept of the Social Market Economy (SME), which falls within the domain of free-market capitalism. This is also reflected in the incorporation of the SME into the European Union's treaties as a mandatory standard for socio-economic systems. Some countries, including Poland, have given the SME constitutional status (Art. 20 of the Constitution of the Republic of Poland).

> The SME is a concept of a triply balanced and harmonized model of socio-economic development—that is, a model consistent with the principles of cohesion underlying EU policy.

However, despite treaty and constitutional provisions, this concept and its ideas are still insufficiently reflected in socio-economic reality. What is puzzling and surprising is that in many analyses of models of capitalism, this concept is marginalized or overlooked. This happens despite the fact that research on the subject indicates that models of capitalism saturated with solutions characteristic of the SME concept have greater potential to mitigate the dysfunctions of capitalism. Nevertheless, various barriers to implementing the SME concept in practice remain evident[1].

Social Market Economy—Ordoliberal Foundations and Utility

The theoretical foundation of the concept of the Social Market Economy is ordoliberalism, a school of economic thought pioneered by Walter Eucken. Ordoliberalism is a theory of "ordered liberalism" that stands in opposition to neoliberalism and is oriented toward establishing a socio-economic order that reconciles and harmonizes economic and social interests (Eucken, 2004). In ancient languages, *ordo* means order. Moreover, the so-called "golden age of capitalism," lasting from the end of World War II until the 1970s, is associated with the SME concept. This applies especially to West Germany, but also to other countries. However, with the triumph of neoliberal doctrine beginning in the late 1970s and its dominance in the following decades, the influence of the ordoliberal concept of the Social Market Economy began to wane. At the same time, however, subsequent decades of neoliberal dominance gradually revealed the dysfunctions it generated, as pointed out by numerous economists (e.g., Kołodko 2013, Gorynia 2022).

[1] To address this issue, the Polish Economic Society is implementing a special publishing series on the SME, see: https://ksiazkiekonomiczne.pte.pl/kategoria/spoleczna-gospodarka-rynkowa/.

> The question therefore arises as to whether and to what extent the SME concept can still be useful today, under the complex, turbulent, and uncertain conditions of a civilizational turning point. Certainly, this concept requires adjustments to changing realities. However, its general assumptions can serve as a kind of compass.

A statement by Karl Polanyi, who in his 1944 book *The Great Transformation* diagnosed the main distortion of the capitalist system—the subordination of human affairs to economic affairs—may be helpful, at least in providing a directional answer to the question of the utility of the SME. As it is, the economy governs man rather than the other way around. Under such conditions, the economy is not embedded in social relations—instead, social relations are embedded in the economic system. According to Polanyi, a system primarily subordinated to the interests of capital, in which people become pawns in a chess game of interests, is "doomed to perish" (Polanyi, 2003, p. 70).

The opposite of such a system is the Social Market Economy. As research on the essence and features of the SME shows, it is precisely a concept that is strongly embedded in society, as reflected in its telling name. It is a concept marked by humanism and oriented toward human beings.

Davos 2026: Systemic Warnings

The special significance of the SME concept also emerges in the context of debates at the World Economic Forum in Davos in January 2026. This event was described by many experts as a forum of power, the economy of greed, the naked language of interests, technological dominance, and geopolitical rivalry (Konkel, 2026). This is linked to the erosion of social values, such as social inclusion, responsible and ethical business, which stands in stark contrast to the assumptions underlying the SME. However, this may at the same time serve as a warning that if the SME concept is ignored, the dysfunctions of capitalism may intensify, thereby deepening the structural crisis of capitalism and precipitating all-encompassing disorder.

Social Market Economy—Philosophy of Balance, Not Exclusion

Faced with the current intensification of global disorder, discourse on how to shape the system of order is gaining momentum. This is evidenced by, among other things, an article published by the Danish political scientist Peter Nedergaard under the telling title: *Shelter from the Storm: The Ordoliberal World of Welfare Capitalism* (Nedergaard, 2023). In the summary of his article, Nedergaard points directly to the ordoliberal concept of socio-economic policy as a model from which European states should draw inspiration for reforming their institutional systems.

> Many indicators suggest that the future of capitalism will be decided by its openness to social inclusivity, i.e., to solutions that curb growing social inequality and exclusion, as well as the risk of negative phenomena leading to the waste of productive resources—so characteristic of today's world—and to a deterioration in the quality of life of numerous social groups in many countries.

At the same time, however, the vastness of information resources, visual communication, and connectivity—the productivity-enhancing potential of modernity enabled by digital information technologies and AI—are factors that create unique opportunities to fulfill Erich Fromm's hope for a "humanistic renaissance." Fromm emphasized that "in a historically very short time, man has reached the point at which he must no longer spend the largest part of his powers on nourishing himself as an animal, but can realize the development of his powers as an end in itself." (Fromm, 2013, p. 29). He also argued that "[t]he material prerequisites are a given, so that the table can be set for all and no part of the human race must any longer be excluded from it" (Fromm, 2013, p. 29). This is fully consistent with the SME concept as a philosophy of balance, not exclusion, as emphasized in many studies on this topic.

Fundamental Importance of Systemic Solutions

In the face of the intensifying negative phenomena threatening harmonious, sustainable socio-economic development, shaping socio-economic institutional models aimed at counteracting dysfunctions is of fundamental importance.

> Walter Eucken's recommendation is particularly relevant to the search for solutions in this area. He observed that "the new regime must simultaneously remove the threat that a single human being will become a particle of a huge economic apparatus, an immature, mass-produced being, deprived of spontaneous independence, naturalness, and personality" (Eucken, 2010, p. 27).

The risk of this threat becoming a reality is clearly increasing with advances in artificial intelligence. Hence, under such conditions, an ordoliberal orientation can serve as a useful compass in the pursuit of an optimum socio-economic system.

Therefore, it is hard to overestimate the importance of conducting research and promoting debate on this subject. In my opinion, this topic should also constitute the central theme of the next Congress of Polish Economists.

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