

The Wiseness of Economics

“What Economics lacks in order to subdue shocks is the functional dosage of perspectives obtained through flexible positioning with regard to the Cartesian axes of interventionism and deregulation.”

The present crisis brought back a disturbing question: why do people stay attached to failing ideas? Of course, the special corollary of the question is constructed as: why do the economists remain – or stubbornly become – partisan to theories which are defied by the crisis?

The answers to the domestic part of the dubitation pertain to the resilience of the general knowledge built on classified, dictionary-knowledge. However, dictionaries do not change easily in their general composition, their knowledge being normalized and accepted – in the deeper levels of knowledge transfer – with even century-long disparities to the scientific revolutions. The inculcation of knowledge through the schooling system is based on the principle of the unquestionable truth, destined to provide the emerging minds with clear guidelines for the understanding and with secure operators for the explanation. At the level of common knowledge the world came to be Aristotelian.

Regarding the corollary – which describes behavior at the level of scientific knowledge – the situation is more complicated. At least with regard to what is happening in the sphere of economic thinking and in the intellectual universe of the community of economic theorists (which we call theoretical economists), the complication is revealed by the crisis to be on a path different from that of the unquestionable knowledge. What have we been noticing for the three years since the crisis has been wreaking its havoc? The theoreticians keep swinging the blades of their ideas against the same worn-out shields of interventionism and deregulation. The creativity of theoretical economists gets stuck in Manichean intolerance, while the proposed solutions seek to save the eternity of the irreconcilable positions of religious consistency. The solution to the crisis seems to be of no interest (or is invisible). What comes to the fore seems to be the saving of the dual causes which have over time either invariably, or distinctively, or together generated crises.

Here, practically, all the resources – of credibility first and foremost – are being irrationally consumed. Because of them the dictionaries of Economics have routinely revised editions, according to the asymptotic evolution of one alignment or the other, in a Cartesian manner.

The false positioning of the community of theoretical economists in devising the method for solving the crisis has itself become – in the Cartesian system, with the referentials of interventionism and deregulation – a reflex for understanding and for explaining. In other words, it came to be the Gordian knot in the universe of economic cognition.

This is attested by the fact that the present crisis has double impulses at its origin: from interventionism as well as from deregulation. Even though this truth should generate reactions of correction or self-correction in the behavior of theoretical economists, what we see today is the increasingly stubborn fixation for the option of the political barricade. What Economics lacks in order to subdue shocks is the functional dosage of perspectives obtained through flexible positioning with regard to the Cartesian axes of interventionism and deregulation.

It is clear that this method of mediation cannot be escaped but with high costs. Simplification means guaranteed failure, regardless of the option for either interventionism or for deregulation. It's as if we would coerce the pendulum from not returning, in its balance, to the opposite location, and have it perform an impossible – as well as to explain – move in just one direction. The pendulum would not only cease to perform its rational function, it would stop being a pendulum but an impossible object defying the universal laws of nature.

The supreme secret of the pendulum is that it visits, at an energy cost, both axes. It does it inexorably, without partisan options and with good results in measuring time because it has no unilateral inclinations. The movement to one direction and the other is natural in achieving the goal of the balance.

Outside a physicalistic reductionism, Economics should not exhibit a behavior of constant failure, but one of augmenting the effects of wealth if it would oscillate between interventionism and deregulation, in rational doses, even from a time perspective. What is being consumed, sometimes with a tendency for excess, in one direction, would anyhow create the balancing thrust which pushes the predisposition for seeking solutions in the opposite direction, with the same energy. But it does so violently!

The stake is not in defining the directions as contrary, but as complementary, one's shortcomings being positively compensated by the other and vice-versa. The complementarity of solutions is natural to the function of the economy in the sense that the denying of one move denaturalizes the economy itself, obligating it to function through exceptions to the rules of nature and the natural, to take mortal leaps (including in a Malthusian sense).

Opting exclusively for one axis or the other turns theoretical economists into forgotten soldiers in the jungle of sentiments (decades after the conflict has ended!), and Economics into a theatre of war in which prosperity means the mass extermination of sentiments.

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