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## THE DILEMMAS OF THE POWER OF MARKET ECONOMY

**Summary:** The paper focused on the dilemmas of the power of market society. In the article, the authors focused on finding context of trends in the contemporary world and exploring the main elements of society. The main elements of society are economic, political and violent forces. The authors reach a decision that people are heading to a new stage of the development of the world, i.e. globalization tends to deglobalization, however, in a new qualitative and historical context etc. The main methodological principle of authors' research activities is the diagnostic – therapeutical approach to the world and its development; and using the methods and techniques of mathematical-logic modeling, thought description and scenarios.

**Keywords:** market economy, economic power, political power, violent power, nature, identity, globalization, deglobalization.

### Introduction

Nowadays (2016), it is characteristic that life events are rapidly changing and the theory of social sciences (including economic) cannot be globally explained. Also, there does not exist a satisfactory recommendation of long term – validity, which would be acceptable to all the main cultural groups and decisive power structures all-around.

In this article, the authors attempt to outline the context and trends derived from a holistic and eclectic – historical – evolutionary perspective on some current events from the viewpoint of entrepreneurship as a scientific field.

The content of the article is based on the summary of research activities, practical and pedagogical experience of the authors, mathematical – logical modelling and the simulation of events as they were gradually presented<sup>1</sup>.

## 1. Methodology

The main methodological principle of the research activities of the authors is the diagnostic – therapeutical approach to the world and its development. The diagnostic – therapeutical approach is based on system theory and evolutionary (didactic) thinking [Kašík a kol., 1996a, 1996b, 1998; Mikoláš, 1993, 2005, 2011; Bieniok, 1999].

In the last 10-20 years, we have been exposed to new phenomena and paradigms. It is necessary to examine the spontaneous order and synergies of the world and its potentials. The new concept of discerning social and economic life requires a change from “self” to “the world”; in reversed fashion – from “the world” to “self”. First, it is necessary to examine outer phenomena, which are impossible to manage and control, and which manifest themselves as threats and opportunities for future development. Later, we can study inner phenomena (weaknesses and strengths). Simply put, it can be said that the thought process of SWOT should be replaced by TOWS [Mikoláš, 2011].

It follows from that it is necessary to view the world applying the holistic approach. From this, it follows that isolated and specialized research (e.g. economic, sociological, psychological, politological etc.) without applying eclectic synthesis (i.e. sychresis) does not bring the synergizing effects of understanding reality and new potentialals of its further development.

An example of the sychresis<sup>2</sup> of scientific knowledge is the birth and development of the scientific and educational discipline of entrepreneurship. It is paradoxical that entrepreneurship belongs to the oldest human activities; however, as a scientific discipline it was established in the middle of the last century [Hisrich, Peters, 1996].

The authors of this article have applied the described approaches, conceptions, methods and techniques in their research. The methods and techniques of

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<sup>1</sup> The list of sources contains only selected publications of the authors (Z. Mikoláš has published over than 500 scientific publications in cca 40 years and since 2011, according to scholar.google.cz, he has been quoted 378 times).

<sup>2</sup> Sychresis can be understood as the synthesis of non – homogenic phenomena and the definition of the new quality of the phenomenon (e.g. the synthesis of an apple and a pear can be defined by a new expression “fruit“).

mathematical – logic modelling (i.e. the application of Boolean and logic mathematical conception of thinking)<sup>3</sup>, thought description (mind maps etc.) and scenarios<sup>4</sup> have proved to be very useful.

The above-mentioned intellectual and methodological concept is reflected in the presentation of findings and opinions later in the article.

## 2. Current list of selected findings about the contemporary world

Professional literature often mentions expressions such as: terrorism, immigration, market economy, the lingering effects of the financial crises (from the global point of view as well as from the point of view of the Eurozone) and dilemmas of old paradigms (such as the relationship between democracy and totalitarianism, productivity and redundancy of people, economically and socially valueless people, economic growth and the impacts on the environment, reality and virtual reality, hybrid wars and the sovereignty of countries etc).

We have reached a conclusion, that it is a natural and cyclically repeating process of evolution in which the key moments are people's attitude towards nature and relationships in a society of a certain developmental stage. Quantitative growth alternates with qualitative changes in the form of evolution or dramatic revolution [Davos, 2016]. Entrepreneurship and lust for power (resp. fight for power) have played the main role in the history of humankind (incl. the present). This means the solution of dilemmas regarding the manner of creation and distribution of wealth in a society, resp. the process of selection within a society (nations, ethnic groups, men and women, believers, social classes, individuals and communities etc.) into those who rule and those who obey.

## 3. Model situation

Based on our own findings and significant inspiration of listed sources [Schüz, Kučera, 2015; Zamarský, Nikolskaja, 2015] we arrive at the following model  $V_n\pi$ .

We can describe the contemporary world using the following general model  $(n + 1)$  of dimensional space-time. A general mathematical model can be defined

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<sup>3</sup> Mathematical logic modelling has been known for a number of years (e.g. practical applications of such models in mining are presented by [Fajkoš, 1978]), however, it is currently not regarded as an issue of high priority.

<sup>4</sup> Authors of this article do not list an overview of methodology, methods and techniques implemented in their research due to the high number of references (see: Literature).

as a dimensional space  $V_n = \pi.a.b. \dots .n$ , for individual  $x = a, b, \dots, n$ , it is valid that **individual xs** belong to interval  $0 < x < \infty$  and  $n+1$  is the dimension of time. The stated entry is needed to be understood in the sense of Boolean algebra and mathematical propositional logic. Then, if  $x = 0$ , system (modelled world) as an order (whole) lapses into chaos (entropy) due to the termination of one or more dimensions. For  $0 < x < 1$  dimensions, the system breaks down (process of degeneration). Furthermore, if  $x = 1$ , the modelled dimension is stagnating (it is static, resp. it is in a stage of calm existence) and the system becomes orderly. And for  $1 < x$  the dimension develops towards infinity (it expands towards another type of chaos)<sup>5</sup>.

It follows from that the model of the world can have different forms from a line to a multi – dimensional ellipsoid etc.

Based on the obtained results from applied research (see references and list of sources) we arrive at a model with five spatial dimensions of the fundamental elements of the evolution of current world and time as the sixth dimension.

Then specific model  $V_5\pi$  is defined by mathematical relationship  $V_5 = \pi.a.b.c.d.e$ , where **a** is a line segment between centre of gravity of structure **T** (symmetrical structures have centre **S**) and point **A = economic power**, **b** is a line segment from **T** to **B = political power**, **c** is a line segment from **T** to **C = violent power**. Similarly, **d** is a line segment from **T** to **D = nature** and **e** is a line segment from **T** to **E = identity**.

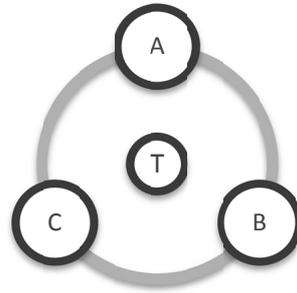
Model  $V_5 \pi$ , describing the world as it is evolving in time, has five spatial dimensions, which can be arranged into six triangles illustrating the interactions of the fundamental elements of the researched structure (marked by points A.....E) with a non-stable centre of gravity of the structure as well as its parts (i.e. triangles of interconnected elements), which causes a rotation of the space of the researched structure, i.e. dimensions and elements of the researched world (displayed in its model).

The main elements of a society are economic, political and violent<sup>6</sup> forces. The relationships among the main elements can be represented by a triangle (Figure 1).

<sup>5</sup> In this revolutionary context, it is needed to understand zero as not emptiness (nothing, vacuum), but rather as a beginning of new, which means a concentrated potential of the future world. Similarly, infinity is understood as an end of old with the potential of new (i.e. Infinity of zeros). Only algebra understands zero statically or non – evolutionary (that is why e.g.  $1 + 0 = 1$ ).

<sup>6</sup> Violent power is represented by the military, police and other armed forces – either legal or illegal.

### Main triangle



**Figure 1.** Main triangle

If relationships among the main social elements are harmonized, they can be represented by an equilateral triangle. Main elements and their relationships within a society evolve in time. Evolution is not always symmetrical and therefore the focal point among elements historically shifts and oscillates around a notional (“ideal”) centre. Such dynamics within social relationships is reflected in other dimensions of the world and understandably the other world has an impact on society.

The fundamental element of a society, which anchors main elements and social relationships to the other world, is nature in the widest sense of the word (i.e. Earth and universe). A superstructural element of a society is its identity (i.e. philosophy, language, culture). Then the main triangle yields three basic and three superstructural triangles. By combining individual triangles, we get a shape with five points: nature, economic, political and violent power and also identity (illustrated by model  $V_5 \pi$ ). In its ideal shape, the centre of gravity of the structure (model  $V_5 \pi$ ) is identical with its ideal centre. Figuratively speaking, the harmonious development of the world can be depicted as a buoy floating on the surface (history of the space of the world), while the fundamental element (nature) is located below the surface (as the “anchor and steering wheel” of a society), the main social elements (economic, political and violent powers) float on the surface (in a way a raft would) and the superstructural element (identity) is located above the surface as the mast of a society).

The above, mentioned position of the structure of the modelled world can change due to a disharmonious development of individual relationships among the elements of the modelled world. Then the centre of gravity of the structure (modelled world) and the structure itself turn to one or the other side. This implies that other elements, not those found in a harmonious state; reach the sur-

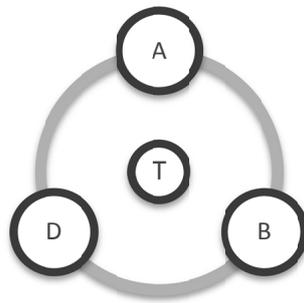
face, below and above the surface (see below – three fundamental and three superstructural triangles).

Based on the model (rotation of modelled structure) we can describe different variants of the development of the world and its turbulence. First, we will focus on the disharmonious effects of nature on social development.

### Fundamental triangles

Nature affects social relationships and elements in three fundamental variants.

#### *Geopolitical economic power*



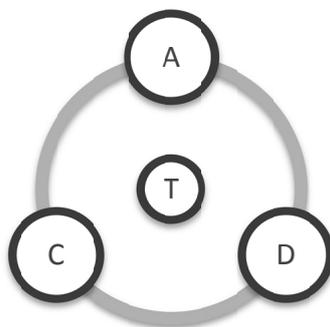
**Figure 2.** Fundamental triangles – geopolitical economic power

Element nature (point **D**) is linked to economic and political powers and geopolitical economic power is formed by peaceful means on principles of e.g. “liberal politics of market society”, where prospector phenomena wedges itself in economic and political powers, often leading to the plundering of nature, its pollution etc., which usually has a negative impact on future generations [Veverka, 2014].

At the same time, differentiation and selection of society is experienced under the influence of its relationship with nature; in extreme cases into poor and rich segments (nations, states, classes, regions and localities etc.). This state of imbalance usually leads to the process of emigration/immigration among continents, states, regions, rural and urban areas etc.

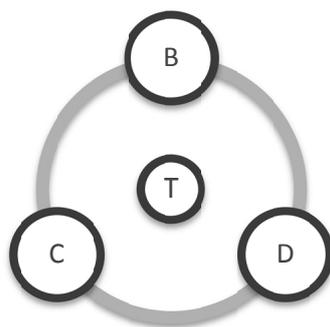
The practical results and manifestations of geopolitical power frequently bring more negatives than positives, often powerlessness over the state of some segments and spheres of nature.

Geopolitical power described above can change into a form of violent power, and into geological power of natural – economical violence (Figure 3) or geopolitical power of societal violence (Figure 4).

***Geopolitical power of natural – economic violence***

**Figure 3.** Fundamental triangles – geopolitical power of natural – economic violence

History has shown that political power can be suppressed by violent power due to the development of nature and the attainment of economic power by e.g. military intervention of countries rich in natural resources, violent methods of the mafia used against small farmers, above surface nuclear tests and the like.

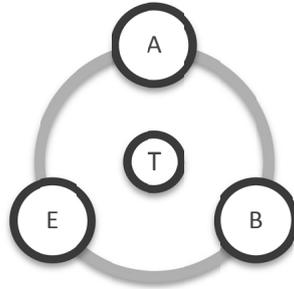
***Geopolitical power of natural – violence***

**Figure 4.** Fundamental triangles – geopolitical power of natural – violence

Geopolitical power of natural social violence is not based on economic interests but other “strategic” goals. For instance, the conquest of islands or territories within the vicinity of an “ideological” adversary or the transformation of “virgin” countryside into military bases, launching spy satellites into strategic areas of the cosmos, occupation of strategic positions near the poles or the equator etc.

## Superstructural triangles

### *Geopolitical social – economic identification*

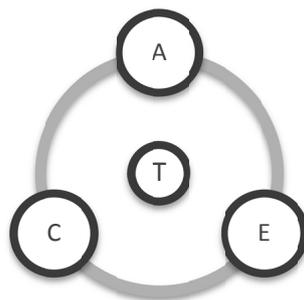


**Figure 5.** Superstructural triangles – geopolitical social – economic identification

The current political, economic and cultural, language and philosophical world order reflects human history in the formation of nations, settling of continents, regions and states as a consequence of the assertiveness of leading economic and political powers in a particular part of the world. South America is called Latin due to the fact that European culture, languages (Spanish and Portuguese), religion etc. asserted themselves there.

### *Geopolitical violent economic identification*

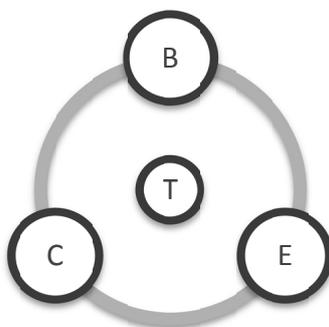
Areas where populations have not succumbed to political power have been subjected to a combination of economic and violent powers. Apart from imposing economic sanctions, violent power is used in the form of establishing colonies, protectorates, occupation, annexation, military diversion etc. These are common events occurring as we speak in different parts of the world, even in Europe.



**Figure 6.** Superstructural triangles – geopolitical violent economic identification

Whether the interests are economic or political, the subjugated (those who are controlled) experience similar results (as in Figure 6 and Figure 7).

#### ***Geopolitical violent social identification***



**Figure 7.** Superstructural triangles – geopolitical violent social identification

It is often encountered by poor and economically insignificant areas, which are, however, interesting for strategic reasons. The indigenous population is forced to accept a different faith, language etc. by the use of political and economic powers. Therefore, in Asia, we can find Christians living next to Muslims, Taoists etc. depending on which nation has colonised the indigenous population.

#### **4. Discussions and prospects**

It is obvious that the development of the world is not homogenous and that is why does not form a harmonized structure. There is a set of smaller structures existing next to each other, which contrast or coexist with each other. Therefore, an ideal state could be likened to a monocrystalline with polarised elements and chemical bonds according to a certain order. The history of humankind has not yet experienced the ideal state. The world develops in a way that some world structures are drawn to each other (they get closer to each other), other repel themselves or partially grow together into irregular complexes etc.

In Europe, this process can be viewed in the form of different integration and coexistence of countries (some of them are members of the EU, others are not, some are members of NATO and EU, others are members of EU, but are neutral – they are not members of any military, political pacts etc.).

If we summarise the above – mentioned findings – we can arrive at the following prospects of further development of the world within the next 10 to 15 years.

**Themes:**

- A – economic power:
  - the current world is economically differentiated with social consequences – in particular, an increasingly smaller group of people own a growing amount of property and there is a rising number of people who are impecunious or who have an insignificant share of the world's wealth,
  - democracy and market economy are merging which causes the creation of market society, especially in the northern part of the world, where the consumerist nature of life prevails,
  - new technologies are changing global economy into planetary (the productive factor is no longer just soil, but Earth within the cosmos),
  - apart from real, there are also virtual economic processes and structures.
- B – political power:
  - in history, the bi-polar political world is getting diversified, while national or religious points of view of the differentiation of political power are growing,
  - political power is privatised – some owners (presidents) of corporations wield more political power than countries (presidents, kings etc. of sovereign countries),
  - paradigms of standard politics are changing – one of the most dynamically developing – economies are those ruled by communist or not fully democratic regimes,
  - virtual social networks independent of countries' borders are spreading in the world beside real societies.
- C – violent power:
  - worldwide peaceful attempts are not met with positive results – conflicts are dispersed into regional and local wars,
  - violent power takes on new forms, which have a hybrid character, where the activities of official armies are combined with the activities of voluntary “guerrilla” groups, individual terrorists etc.,
  - violent power is not currently implemented frontally but diffusely, i.e. attacks are “dislocated”, often in remote local attacks outside the centre of the violent power,
  - violent power is privatised, not only in the form of mafia groups and guerrillas, it is also to be found in the form of private armies for hire,
  - the application of new theoretical knowledge into practice leads towards the robotization of violent power – pilotless planes, drones (quadrocopters, multicopters), devices for electronic war etc.

- D – nature:
  - beside living and inanimate nature there has arisen artificial nature, which has infiltrated living as well as inanimate nature and society or it exists in synergy (positive, negative or sterile – neutral) with the rest of the world,
  - we experience climatic changes impacting the activities, conditions and life-style of people, nations, states and local communities,
  - many changes are irreversible – organisms are forced into extinction, the structure of Earth’s biosphere etc.,
  - a number of natural resources are being exhausted – the shortage of water or increase of polluted water is becoming a key problem,
  - new kinds of “the pollution” of nature are springing into existence – radiation, light smog, cosmic debris etc.
- E – identity:
  - cultures are becoming intertwined, which on the one hand, leads to the loss of identity and a historical context of the character of people (individuals), nationalities, nations, regions, states and the like,
  - on the other hand, nationalism, racism and religious intolerance etc. are growing,
  - due to the penetration of virtual reality into the life of human society, disinformation is disseminated together with information, the truth is delivered together with falsities, logical arguments are tainted by emotions or faith in false values etc.,
  - global corporations see company culture, ethics and identity assert themselves and become superior to national, regional and local characteristics of human societies which have been created throughout history.

The listing of themes outlining the prospects of further development could be continued. We have deliberately selected those which have negative and, in much, destructive impacts on today’s Europe, especially the central European countries.

## **5. Prospects**

The above – mentioned themes allow us to interpret the current processes and manifestations which have come to exist in Europe. We have selected one of the pressing problems the EU is experiencing – migration (Africa – Asia – Europe).

We base our opinions on the interpretation of model  $V_n\pi$ . First and foremost, we must realise that it is not immigration only from Africa and relatively from Asia. In essence, there exist four migration processes (types) connected to Europe:

- a) immigration of mostly poor and war affected people (mostly Muslims) from Africa and near Asia (“near east”),
- b) immigration of wealthy “strategic investors” from the “far east” (China, Japan, India etc.),
- c) immigration of citizens of former post – soviet states (especially from Ukraine),
- d) internal immigration (within the EU) of the young generation from western to central Europe.

For immigration of type a) we introduce these objective reasons:

The negative development of climate is at the beginning of the immigration processes – there is a shortage of water for agriculture and industry in areas such as Eritrea, Ethiopia among other African nations, through the Sahara in the direction to the Near East, Iraq, Afghanistan, Kazakhstan, all the way to Mongolia and Northwest China. This leads to poverty, violent conflicts, low level of education, tendency towards “idealised” visions etc. It is obvious that the concentration of natural, economic and social problems manifests itself in the form of migration (these phenomena are known from history as the “wandering of nations”). People from areas thus affected set out on a “journey” to rich countries (especially to western and Northern Europe) regardless of the risks involved (life without hope at home is replaced by hope for a better life elsewhere with the risk of dying on the way there).

There are also objective reasons for immigration of the b) type:

Countries in East Asia are gradually becoming economic “tigers” with all the negatives associated with it (environmental damage, social inequalities, marginalisation of minorities, ideological and political coups etc). Excessive growth of wealth in a number of countries of East Asia becomes evident in the global market in the export of capital abroad, especially strategic investment. It is entirely logical that strategic investment is bound for so called new countries of the EU because these countries are located between the Adriatic and Baltic seas with convenient transport links to ports and economic centres in Europe, have an “industrial” tradition, “technical culture”, relatively well educated populations, lower standard of living and lower cost of labour than in the west and north of Europe etc.

Secondary immigration of type c) has the following impulses:

Primarily, it is the low effectiveness of some post-soviet countries, which leads to “commuting” to work to their neighbouring countries (mainly Poland, Slovakia and the Czech Republic). Another factor for this kind of immigration is the language and cultural closeness of the target countries. New investments (see migration of type c) and the induced lack of expert work force in the host countries gradually add to the number of immigrants. “The commuting workers” stop returning home and settle down in their host countries.

The following can be said about immigration of type d):

The clash of cultural profiles between immigrants of type a) and the citizenry of the host countries in some regions of Western Europe leads to social political tensions, which give rise to the movement of the young generation to “calmer” and culturally less remote parts of Europe. New member states of the EU interconnected with Western Europe by common history and contacts with the offer of interesting work opportunities are becoming the target regions. For instance, young people from Spain, Germany or Holland move to the Czech Republic.

The next 10-15 years will see a radical change taking place in Europe due to the migration processes. During this time new voters from the ranks of immigrants will have reached legal age (type A), who may radically alter the structure of political parties and their political orientation.

There is going to be a change in ratio among nations, churches, social groups etc. in view of the fact that there are different attitudes towards a woman’s role in a society, family, number of children in a family, religious and philosophical orientation, education etc. What may even happen is the formation of a border between Arabic – Muslim culture and orthodox Christianity and Judea – Christian value system of an indigenous European people.

It is needed to take into account the fact that global economic centre (on condition that there is not going to be a military conflict or another catastrophe e.g. ecological), will move to the eastern part of Asia and the importance of Europe will diminish.

## Conclusion

We reach a decision, that humankind (mainly Europeans) is heading to a new stage of the development of the world which can be distinguished by the following characteristics.

*Globalization* is being transferred into *glocalization* (i.e. the harmonization of global and local processes and phenomena) and is headed towards *deglobali-*

zation. *Deglobalization* is a process leading towards the renewal of local structures and processes, however, in a new qualitative and historical context in which we will experience a return to the roots of humankind with the use of new technical devices, knowledge about the world and the acceptance of paradigms regarding the existence of the world and people.

The ruling social order – *capitalism* – is entering a stage where it will either retreat from the main criterion *financial gain* and will evolve into a social system, where *profit* will be understood in a wider context (economic, social, ecological etc.). Satisfaction, emancipation and entrepreneurship will become common social values. Or the world will see an revolutionary explosion of hatred, social clashes and violence (not long ago this happened in southern Europe, former Yugoslavia) etc.

The determining factors for further positive development of the world in the next 10-15 years will be:

- shift of *innovation activities* from purely technical and economic to social and ecological because the ignoring the consequences of technological and economic innovations may lead to a surplus of people in the economic and social sense,
- *development of culture* (including physical, mental and social) and *learning* to enhance the human and social potential of society,
- acceptance of *individual and collective entrepreneurship* as the basis of securing the future of humankind in the harmonious, cultural, social, political, economic and living environment during the period of deglobalization,

Emancipation, satisfaction, harmonization, positive synergy and especially entrepreneurship will be the cornerstones for the evolution of human society in line with the rest of world.

We should not realize this megatrend, we may in a relatively short period of time witness revolutions and other dramatic changes with an impact on the basic “standards” of the so-called consumer society in parts of the world.

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#### DYLEMATY SIŁ GOSPODARKI RYNKOWEJ

**Streszczenie:** Zdaniem autorów społeczeństwo zmierza do nowego etapu rozwoju świata – globalizacja ma tendencję do deglobalizacji w nowym kontekście jakościowym i historycznym. Badanie koncentruje się na dylematach władzy społeczeństwa rynkowego. Badanie ma na celu znalezienie tendencji we współczesnym świecie i odkrycie głównych elementów społeczeństwa, którymi są siły ekonomiczne, polityczne oraz gwałtowne. Główne założenia metodologiczne badań to diagnostyczno-terapeutyczne podejście do świata i rozwoju oraz technik modelowania logiki matematycznej poprzez opis oraz scenariusze.

**Słowa kluczowe:** globalizacja, odpowiedzialność planetarna, siła gospodarcza, natura, tożsamość, imigracja.