

The Health of the Economy as a Living Organism

Constantin POPESCU

The Bucharest Academy of Economic Studies

popescu.costica@gmail.ro

Cristina BURGHELEA

“Hyperion” University, Bucharest

crystachy@yahoo.com

Abstract. *According to “the health of the common living whole”, economy is a living organism, part of the human society, with which it is integrated in our microcosm environment. As organic component of the living, economy has as a viability criterion of its sense evolution the health of economic life which is in direct compatibility with human health, environment, communications, organizations, families and institutions.*

Flexibility, interrelating, the dynamic interdependencies and integration form the defining features of the living system of economy, able to self-organize through self- support and self regulation.

A healthy economy is an efficient economy, with high productivity and competitiveness. Inverse relationship is not always true.

Keywords: economic organism; flexibility; healthy growth; dynamic equilibrium.

JEL Code: A13.

REL Code: 5F.

1. Integrated wholes

In view of the new paradigm on “the health of the common living whole”⁽¹⁾, knowledge and understanding of the microcosm in which we coexist and succeed one another are organically related to systemic interpretation of the life that concerns the world in terms of relationships and integration⁽²⁾. In the bootstrap⁽³⁾ approach, the common living whole is made up of people, environment, communities, organizations, families and institutions, each forming integrated wholes whose evolution is subject to inter-connection and interdependence of all phenomena – physical, biological, psychological, social, economic, spiritual and cultural (Figure 1).

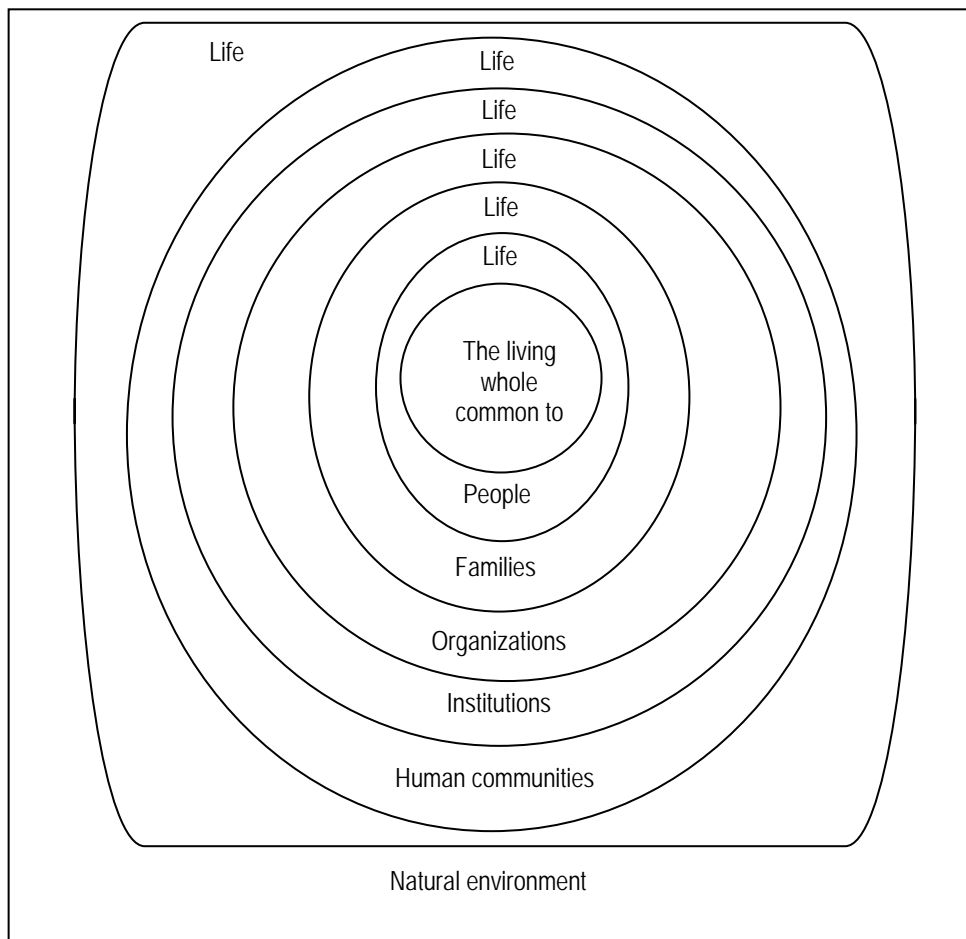


Figure 1. *The organic structure of the natural living and of the man-made one*

The development and use of a “systemic biology”⁽⁴⁾, says Fritjof Capra (2004, p. 333), each organic part of the common living is an integrated whole and thus a living system, whether we refer to individual systems or social systems, to the ecosystems with which we coexist and succeed.

Economy as a living organism is a system “made up of human beings and social organizations in continuous interaction with each other and the surrounding ecosystems on which our lives depend” (Capra, 2004, p. 496).

From the perspective of systemic vision an understanding of the problems facing us in economic life it should take into account that all these problems occur in terms of their causality, as a result of interrelations breach that is formed at the level of the common living whole which also includes economy as organic part.

To envisage economic life outside environment life, the peoples lives, the lives of families and communities, organizations and institutions actually means not to understand that economy is a living system constantly changing and evolving “addicted to changing ecological and social systems in which it is embedded” (Figure 2) (Capra, 2004).

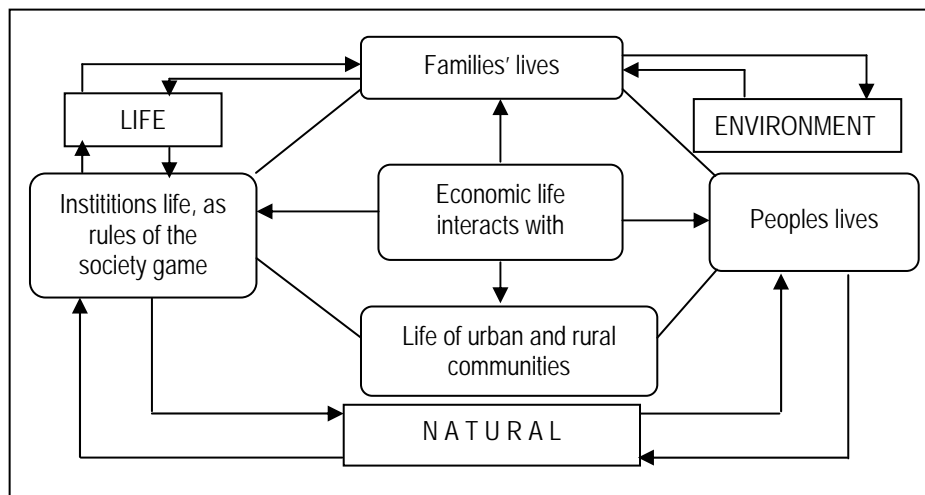


Figure 2. *Organic interactions of economic lives*

2. For a “conscious” optimum

Understanding the economy as a living organism triggers a radical change of the way in which economic growth and development processes are designed, as well as the mechanisms that support them and the institutions that govern them and manage crises⁽⁵⁾.

This change, caused by the essence of “systemic wisdom”, which originated in understanding their “wisdom of nature”, is the very substance of “environmental consciousness” of which Bateson⁽⁶⁾ spoke, the fact that “our natural environment is not only alive but conscious” (Capra, 2004, p. 497).

In view of this vision, at the level of the common living whole of which economy is part, the general trend of sense evolution is in the non-linear nature of the functional interdependence dynamics that lead to relations of harmonious integration of all components, each having an optimal dimension in the time and space of coexistence and common sequence. Optimal organizations – as companies producing goods and services must be interpreted and analyzed from the perspective of a system of criteria that integrate human life, environment and family life, community life and the life of institutions⁽⁷⁾.

Consideration of a single criterion – maximizing the financial return – which is exclusively linked to the organization’s goals to get more net added value, conflicts with other components forming the entire optimal living. By integrating criteria related to all components of the common living whole in assessing organization optimum creates the possibility that its dynamic will change the dynamics of other living systems compatible with it (Figure 3).

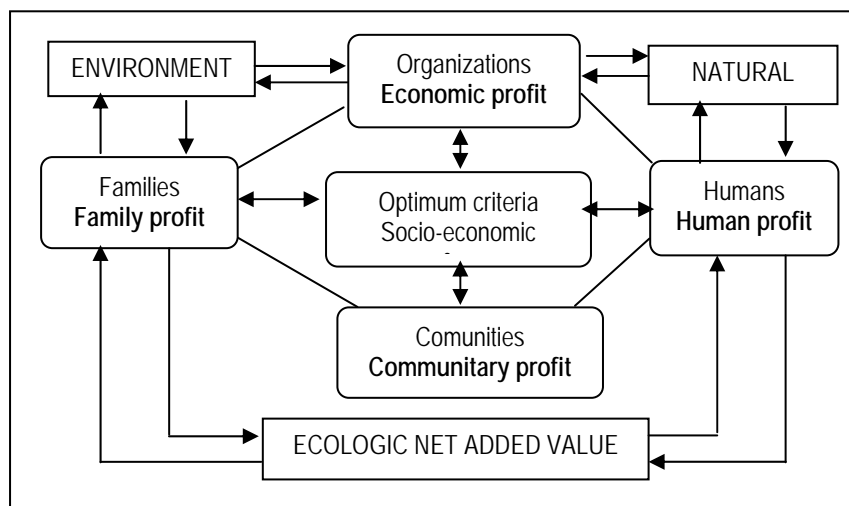


Figure 3. *Multi-criteria bases of the socio-economic optimum*

3. A healthy economic growth

Like any living system, the economy records cyclical fluctuations in its evolution, every 50-60 years, growing phases and decline phases, when the variables of economic life increase and decrease, providing a state of dynamic equilibrium, much needed in the classification of flexibility requirements for the common living whole. A healthy economy can be judged only in social and environmental context in which it is integrated, for which its variables must evolve within the minimum and maximum limits of the system it is part of.

Increasing and decreasing the economy are natural processes that accompany the evolution of economic life in time and space, each expressing the behaviour of sense or countersense, their movement between possible maximum and allowable minimum limits of economic variables are in fact the expression of flexible functioning of the economic organism as part of the social organism, which in turn fits into the ecology of the entire living organism⁽⁸⁾.

Interpretation of the economy as a living organism – part of the social organism and of the ecological one – raises the question of a different way of measuring costs and outcomes. Integrating the economic, social and environmental costs is in fact the correct expression of full efforts that are made in the common living whole to produce goods and services. Such a process of internalizing negative externalities in the businesses they produce them in time and space helps us understand the true costs of production goods and services and thus get closer and closer to the real value of national product, of those final goods and services that fulfil human life. If, for example, out of the gross national product one decreases social and environmental costs, then one has the true value of this index, as a human aggregate indicator obtained in respect to human health and the environment, and the health of institutions⁽⁹⁾.

The fact that gross national product increases when weapons of life destruction are produced, when the natural environment is polluted through direct economic processes, as well as consumption, such growth not only wastes scarce resources, but also impoverishes much of the population lacking one of those goods and useful services that had been produced by the resources wasted.

The concept of economic efficiency, as interpreted today in economics, with forms that appear in the productivity, profitability and costs are in contradiction with the new vision of the economy as part of the common living whole. Today, the economic organism has reached such a level in its

development that it may collapse at any time under the weight of its own weight and complexity. Weight and complex nature of the economic system causes problems when the system becomes rigid, inflexible and isolated from its environment (Jantsch, 1980, p. 255).

Any living system, including the economic one, able to self-organize, in favour of flexibility and open development, with an increasing potential of change, may boost technological and institutional effectiveness, to integrate harmoniously into the living whole⁽¹⁰⁾.

Making a dynamic flexibility of the economic organism and restoring balance in the sense evolution also imply a move to promote social and economic variables – GDP, labour productivity, cost, size organizations, cities, etc. – that their management can be supported in terms of health of the common living whole. Any maximization of economic growth indicators for extended periods of time can overwhelm the capacity to adapt to social and environmental stress, to produce countersense imbalances, generating decreased flexibility and loss of the potential for change, to overcome the critical mass. In this respect, a healthy economic growth based on maintaining potential for recovery of balance and flexibility of economic organism means the appearance of crises in its evolution, the instability of meaning, when they are removed from the living economic organism, those counter elements affecting compatibility with the requirements expressed by the people, environment, communities and institutions⁽¹¹⁾ (Figure 4).

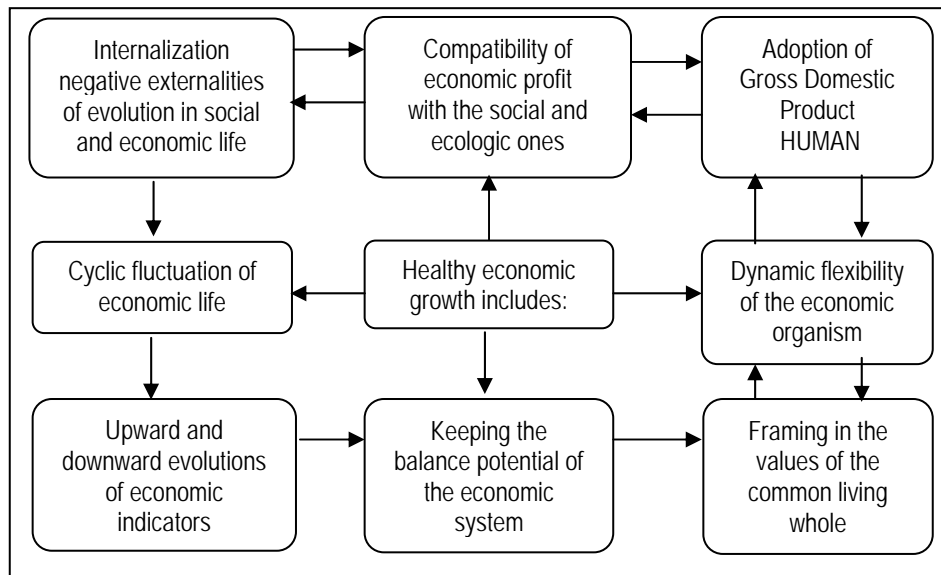


Figure 4. *Interrelations of healthy economic growth*

An unhealthy growth is based on the obsession of continuous expansion, on the excessive increase of enterprises, on the emergence of inhuman cities, cosmic technology, bureaucratic institutions that want to control everything.

A healthy economic growth requires a continuous harmony between individuals and their natural and social environment, among the components of the common living whole. Based on this value these components move and coexist.

4. Rationality and hope at the foundation of healthy economy

As long as the economy means people's lives, with their dreams and memories⁽¹²⁾, located in sense interaction with other forms of living, a healthy economy is based on a value system that forms freedom but also responsibility, human solidarity and social communion, self-organization and self-fulfilment, all within the human dimensions and in pace with the fulfilment demands of human life in society (Figure 5).

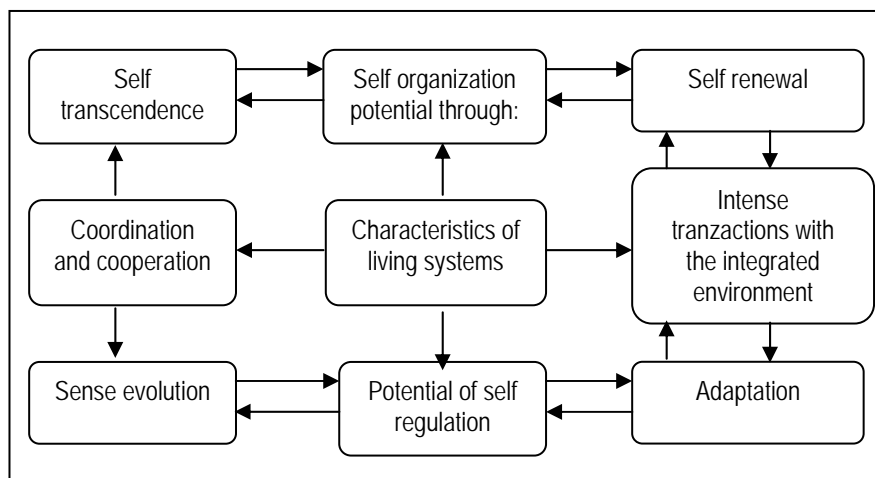


Figure 5. Systemic biology vision on the living organisms

Mammoth organizations, inhuman sized cities, everything is too much, they are excessive in relation to human requirements for fulfilment of life in community, they will contribute to the threat of life, the alienation of people, to refrain them from the much needed individuality, altering recreation, contemplation, peace of mind, love and self-fulfilment, the defining aspects of our existence forever (Weisskopf, 1971, p. 24).

Evolution highlights the fact that economic life without human values generated the overconsumption uncontrolled by morale for millions of people, but also under consumption threatening the survival of billions of people⁽¹³⁾, excessive growth of cities – considered one of the biggest threats to social and environmental balance, cosmos-technical energy, on behalf of some states that may destroy the living over and over again, the emergence of giant enterprises – where the man no longer, of political-military powers distributing resources, production, welfare, poverty and obedience!

A new economy as living organism implies that people invest heavily in human resources, to develop human wisdom so that it requires “a new orientation of science and technology to the organic, the gentle, the nonviolent, the elegant and the beautiful” (Schumacher, 1975, p. 34).

The new paradigm on which the new economy will be built involves a process of profound transformation in the culture of our entire society, which some experts named human and institutional respiritualisation⁽¹⁴⁾.

These days, the current global crisis is seen by proponents of the new paradigm as “a complex crisis, multidimensional, whose faces touch every aspect of our lives – health and livelihood, environmental quality and social relations, economic, technological and political crisis... the intellectual dimension, moral and spiritual crisis of a magnitude unprecedented in human history” (Capra, 2004, p. 3), human respiritualisation as sustainable foundation of institutional respiritualisation is a redefinition of human nature from the perspective of the understanding that revolution of means must be constantly subjected to revolution of expectations (Szent-Györgyi, 1981, p. 195), only in their harmony results the health of the common living whole made up of people, environment, communities, organizations, families and institutions.

Notes

- (1) See Constantin Popescu, “Raționalitate și speranță. Paradigma întregului viu”, Editura Renaissance, 2006, București, pp. 33-42.
- (2) See Ervin Laszlo, “Introduction to Systems Philosophy”, New York: Harper Torch-books, 1972
- (3) Bootstrap approach is designed to Geoffrey Chew (1968) as representing a deep philosophical understanding of nature, under which “The universe is an infinite feature of related mutual events” (see Stanislav Grof, “Beyond Reason. Birth, Death and Transcendence in Psychotherapy”, Curtea Veche Publishing House, Bucharest, 2009, p. 77).
- (4) According to Capra,... a fuller understanding of life will be achieved only by developing a ‘systemic biology, a biology that considers an organism as a living system and not as a machine’. (Fritjof Capra, “The Moment of Truth”, Technical Publishing House, Bucharest, 2004, p. 333).
- (5) See also Michael Regester and Judy Larkin, “Managementul crizelor și al situațiilor de risc”, Editura Comunicare, 1981, București, 2003.
- (6) See Batesan Gregory, “Steps to Ecology of Mind”, New York: Ballantine, 1976.
- (7) After Nobel Laureate in Medicine, Albert Szent-Gyorgyi, “institutions get old just as people do”, *A Plea for Life*, Editura Politică, 1981, București, p. 210.
- (8) Hazel Henderson believes that the well-known cycle of growth and decline, involving the continuous process of decomposition and formation of structures, with recycling of all components, as follows: ‘Just as last year's rotting leaves provide humus for plants that appear the following spring, some institutions should decline so that components of capital, land and human talent can be used to create new bodies ‘in “Creating Alternative Futures”, 1978, New York: Putman, p.226.
- (9) Japanese economists have turned to rethink gross national product in terms of another indicator out of which the social costs are cut. See H. Hendersen, cited work, p. 52.
- (10) In this spirit, Fritjof Capra believes that “all increases must be reasonable and maintain a dynamic balance between growth and decline, so that the system as a whole to remain flexible and open to change” (in cited work, p. 506).
- (11) Therefore, a healthy economy, like any living system, says Fritjof Capra “will be healthy if there is a dynamic equilibrium, characterized by continuous fluctuations of its variables” (cited work p. 499).
- (12) Ilya Prigogine, Nobel laureate in chemistry, believes that ‘people have memories and hopes, t value systems which determine their behaviours. ... Obviously, a certain ethical responsibility is linked to a world of uncertainty. This enables us to better understand the value of uncertainty and to place our actions and decisions in the real world and not in an ideal, deterministic one, too removed from the universe in which we live ‘ in the preface to “Limits of Certainty”, author Orio Giarin and Walter R Stahel, Edimpress – Camrose Publishing House , Bucharest, 1996, p. 42.
- (13) See Pope John Paul II, “Enciclice”, Editura ARC, București.
- (14) See Constantin Popescu, Alexandru Tasnadi, “Respiritualizarea. Învăță să fii OM”, Editura ASE, 2009, București.

References

- Capra, F. (2004). *Momentul adevărului*, Editura Tehnică, București
- Jantsch, E. (1980). *The Self Organizing Universe*, Pergamon, New York
- Szent-Györgyi, A. (1981). *Pledoarie pentru viață*, Editura Politică, București
- Schumacher, E.F. (1975). *Small is beautiful*, Harper & Row, New York
- Weisskopf, W. (1971). *Alienation and Economics*, New York, Dutton