

The deadlock of Economics

“The financial crisis has contradicted the statement that Economics deserves to be treated as a science. A science is measured by its capacity of explaining, predicting and prescribing.”
Moisés Naim

The methodological option according to which the essential is situated at the level of the human condition designated a stage in the history of science from which all the failures of economic theory originate. Labor (especially as production) and action in general (therefore as societal innovation as well) were suitable to measurement and calculus, empiricism and factualism, as well as positivism and phenomenologism. Humanity was the palpable expression of things, facts and events, seen as quantitative effects perfectly dimensioned by methods and by rational instruments. Economic theory has already proclaimed the making of the new man, an Adam animated only by the rational. Homo Oeconomicus was proven to be the awaited demiurge of the new universe – the artificial one – precipitated from his imperial reasoning, meaning the reasoning which institutes rationality, efficiency and growth as fundamental law.

For the comfort of Economics, human nature has been banished to the tenebrae called *caeteris paribus*. The occasional rise to the surface provokes disasters – called crises – as a result of greed, of uninhibited drive for appropriation, of the panic of losing the freedom of gain, of the moral hazard or – worse – as a result of the irrational exuberance of believing that by wanting more you can initiate the fission of the minimal effort which will generate the never-ending maximal effect.

The founding rift of Economics was not all to different in consequences from the dissociation operated in the Renaissance between the natural things – as an opera of the Grand Creator, which are at most revealed to us – and man-made things, the only ones that can be rationally understood.

The basic principles of Economics, but the final cause too – which is wealth – have only conquered the sector of the human condition, and the consolidation of power meant ever more productive action. The human condition has been condemned to unlimited progress. From the moment in which Homo Faber (in the role of Homo Oeconomicus) has invented tools for producing other tools the human nature has emerged as absolutely derisory. Rationality began battling with its own, permanently shifted by progress, limits.

But as nowhere nor at any time that which is left in the dark did perish but has followed the path of life towards light, so does human nature send from the unknown *caeteris paribus* the Phoenix bird in order to discover a safe haven amid the deluge of the crisis.

Unfortunately for too many times by now the signals that the disaster has a cause in Economics' vocation of ignoring the unity between the human nature and the human condition have not been taken seriously. Economics has chosen the easy path of considering itself a science by manipulating the linearity of the human condition and by refusing to insure the success of becoming a true science by betting on the deciphering of the discreet (non linear) behavior of the human nature. It saw itself as an arithmetic of the fabrication, missing the opportunity of becoming a geometry of the aspiration. It sophisticated its technique of inventorying the bricks in the construction, forgetting how important it is to project the shape which would include the infinite number of bricks. It specialized in knowing the structure and function of the tree, having no regard for the preeminence of the forest.

When Economics got fixated on the efficiency of producing objects it had to accept the limitations of the order generated by the individual, step by step, condemned though by the unpredictability of independent behaviors and by the impossibility of following the natural law of cycles, as a specific norm of large numbers. It's not accidental that Economics has started its scientific edifice on the private ground of the domicile where human liberties, as rights and obligations, are amoral in their natural isolation. Here, within the simple framework of the individual household could Economics provide evidence with regard to predicting the end result without a test. Here the power of the human condition was equal to the enhancements of the human nature. Economics has thus taken notice of the necessities limited by objects. Its force of foreseeing was maximal in these conditions.

In reality it is here where Economics has forever failed as an enterprise with material predestination. When it escaped – helped by the moderns – from the placental comfort of the domicile the predictability wanted by social expectations was needed, a function that in order to achieve Economics had to do something different, to experiment on a large scale, and to become something else: political. Instead of experiencing a predictable rationality it found itself overwhelmed by fulgent passion. Regularity became a credible illusion while reality, evermore subjective, is irrational.

To call what comes next, Economics has to roll the dice.

Marin Dinu

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