

# The crisis of economics

“Fundamental research happens  
when I do something I don’t know how to do.”

**Werner von Braun**

What could be fatal to Economics is the resilience of its basic principles in moments of crisis. The key to this fatalism lies in the expectance – instituted by classical Economics – that the “invisible hand” will have a harmonizing effect on individual interests. In other words – uttered by some theoreticians such as Myrdal – economics is built on the assumption of the unique interest which would regularize fluctuations in a natural manner. Simply put, the individual behaviors led by the desire for appropriation are being forced to have a sense which legitimizes the common interest. Having tailored the universe of Economics in this way, Adam Smith has forced the individuality of interests to subordinate itself to the scientific fiction of the unique interest, as observed by Arendt for instance.

Economics is in fact torn between two fictions: the morality of individual interests and the totalitarianism of the unique interest. The Smithian solution to the conservatism of antiquity in matters of roles and rights specific to the private and public spheres is, therefore, a nebulous, somewhat mysterious one, akin to the Platonist behind-the-stage agent.

The invisible hand has the mission to offer the right to excellence not just in the Manichaeian formula of the ancient Greeks, where only the right to perform in the Agora confers excellence, the economy being and exclusively non-public matter.

Labor becomes – according to Smith – a public issue, thus impregnated with excellence. But once labor is removed by Smith from the private sphere and is introduced in the public sphere, the empire of necessities has also entered into the sphere of the artificial, the unnatural. The action’s motivation – along the lines of the economic – breaks with the fundamentals which insure its equilibrium, the natural correspondence between needs and resources, therefore ever faster and in disequilibrium multiplying the corresponding terms. Wealth is no longer a means but an end to individual interest, tending to become a supreme goal with the power to transform liberty into a transactional means.

The invisible hand provides the social engineering for “harmonizing” interests, this being in fact the unique interest baptized either as prosperity (in the manner of the Platonic egalitarianism of the ruling class) or as general welfare (the Marxist egalitarianism of all), both impregnating with sense that which has been called the communist fiction. It did not come by chance that, as revealed by many scholars, the invisible hand emerged from the Smithian mind together with the Hobbesian state but as an expression of the Common Wealth.

Modern thinking, in the Enlightenment form, has freed labor from its place of sufficiency as a private means of insuring existence in order to bring it into the public space, as a public action, and to transform it into the source of wealth. The original sense of the state, fixed by Plato as the absolute right of the aristocracy to rule, excluded wealth and enrichment both as a means as well as a scope of legitimization. The modern sense of the state lifts wealth to the rank of

fundamental principle of social action and centers society around the action of creating wealth through the socialization of labor (both through the fact that labor is an essential public action as well as through the fact that mass labor is proven as a preferable formula for increasing wealth).

It is not random, likewise, that since the moderns the preference for the process has become established; a process having as a final goal wealth, meaning progress. Economics, obsessed by progress, is counting on pre-established finalities because of the functioning of the belief in the invisible hand and in its essence of leveling fluctuations in order for the final goal of wealth to be registered as inevitable.

For this though it sacrifices the facts and removes the events as diversified products of individual behavior, evading into the leveling abstraction of the process which must respect the belief in the common goal modeled by the invisible hand. Through this vision Economics is looking to be not a social science and for this it sacrifices man, pure and simple! Homo Oeconomicus was born with the function of being a wealth producing machine. The action of Homo Oeconomicus is predictable because he has no sentiments, sensation and passions.

Only that precisely what absolute scientific innovation was supposed to be – through which Economics should have gained the status of an exact prediction-making science, meaning Homo Oeconomicus – is constantly annihilated by the unpredictable behavior of real man. The assumption of the unique interest distilled by the invisible hand from the myriad of individual interests throws Economics in the humble field of a scientific activity of evaluating, post-factum, the productivity of combining resources. It becomes a procedure for diagnosis similar to what is happening in medicine, where the particular is treated – meaning the disease of an individual, and not the general – meaning disease as a common feature of all individuals, as the invisible hand would have it.

The epistemological tragedy of Economics lies in the fact that it insists on a propensity towards wealth which is considered general, even if it does not generate results but for a highly reduced number of people. The final cause of the invisible hand (as a communist fiction) responds deceptively to people’s expectations. Just as the apple of knowledge, wealth is not accessible to all nor is there any technology which to realize that which the invisible hand strives to achieve. The truth, it is suggested, must be concealed in order not to create disappointment and panic.

Somewhat incitingly said, Economics is not a fundamentally human science. A science built on the assumption of general wealth (either as prosperity, or as wellbeing) is rather condemned to be religion, a religion of social progress. It is a religion which by not being able to anticipate the falling into sin (the crisis) it does not prevent its consequences through ante-factum solutions.

Marin Dinu

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