

The Negative of the World

“Economic activity is devoid of content without the existence of the fine weave between the individual motivation for profit and the social fulfillment of the expectation of prosperity.”

The insistent call to trust the system is different from what it is hoped: the debatable founding of conceptualization in Economics is betrayed on the principle of methodological individualism. The situation is not different from that of the Holy Office which was created to cleanse, by way of pyre, certain individuals from the persistence of their religious faith – as a social phenomenon. The theoretical scaffold of Economics, centered on the reduction of fundamental behavior to a single benchmark, that of individual motivation, transforms the human actional field into a centrifuge of negative externalities.

The perspective of the market as a space of economic rationality is encapsulated in the calculations based on individual expectations, which, to the contrary, do not generate only rational behaviors. This mechanism brings along the tendency for speculation, which means – in the extreme – the tearing away of economic truth from any empirical referential. It also means the division of market participants into winners and losers, and into the included and the excluded in the societal plane, following the principle of wealth makes power. Which means, simply put, that the individual dissolves the social, the tree replaces the forest.

In fact, what we interpret as market is a projection largely lacking in economic rationality because it is manifested as a set of transactions which function at a loss for the great majority of the market's actors.

This conceptual defect has been noticed by the founder of Economics no less, Adam Smith, who suggested that the understanding of the functioning of the space of economic rationality implies a fine balance between fundamental intentions and trans-individual – meaning social – consequences. The theme is pervasive throughout the incipient period of capitalism, interested in the ethical fundamentals of profit. The inspired formula of the conviction that all which is good for society is also good for the capitalist explains, on the other hand, the success of the new method of producing wealth. The drastic limitation of the rate of interest, for example, was proven at the dawn of capitalism to be the measure for moderating the access to resources, destined to avoid the excessive polarization of society.

The birth of the theory of capitalism was not – and could not even be – delivered by methodological individualism. The original capitalism was a runaway hit exactly because it proved sensitive to the social consequences of the economical. The human intention for profit was reinforced by two-way moral reasoning, that of the lack of ostensibility of those who win and that of moral attitude, of their generosity towards those who lose.

The profound sense of the primary concepts of Economics lies in their consolidation on the individual pillars of fundamental initiative, seen as sustaining the advantage of the construction of the whole which is society. It is possible to spend individual gain in the plane of comfort only in a general context, it otherwise would contradict the very basis of life.

The absurdity of profiting by one's self was managed to be avoided by the pioneers of capitalism not because it was forbidden by religious precepts, but because the logic of prosperity had imposed the truth of conditioning wealth by social guidelines. Inter-individualism, which is inferred by methodological individualism, formally covers the essence of the social relations concentrated around wealth. The atomizing of society is an excessive parsimony, even if it is an essential hypothesis in formalizing fundamental calculations.

What leaves formalization out is the social sense of the purpose which we neutrally baptize as profit. It is a distributive effect both in regard to the roles between the fundamental factors, and also in regard to the consequences of their fundamental combination, which brings about the perspective of a correct relationship between individual and society. After all, the ethical basis of economic action is situated in the space defined by this natural relationship.

In the end economic activity is devoid of content without the existence of the fine weave between the individual motivation for profit and the social fulfillment of the expectation of prosperity. In a social context denied the chance for prosperity, the space of economic rationality is practically void. Prosperity, with its twin wealth have a socially contextualized sense. Prosperity and wealth are not anchoritic concepts.

The monopoly is revealed to be the consequence of the desensitization to structural equilibrium, even as an expression of the common sense, coming from the area of experience ruled by methodological individualism. The market tends, thus, to lose contact with the multitude of meanings emanating from man's perspective as a social being. It operates by excluding factors and costs in the realization of profit, therefore pushing for the evolution to the maximum polarization, specific to a monopoly. The market transformed into an anti-prosperity mechanism breeds monsters!

Frankly speaking, the monopoly is the natural expression of methodological individualism, but it has an unnatural consequence in canceling the participative dimension specific to the social finality of the economical. The epistemological forgery leads to the falsification of the ontological fundamentals of the world, which feed from the cooperative diversity of reality, because the monopolistic market exclusively reduces the relevance of the parties' existence to the consistency of the material gain.

Monopoly targets prosperity through social exclusion, even though capitalism was born as a recipe for the individual inclusion in the zone of prosperity. Methodological individualism is a cynical principle destined for a world which is seeking tragedy: the market economy becomes market society. All the goals end up being fundamental in a materialist sense, the capitalist social model being the corporation with a social monopoly behavior.

The consequence? The path of hominization ends in methodological individualism.

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