Fleeing the extremes

"We, animals, are the most complicated things
in all the known universe."

Richard Dawkins

The economists’ propensity of accepting as working hypotheses the assumptions of ideologies already seems natural. In conditions where decisions have either emotional determinants (especially in microeconomics) or political ones (particularly in macroeconomics), the economists have assumed a losing position. Their theories, in order to be successful – which means being friendly towards the leadership – have searched for the explanation around rationality, often in spite of it.

This is why, for instance, the management of companies came to inspire itself from the stories of success in speculation and not coming from economic calculus; just as the government’s mission has been reduced to the institutional replication of doctrinarist theses, based on self-sufficient visions or motivated by the interests of political clans.

Economic theory, via economic policies, most often than not has to adopt rhetoric in the place of logic, improvisation of circumstance instead of scientific procedures. The visual interface of the theory, which is the governmental policy, stands in the place of rational argumentation.

The rule of policies is to satisfy ideological or group expectations and not the mechanical regularities of an economic system. There is no other explanation for the procyclical steps taken in the present crisis, for instance, as well as for the fiscal tightening or the restraint in financing public investments. The doctrinaire recipe is more respected than the effect produced by the prescribed medicine.

In a somewhat perverse way we are made to choose among solutions favored for their noneconomic criteria. The key question bears the rational answer which keeps being postponed: why are the state and the market opposed? It’s only common sense to admit that we do not have the rational arguments for validating a pure option. Unfortunately the correct attempt of escaping the space of ideological options is seen as an utopia so long as everyone is ready to defend their own ideologically argued truth.

Why should socialist ideology confiscate the plan and capitalist ideology sequester the market? Is there a resulting gain in wealth because the state is ideologically opposed to the market? Does the market require a minimal state anytime anywhere? It’s obvious that the answer either preferential or emotional, with no one feeling cold shivers due to the fact that it is totally inadequate for this to happen within a science which pretends not to be based on assumptions. Socialism has compromised planning while capitalism falsifies the market and not the other way around!

The guilty associations are between state, interventionism, government and collectivism on one side, and market, private property, democracy and freedom on the other. They get their just as guilty nuances through other associations, between planning and socialism versus free initiative and capitalism, thereby banning a rational method of management from society or condemning the market as being the regulating mechanism of an ideological construction. The already subliminal interdiction of associating market with planning or government with free initiative configures the dark areas of understanding. The cause resides in the confrontation of ideologies trough which each one follows what it believes to be the truth.

It does not matter, as we can see, the end result for man – wealth and prosperity – whose touch would be more easily felt without the guilty associations between values. What matters is for one of the ideologies to come out victorious, for it to then sacralize its fighting weapons!

What deserves to be revealed is the fact that precisely due to the contamination of Economics with the extensions of ideologies are we able to keep ourselves in mirror-reversed social experiments. In all, the idea of progress finds a fulfillment in ideological experiments, at least in those defined by adversity; plan, evermore plan vs. market, more and more market! Again common sense wants to comprehend until what point to accelerate the advancement and why, at the limit, is there a need for a single dimension? And this besides the human need of knowing whether it is fatal to evolve towards extremes!

Aberrations can be spotted by the naked eye if we come out from under the blinding spot of ideologies. Meaning, as a first aberration, that the state is a poor administrator even though it is an institution made up of each one of us as its subjects and, as a second aberration, that the market is infallible because it treats each of us as objects!

The construction of economic issues starts from either one aberration, or the other. Once again we witness the abandon of logic in the analytical course of Economics. There is one, non-empirc reason for these abandon: the golden background of the theoretical acquisitions of Economics is a non-human surrogate, thought out by a non-biological creature, homo œconomicus.

The plead for extension of mechanical behaviors constituted for Economics a channel through which the virus of ideologies predisposed to social experiments could insinuate itself. In a world of efficient mechanics, populated by homo œconomicus, any propensity for the extremes is confirmed, because in a world such as this there is a lack of common sense, just measure, doubt and admission of error.

Because they are obsessed with leaps toward the extremes, ideologies achieve in a fake, artificial world and not in a natural one, where leaps are not possible.

Economics still has a chance, though: to build itself ex-ante testing procedures for the solutions.

Marin Dinu
## Contents

Public Integrity and Performance of Governance. A Comparative Study for South-Eastern Europe  
- Ani Matei, Lucica Matei ....................................................................................................................................... 3

The Operational Risk – Minimum Capital Requirements  
- Gabriela Victoria Anghelache, Ana Cornelia Olteanu .......................................................................................... 29

Guarantees in Banking Operations with Bank Customers  
- Vasile Dedu, Adrian Enciu ..................................................................................................................................... 37

Mergers & Acquisitions – a Simulation Model Used in the Negotiation Process  
- Florin Grosu ......................................................................................................................................................... 45

Aspects Regarding the Development and the Integration of the Corporate Social Responsibility Concept in Firms’ Behaviour. Particularities for Small and Medium-sized Enterprises  
- Georgeta Vintilă, Maricica Moscalu ..................................................................................................................... 53

The Role of Promotion in Milling and Bakery Products Sales  
- Sergiu-Bogdan Constantin ................................................................................................................................... 63

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