The methodological predicament

“For the space of economic rationality to function, all individuals must do different things at different times, as must do all the markets and all the economies.”

The differentiation of goals and intentions constitutes the basis of economicity. As such, the strong argument which turns methodological individualism into a principle supports the context of the double differentiation on intentions and on goals. Without this differentiation the meaning of the term “individual” becomes a non-sense. Furthermore, the free choice of objectives and of the means for reaching them is the only formula in which individual interest is treated in a non-conflictual manner, as long as free choice is independent in space and time and not treated as part of a group.

However, despite the pretence of universal consistency, the level of discrete diversity – as an expression of the principle of methodological individualism – adds in part to the economic phenomenology. The level which explicitly certifies the functioning of the principle is the microeconomic one. Only at this level the principle operates with a discrete nature; here the parts matter from an actional standpoint because they are the ones creating the rules. The macroeconomic level is configured as a trans-individual reality – a sort of organically fused diversity. At the level the economicity is validated through a reality of a complex consistency, where the whole commands the prevalent functions.

The discrete and discretionary cellular behaviour from the microeconomic level (the result of the gnoseological super-focusing on the individual) cannot realize an inversion towards the organic, complex and cooperative behaviour of the macroeconomic level. At this top level the cognitive relevance of the principle of methodological individualism is dissolved. At the macro level lays the complexity, which is structured on the different principle of methodological sociality. This principle provides cognition with the argumentative platform for describing the sense of the complex reality. It does this by highlighting the spatial and temporal co-relations, the weave of social context and the inter-subjective basis of the human nature. Starting from this methodological principle, Macroeconomics deciphers the interaction between the various intentions and individual objectives.
A fixation with an extra-scientific cause refuses this principle’s right of citizenship. Thus, Macroeconomics is asked to remain a vassal to the empire of Microeconomy’s specific determinism. The direct consequence of this is the cancelling of the normative, cooperative and distributive functions specific to this side of economic reality. Thus, focusing the analyses on the flavour of individualism with excluding functions paints Macroeconomics as the sum of microeconomic phenomena. The whole is being mechanically conceived as a sum of parts.

In fact, Macroeconomics is a whole catalysed by the social substance of the human individual, by the economic values of intersubjectivity. The reality of the macroeconomic whole exceeds the addition of the functional components, as it has functions which are not only complex, but also completely different in their finality. The cohesion of the whole enforces the preservation of the relationships of prevalence and pre-eminence over everything which justifies the performance of the parts. For instance, the macroeconomic dimension of competitiveness sees microeconomic competition as one of its elements and it will never limit itself to that level. The potential of the economy is a problem formulated in social terms, and its solutions eminently pertain to the nature of consensualized – and thus socialized – discernment.

When changing the horizon and the altitude of the analysis, Economics must avoid methodological inconsistency. This epistemic imperative has been deposited in a rarely encountered principle: what is valid at the microeconomic level is invalid at the macroeconomic level. When it comes to behaviours, inconsistency is evident: for the space of economic rationality to function, all individuals must do different things at different times, as must do all the markets and all the economies.

The paradoxical mechanics of configuring the goals and intentions reveals the epistemological inconsistency of the explicative model of Economics. It may be that the exit from this conundrum could be achieved by understanding the complete fracture in the sense of goals and intentions, suggested by the substantiation of the complexity and of the differentiation on micro and macroeconomic levels. There is a contention of intentions and a dispersion of goals at the micro level, while at the macro level intentions concentrate and goals integrate. The principle of methodological individualism explains the functional diversity of economic nature, while the principle of methodological sociality explains the diversity of actional contexts which are incorporated into the human nature.
The concordant states of intentions and goals are opposites which exceed the functionality; they are abnormal and become extreme anomalies. They are intelligible only in terms of human nature. Cumulatively, in a macroeconomic sense, they take the form of irrational exuberance, while in a microeconomic differential sense they signify panic. The anomalies on both sides aggressively cancel out the state of economic rationality, by exaggerating the intentions at the macroeconomic level and by failing the goals at the microeconomic level.

The behavioural limits given by irrational exuberance and by panic expose the truth that human nature is the context which substantiates economic nature. The two methodological principles are not replaceable but with the risk of altering cognition. They share part-to-whole relationships of explicative complementarity. Configuring the domains of human existence in contexts limited by the rule of the epistemological arrow which travels from the simple to the complex is a vision which is also valid for the principal microeconomy-macroeconomy coupling, which is in fact the coupling between the individual and the social.

Marin Dinu
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