

The Crisis of Reflexivity

“When performing economic analyses, facts could amaze (fascinate or blind) us to such an extent that we can no longer see the idea to which they belong.”

A ghost roams free on the inside of knowledge: the present economic crisis could belong to that category of fluctuations represented by the behavior of the fundamental elements of nature. The suggestion is that, similar to states removed from equilibrium (where the effect of the law of bifurcation takes place), both in the depth of economic facts as well as in their ideational reflection (in Economics) an alternative opening occurs, a contextually different passage emerges, another level of complexity which demands another level of interpretation.

If it is so, economic analysis could open itself to such a surprise (also in a sense of fascination and blinding) by the facts and their spectacular trajectories that it will become oblivious to the idea to which they are bound or, if you will, the idea shielded by the facts.

Surely though, the hypothetical resemblance would only be possible through the methodological envelopment of the present crisis in the perspective of the scientific experiment. Based on this it is probable that things may appear to connect, or more precisely it would be obvious why they connect or – more appropriately – we could visualize the way in which they connect; we would give this pattern the significance of the state of crisis. We know though that this cognitive transgression on the mysteries of economic facts is not possible, especially when they can no longer be perceived as events with turbulent effects on the material and the spiritual comfort.

In this situation our mind is all puzzled and does not adequately process that which could be the violent reaction of our own excesses. Because, no matter how much we tend to hide the origin of the effects as having no relation

to us, by trying to construct explicative models crystallized by material determinism, and not matter how much we falsify the substance of economic facts by considering it as pertaining to universal laws, we still cannot convince everyone and in a permanent way that the king would appear different to what we can all see.

The type of mental construction of what the crisis represents must not – in order to have a rational meaning – exclude us from the cause, but place us at the origin of facts on which the perspicacity of knowledge remains locked. The bifurcation of events toward crisis or toward equilibrium remains a sufficiently abstract convention and it is through this that it is revealed as non-conforming to the meanings of the material bifurcation in the direction of either loss or gain. It couldn't even be otherwise for as long as the idea of bifurcation which we are considering is reductionist – in the extreme sense, of absolute objectification because of the subjectivity of facts is being removed from the equation of knowledge.

Essential for the economy are – somewhat upside down (but as a rebound to the normal position!) – not the state of the facts, their substance, but their states of becoming, meaning the subjectivity from which the facts are born. The specific trait lies in the fact that when subjectivity is excessively objectivized it moves far away from equilibrium, it regresses toward the critical state, which is the state of abnormal excess; but when it follows the rule of the natural common sense it functionalizes the inner equilibriums of the “ideal” state of far-from-equilibrium, therefore shaping the positive performance of becoming.

No matter how we look at things, with or without us in the context, a challenge emerges against an alternative removed from the law of bifurcation, and what counts within this challenge is the choice of the path toward the fact and not the fact in itself. Choosing the perspective of originating the objective facts in subjectivity (more precisely in inter-subjectivity) or choosing the perspective build on the objective facts as a given (faced with which we can only acknowledge the reality) constitutes the drama of knowledge in Economics, as in any humanist science.

But this challenge is also the trap whose exit reveals not just the origin of the crisis but also the solution to it. What complicates this rational positioning is not related to, in truth, just the inadequacies of reflexivity, of the dialectic of concepts, but also (maybe especially so) to the tangible on which human nature feels the need to settle, on the palpable substance of winning and on the speed of the fulfillment of expectations.

To the degree to which fluctuation is seen, within Economics, as a dynamic of the physical states around the imminence of the elementary bifurcation, the sign is one which transcends both the material and the

emotional not to annihilate them, but to make them compatible with another level of relationship, more complex, but also with another level of understanding which remains attached to neither the given nor the created, but combines them both into a new cognitive unit.

Economics conceptualizes differently from Physics, in the sense that it conceptualizes facts as landmarks of the complex dynamics of the subjectivity which constructs the vision as the optimum of knowledge in both its components, rational and emotional. Economics conceptualizes the subjective origin of object-oriented facts and the objectifying of subjectivity in complex contexts structured through inter-subjectivity.

If a bifurcation occurs in Economics, it cannot be perceived but as a caesura in inter-subjectivity, equivalent to the deterioration of its substance, as inter-subjectivity does not increase through scissiparity.

The crisis is, thus, an accident in the substantial inter-subjectivity of Economics which lasts until the tears made by forcing performance through concept are repaired. In this way the crisis of the object is also the crisis of reflexivity, in essence any fluctuation in the contextual inter-subjectivity of Economics having at origin that which man thought could bring change in rhythm and direction to the dynamic of the complex inter-subjectivity.

The economy as a sum of economic facts sits at the origin of the crisis of theory. Man is the cause of the crisis. The fluctuations which lead to bifurcation take place in his theoretical visions, and when he applies them to reality the counter-reaction is natural, and we call this reaction crisis.

If we could foresee the crisis, we must realize that the supporting backbone of the theory is made to crumble under the weight of facts which it cannot explain; the crisis of facts the crisis of theory which faultily projects the facts.

But we perceive it upside down, as a crisis of objectified consequences and therefore we register failures in coming out of the state of crisis. Because we try, practically not just reversed but also illogically, to come out of the effects by remaining in the cause, ourselves and our ideas about economic facts being the true cause.

The distinctly applied dichotomies in the theory, with pretense of explicative autonomy, approve the complexity of inter-subjectivity, excessively simplify it, encourage it to stay fixed in the material (thereby forgetting the origins) or urge the complexity to steer toward the origins, as an obsession of the equilibrium (severing it from its ineffable substance). In between these unnatural states happens the reaction of inter-subjectivity to the fluctuation from the reflexivity of facts in the form of crises. It is clear (but in a

complicated way) that the solution to the crisis is the solution of the theory, of the conception on the specifics of substantiation in the economy.

The crisis at the level of economics facts is the consequence of the crisis of the fundamentals of the theory.

Any overcoming of the state of radical bifurcation in the tendentiousness of facts first requires the elimination of the excesses of the theory.

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