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State *versus* Market. Some arguments to surpass the "mirror approach"

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Abstract. *The State, viewed as an exponent of constraint, in opposition to the Market, free by definition, represents the tough nucleus of the theoretical space dedicated to the State in the economic science. What we intend in this paper is to discover how, when looking for the "right measure" of the State's involvement in economy - the State versus Market "mirror approach" - has conquered the economists, and to bring some arguments to look forward for a new approach, believable when the economic-financial crisis brings back under discussion the State-Market polemic, and suitable for the "multi- level governance" reality.*

Keywords: State *versus* Market; public choice; market's failures; optimum-efficiency-equilibrium identity; public action.

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Introduction

Starting from the Plato-Aristotle antique debate looking for the model of the “ideal” State, to answer in the best way to the moral ideal of “common good”, any social science, and not only, is stocking debates and is still looking for answers to the questions regarding the State. No other interpretation like that of Aristotle’s, according to which the State is an indispensible necessity to man as a social being, seems to have such a general consensus. The most common definitions characterise the State in accordance with three essential aspects: the territory, the population and the power (the authority or the constraint). Thus, the State is defined as “a delineated territory, occupied by a stable population, led by a political organization with the role to constraint” (Monchablon, 1991, p. 16), or “the State leads a territory defined population, its influence being exercised at the national” (Hobsbawn, 1997, p. 81), etc.

Yet, is this an identification faithful to the 21st century reality when we are the witnesses of the decentralization and fragmentation of the power of the Nation-State (Parrado Diez, 2005), which has gradually lost the legitimate hierarchically organized authority and the authority exclusive in the decision making process, sharing it and exercising it in common with different partners: international, supranational institutions, regional and local structures, private players, non-governmental organizations etc., thus creating different levels of governance - “multi-level governance” (Marks, Hooghe, 2001) – and a new type of State – “Multi-level State”: supranational, national, regional, local etc. level?

If we were to trust Fernand Braudel, who considers that, in the process of its evolution, the State has remained “what has always been, a fascicule of functions, of different powers; only its means of action change, its major duties remain the same: to be listened to, to exercise close or distance control over the economic life, to participate to the spiritual life” (Braudel, 1985, pp.194-196), there are no major differences from one age to another regarding the duties of the State, which changes, from one century to another, is only the impact of power, the State’s authority on the individual or the degree, the measure of the constraint. Yet, it is this process of looking for the „right measure” that suggests that currently there is no theoretical space common to so many sciences and being the subject of so many debates, polemics and controversies such is the State, a thing holding true both for the end of the last century and for the beginning of the current century.

The famous definition of the State belonging to Max Weber – “that agency within the society that has the monopoly of legitimate constraint” (Weber, 1947, p. 156), leads most appropriately, in our opinion, to the essence of debates, polemics and inter-disciplinary controversies regarding the State: the State-individual relation or the freedom-constraint relation.

The economic science, as any social science, is part of the debates regarding the State. The State, viewed as an exponent of constraint, in opposition to the Market, by definition, free, represents the tough nucleus of the theoretical space dedicated to the State in the economic science.

In our opinion, the State *versus* Market - "mirror approach" manner has conquered the economists in the second half of the last century as an answer to the very palpable and worrying reality of the increase of the public sector difficulty in the free market economies, due to this called "mixed economies", and to the insisting requests to reform the public sector. Based on all these reforms there has been the control and interception of the expansion of the State supplying material security – called by the economic theory, in accordance with its evolution, the Providence State(1) (Gray, 1998, p. 96) , the Social State(2) (Burdeau*,* 1970) or "Welfare State" – and which has become, as a result of the requests insisting more and more on the increase of the responsibility regarding the risks of injustice of the capitalist system, a "two-legged colossus" (Dogan, Pelassy, 1992) and the tendency to decentralize and homogenize its power and to hyper-nationalize the society (Dogan, Pelassy, 1992, p. 211). The reforms of the public sector have determined in the sphere of economic thinking a readjustment of the State-Market relation in the broader context of the State – economy – society relation. Wishing to stay away from the left ideologies and to put ahead of traditional approach of the State, as an exogenous factor of the economic mechanism, endowed with power, authority, constraint instruments, will, hostile to the free market or, on the contrary, reparatory, protective, beneficent on its field, the economists have totally credited the neoclassicism and the neo-liberalism and have convincingly embraced a normative-instrumental approach of the State – Market compromise – State *versus* Market- "mirror approach". We intend, in what follows, to shortly present the coordinates of this approach, which, we have to admit, has got our attention in the past due to its logics, symmetry and the apparent harmony and to which we felt profoundly attached (Dodescu, 2000).

The State *versus* Market - "the mirror approach"

Due to neo-liberalism, institutionalism and especially the Public Choice School, State versus Market - "mirror approach" is centred around some analysis directions such as: the analysis of public production by analogy with the private production; the economic analysis of political confrontation, of public choice and political institutions by similitude with the confrontation of the economic players on the market etc.

Starting from the initiations operated in the economic thinking by Wicksell, Condorcet, Black, Arrow, Schumpeter, the institutional approach of collective choices, due to Downs, Buchanan and Tullock, analyses the way in which the divergent interests of the public politics are conciliated through the political institutions. The economic approach of the political process made by Downs has as result a theory of government analogous to the theory of markets, in terms of the behaviour of political parties oriented to the maximization of the elective support (Downs, 1957); and the one made by Buchanan and Tullock – a theory of collective option similar to the theory of private option (Buchanan, Tullock, 1995). Starting from the premise that any public action (public policies, public services, regulations etc.) is the result of a public decision making process and is distinguished from a private law action through the fact that it is subordinated to the general interest; it presents continuity and it allows the equal access to people or groups of people that has in view, practically, an expansion of the economy analysis field on the political phenomena has taken place. The tendency to approach the public sector in a close correlation with the political institutions, emphasising the real rules to make decisions, the nature of the decision making process and not the normative aspect of public options (Brown, Jackson, 1990, p. 14), has gradually led to a manner to approach the public actions in the mirror with the private one, that is, "the import" in the public economy of the public sector being approached in the mirror with the private sector, adopting in the case of these sectors opposed global hypotheses: the private sector ensures the economic efficiency through the allocation system of the competition market; the public sector ensures the social equity or justice, through the allocation system based on the involvement of the State in economy, and, subsequently, it has led to the analysis of public production by analogy with the private production. According to the public production criterion (Iancu*,* 1998), the public sector can be identified with the production system of goods and public services in a sense which contains, on one side, the formation process of supply and demand of public goods, and on the other side, the institutional system specific to it (public property over wealth, public decision, mechanism to accomplish the public interest etc.). Implicitly, the market's "dysfunctions" and the State's "dysfunctions" are placed on the pans of the same balance and the rule of the "least evil" determines the criteria of the public action and the limits of the State-Market compromise.

The reference system taken into consideration when discussing the involvement of the State in economy within the neoclassical „mirrored" approach is the market with perfect competition, ideal system of competition characterised by the absolute inexistence of the possibilities to influence the price for the participant economic subjects. The neoclassical economics has demonstrated that the market with perfect competition ensures the optimum-efficiency-equilibrium identity. Starting from these premises, the working of the free market based on a mechanism of imperfect competition presents, to certain extents, "failures", "limits", "gaps" or even "bankruptcies" (in what concerns us, we prefer the term "dysfunctions") whose result is the removal of economy from the optimum-efficiency-equilibrium-identity and which motivates the existence of a compensatory mechanism of the public action. Cataloguing the multiple roles that the State plays in economy (non-merchandise collective service supplier, resource allocator, income redistributors, legal arbiter, stabiliser, regulator etc.) and synthesising, from the point of view of the objectives had in mind, the State's repertoire contains, in our opinion, the following leading roles: the allocative role, subordinated to the "efficiency" objective; the distributive role, subordinated to the "equity" objective, and the regulating role, subordinated to the "equilibrium" objective (Dodescu, 2000, pp. 91-94).

The specificity of the mirror approach consists in the fact that the starting point of the discussion concerning any of the State's roles presented above is the limit, the dysfunction of the Market requiring the compensatory mechanism of the public action. Preferring the term

"Market's dysfunctions", this analysis considers that their nomenclature contains: allocation dysfunctions, distributions dysfunctions and regulating dysfunctions. In the category of allocation dysfunctions there are all the situations when the conditions necessary to optimally allocate the resources (efficiency in the Pareto sense) do not exist partially or totally. They manifest themselves through prices which do not express the costs or the marginal utilities, through disequilibrium between supply and demand. Their causes are: the imperfect information, the monopolization of supply or demand, the existence of natural or technical monopoly, the public or collective goods and the externalities. The distribution dysfunctions manifest through the unequal distribution of the national income, considered inequitable or unfair. The causes of economic disparities (disparity of efficiency, luck, investment in human capital, unequal remuneration of the production factors, the origin or the family situation, economic discriminations) are, in many cases, over the limits of the market and of the voluntary exchanges, but they are tied, yet indirectly, to these. The regulating dysfunctions come from the market's inability to arbiter the imperfect competition's game and from the inexistence of its self-regulating capacity. To the extent to which these dysfunctions cannot be compensated through voluntary solutions, the State's involvement is justified (Dodescu, 2000, pp. 94-137).

Yet, it would be wrong to admit that the public sector worked without mistakes, that the problems concerning the resource allocation, the national income distribution or the economic equilibrium, once given to the State, and they would solve immediately. The State versus Market - "mirror approach" forces to classify the "State's dysfunctions" in mirror with the "Market's dysfunctions" (Dodescu, 2000, pp. 209- 220).

The presentation of the State's dysfunctions must be preceded by a few theoretical premises provided by the institutional approach of the public sector which presents the working of the political systems by analogy with the Markets' working: the production of public services or policies is analysed like the production of a private good by confronting the supply-demand and the supply of public actions; the individuals (the citizens) are the exponents of the demand; the party or the coalition in power, the government and the public administration provide the supply; the citizens have in view the maximization of the individual's utility through diminishing the constraints imposed by the public utility – financial obligations combination; the politicians and the bureaucrats have in view personal objectives, being forced to totally or partially satisfy the demand in order to accomplish them (Buchanan, Tullock, 1995). Consequently, in the category of public sector particularities creating dysfunctions there are: the transparency of information on the public services market; the lack of the connection between the value of a public service and its cost; difficulties in evaluating the production and the public sector's services; the inexistence of the control of the public activity efficiency; the dependence on the political system and the bureaucratic apparatus (Weber, 1991).

The State - Market comparison is situating the State in an inferior position regarding the allocative efficiency and the supply-demand adjustment mechanism. The public action meant to correct the dysfunctions on the market, implies, in its turn, dysfunctions. A first category is represented by those called by Buchanan and Tullock – "external costs", which manifest both at the level of resource allocation (the resources will have the tendency to be inefficiently allocated due to the objective option mechanism) and at the redistribution level ("redistributive elements" result from the sub-unanimity rule characterising the collective decision making process) (Buchanan, Tullock, 1997) and derive from the essence of the collective option process in the case of majority-vote rule because the minority of the electors is forced to accept actions that cannot prevent and damages for which it cannot pretend compensations. The external costs determined by the public sector are similar to the external negative effects of the market. Just like the external costs, there can be, as a result of the public action, "external benefits" by analogy to the external positive effects. The external benefits and costs – specific to the public sector, present a series of particularities: they cannot be monetized; they do not manifest themselves spontaneously, some of them are simple transfers between the economic agents (Weber, 1991, pp. 252-253). Those occurring at the level of resource allocation – "allocational resources" – create opportunities for mutually advantageous exchanges between individuals and (if they neglect the costs of organizing the necessary arrangements) the possibility to "internalize" them. The existence of the political barter and of the compensatory (bribe) yet determines the agglomeration of these externalities. The redistributive externalities have the tendency to call off when, at the individual level, the entire series of possible redistributive transfers is taken into consideration.

Consequently, in mirror with the Market's dysfunctions, the nomenclature of State's dysfunctions contains: allocation dysfunctions, manifested just like in the case of the Market through prices not expressing the costs or the marginal utilities and supply-demand disequilibrium, which is external costs and benefits (allocational and redistributive externalities). Comparing the Market's dysfunctions to the State's dysfunctions, it is clear that a set of criteria allowing the optimal determination of the State's involvement margin in economy is difficult to define. In a first stage, a State - Market arbitration criterion must be defined. Derived from Pareto's optimal criterion and the Hicks-Kaldor compensation test, the Market - State arbitration criterion shows that the State should be preferred to the Market if the welfare loss that the public action generates is inferior to the welfare loss determined by the Market's dysfunctions. This criterion is based on Samuelson's theory (derived from Bentham's utilitarianism philosophy), according to which the State has in view the maximization of a "social welfare objective-function". In choosing Market or State, the most important problem is based on the ascribing of the main responsibility to the making decision process, either the nationalization of the private activity or the privatization of the public activity. If the Market is chosen, the resource allocation and redistribution decisions will be made in a decentralized manner, based on price. If, on the contrary, the solution is the State, the degree of nationalization depends on two more supplementary choices: the public production or the private production that is the free allocation or the sale of the public service. The limits of applying the equivalence principle in the case of public services are yet closely tied to their collective character, to their indivisibility. The funding through public prices is excluded in the case of pure collective goods (national security, political and judicial institutions etc.) and possible in the case of mixed collective goods complying with conditions like: moderate indivisibility of the offer, exclusion possibilities, reasonable exclusion cost, reasonable external effects (public transport; water, electricity distribution; mail and telecommunications etc.). There is also the situation when the external effects of the collective goods justify the partial undertaking of their funding by the State: the streets, parks, museums, sport fields etc. Yet, only a part of the collective goods which could be financed through public prices are financed in this way. Even in the latter case, the disadvantage is the setting up of the price rather in accordance to some objectives established by the political decision making process than in a decentralized manner, through the Market. In the second stage, it is necessary a general choice criterion from a series of possible alternatives of public action. According to it, a public action (public service, economic policy, public project etc.) ensures an improvement of the collective welfare if the total amount of money that the positively affected economic agents are willing to pay (those registering any type of benefits) does not exceed the amount of money those negatively affected are willing to accept as a compensation (those bearing external costs – allocational and redistributive externalities). Generally, a public action does not simultaneously satisfy the "efficiency" objective and the "equity" objective. Therefore, when choosing the "efficiency" or "equity" objective as a priority, a choice held by the political decision making process, it precedes the evaluation of the contribution of a public action to the improvement of the collective welfare. If the objective chosen is "equity", the public action must be subordinated to the just or equitable distribution criterion chosen through the political decision making process. The ranking of the action alternatives and the choice of the optimal variance will comply with the choice criterion specific to the equity objective, derived from the general criterion of choice: a public action determines an improvement in the collective welfare in accordance with the equity objective if the benefits involved in the income redistribution plan exceed the costs. The integration of the economic rationality in the political decision making process is not, usually, possible beyond this level if the priority objective is the equitable distribution/redistribution of incomes. In return, the "efficiency" objective allows the development and application of some "rationalization strategies”, which can direct the public decision towards the most efficient actions. The starting point is the choice criterion specific to the efficiency objective: a public action determines an improvement in the collective welfare in accordance with the efficiency objective if it leads to an improvement of the productive and/or allocative efficiency and, consequently, to an increase of the global consumerism. In what follows, the problem of choice is reduced to the ranking of the action alternation in accordance with the involved net benefit, a ranking for which the public economics has imported from the private sector the cost-benefit analysis, an analysis which complies with the initial condition of rationality in the public decision making process referring to the public actions (Atkinson, Stiglitz, 1980, Brown, Jackson, 1990, Weber, 1991).

A few arguments to surpass State *versus* Market - “mirror approach”

The logics, but especially the symmetry of State–Market – “mirror approach” have conquered the economists who, under the appearance of obliteration from ideologies and the construction of a normative-instrumental approach of the Market-State compromise, have gradually slipped to another ideology, that born from the exaggeration of the free Market’s virtues and from the petrification in the perfect competition model as a system of reference.

The theoretical model of the State born from here, far from the State hostile to free Market, but also from the beneficent State on the latter’s field, makes us think to the phenomenon of negative discrimination. The State – much too blamed in the past – “a nothing good for nothing” – is marginally delineated, starting from the assumption that the free Market is perfect. In this context, George Soros’ rhetorical question – “if the markets are so efficient, why do they always collapse?” (cited by Morris, 2010, p. 19), reminds us of J.M. Keynes’ observations regarding the postulates of the classical economics of *laissez-faire*.

The current economic-financial crisis brings back in discussion the State-Market polemic. The fight is, actually, between the ideologies and doctrines – right versus left, liberalism versus socialism, neo-liberalism versus neo-keynesism etc., in short, again, the State versus the Market or, more exactly, the Market versus the State. Just like its famous predecessor – the Great Depression, 1929-1933, the current crisis brings again to attention the war of alternatives - capitalism versus socialism, as scenarios of social organization to keep or to replace with, respectively of role distribution – minimal State and maximal Market versus minimal Market and maximal

State, of instruments – natural versus rational; market versus plan, of finalities – wealth control versus power control, of weaknesses – the markets – inherently unstable (Soros, 1999); the regulations – inherently imperfect (Morris, 2010, p. 39), again, in the synthesis, the Market versus the State. Totally in agreement with Professor Dinu Marin's statement, we consider that neither the "invader State", nor "the deregulated Market" save us from the crisis, both of them fail as control instruments, "ending in devouring everything" - "the State suffocates the individual initiative in the name of social welfare, the Market centrifugates the inefficient society in the name of individual prosperity" (Dinu, 2010, pp. 333-335).

As Milton Friedman thought that the history "took it on the wrong way" when the politicians were eating John Maynard Keynes' hand, the spiritual father of New Deal and of Welfare State (Klein, 2008), after the shock of the Great Depression, today, Friedman and Hayek's technocrat and conservative version of capitalism (Friedman, 2009), the spiritual parents of "Reaganomics" as a doctrine applied in the United States of America, respectively of "Thatcherism" in Great Britain, blamed to be the source of another "wrong line" which has led to the "New economy of inequality" and to "A New Deal"(Krugman, 2010), to globalization, the free market's fundamentalism, to the ascension of a fundamentalist form of capitalism – the corporatism (Klein, 2008, p. 22).

Just as spectacular as K.P. Popper's critique of Marxist socialism, as a form of totalitarianism, a socialism which has not led to a perfect world in the Central and Eastern Europe and to the gradual stint of the State's functions, but, on the contrary, to different interventionist systems based on the expansion of the State's functions, "the terror culminating with the enforcement of state terror regime" (Courtois cited by Klein, 2008, p. 23), the governance as dictatorship and the inability of politics in front of economy being the consequences most often invoked of the economic theory of Marx's State (Popper, 1993), today it is foreshadowed the critique of the Chicago School of capitalism, surprisingly blamed by authors like John Perkins, Naomi Klein or the Nobel in Economics, 2008, Paul Krugman, for exercising different forms of coercion (the reduction of civil liberties, mass imprisonments, even torture (Klein, 2008, pp. 18-19) in Asia, Latin America, Middle East or Africa, in the name of democracy and free market, gradually slipping to the „imperialist dictatorship" of the "corporatocracy" (Krugman, 2009, Perkins, 2008, Perkins, 2009) and manifesting through the transfer of the most valuable state assets to the great private firms in parallel with the growth of social inequality "between the fabulously rich parvenus and the poor who are at their ad libitum" (Klein, 2008, p. 22), the explosion of public debts in parallel with the intensification of the market's panic (Krugman, 2009, p. 133), the increase of the expenditure for the national security in parallel with the increase of uncertainty, collapses at the market, terrorist attacks, wars etc. In parallel with the growth of the feeling that things are above themselves (Greenspan, 2008), the Market's "invisible hand" is transformed into a "fist" for which, until yesterday, only the State could be blamed?! If until yesterday, we were asking ourselves whether the State's expansion had become a fatal feature of civilization or an indispensable feature? (Silver, 1980), the same question seems now valid for the expansion of the free Market.

For that matter, the two facets of one and the same coin reveal to us: the fundamentalist ideology, born to hide the truth, as any other ideology, but requesting more than any other, in the lights of history stage, absolute power or free hand to install or implement the unique perfect system in its intellectual property.

Is it not the current crisis, as a response to the previous one, a sufficiently convincing argument to give up to the State-Market mirror approach? We believe that it is. Invariably, any crisis looks for those culpable – then the State was blamed, now the Market is blamed and, invariably, we get to the question: What is wrong in "(our) economic way of thinking"? Even we are separated by almost one century from the moment when they were written, J. M. Keynes' words are so timely in order to reflect the imprisonment of our thinking in the "parallel axiom" – "the theorists resemble geometers in a non-Euclidean world who, discovering that in experience straight lines apparently parallel often meet, rebuke the lines for not keeping straight – as the only remedy for the unfortunate collisions which are occurring" (Keynes, 2009, p. 75).

A lateral thinking exercise, suggested by Eduard De Bono (De Bono, 2009), leads us, beyond the identification of the main elements of the problem, to the necessity to approach the State and the Market from different perspectives, renouncing to rigid, mechanical thinking and opening ourselves to the ideas presenting a small probability of success in solving the problem. Following the cinematographic progress, from the first silent film to the 3D cinematographic masterpiece – "Avatar", we observe the enormous change of perspective which has occurred by changing the approach of the actor-camera relation, from the understanding of the fact that it is not the actor who must stay in front of the camera, but the camera can go around and catch the actors acting to the subsequent ubiquity of the camera and the creation of the illusion of the film goer to effectively participate to the film. This example can inspire us to get out of the imprisonment of "parallel axiom" in the approach of the State-Market relation. What is wrong, in the end? It is the fact that we ask ourselves whether we can oppose the State to the Market!

Can the State disappear, leaving place for the free Market? Obviously not, the paradigm of State's disappearance has not been confirmed, history has invalidated the theory – the Marxist programme of State's disappearance has been transformed in "an avatar of the State... simply as that" (Châtelet, Pisier, 1994, p. 190). We declare ourselves in agreement with Professor Aurel Negucioiu's statement – "The State did not appear with the human society, life or forms of life existed without the State, but it has a worthy age of thousands of years" (Negucioiu, 2010), moreover, the necessity of State's existence and of its involvement in economy is proved by history. We quote, in what follows, Professor Aurel Negucioiu's argument-questions: "Who can take the State's place in the period of globalization, integration or crisis? Did the Single European Market or other common markets, as systems of regulated competition, appear and evolve spontaneously, without the State's involvement or consciously, with the direct involvement of the State/States? Can the Market be the only mechanism to ensure the growth and the development if it gives the information that we need for today and not for tomorrow?" (Negucioiu, 2010).

Is the market with perfect competition the ideal system ensuring the optimum-efficiency-equilibrium identity? Yes, it is, but only when complying with a set of conditions which are not complied with in reality, as there are no perfect systems in nature. The Market theory and the free market economy model resulting from it are best detected by Adam Smith, as a system which is self-organizer and self-regulator, by the interaction of small buyers and sellers (the baker, the butcher, the brewer etc.) who make decisions based on their needs and interests, interests which let free will lead to optimal results from a social point of view, to natural order, making useless the State's interference in this mechanism. Yes, it holds true, the smaller the necessity that the State gets involved, the better the Market guards itself, but this thing is conditioned by the relations of reciprocal trust and preoccupations of the baker, the butcher, the brewer etc., of the small entrepreneurs as a "compensatory force" to the power of the big firm, in J.K. Galbraith's words, of the innovative or creative entrepreneurs of Joseph Schumpeter or Peter Druker, of small and middle sized enterprise and innovative economy, as the European Union perceive them today. It is worth noting here that Charles Handy's "message of differences" – the Italians call family businesses what the British call small and middle sized enterprises, because the Italians, he thinks, do not necessarily what that their businesses grow, but last for their families, while the British cannot think that they can survive, without growing, because they want to sell to other big firms and not to hand down the family business (Handy, 2007a, p. 193). We agree with Charles Handy's opinion that the businesses seen though the Italians' eyes make the Markets and the Communities more responsible, at least at the local, regional level, and we add David Korten's opinion that "the Markets work best in a community which proves preoccupation" (Korten, 2009, p. 41). Besides, Adam Smith did not perceive the Market outside a moral community, did not understand freedom separated from responsibility (Handy, 2007b). The selfishness of Smith's small producer or buyer is harmless in a system in which there are sufficiently enough and indistinguishably small producers or buyers to influence the price. Things are completely different, yet, when the selfishness of the small producer is replaced by the culture of the big firm or corporation's greed, in Charles Handy's words – "the flea" in front of the "elephant" (Handy, 2007a). The elephants and fleas' free Market, far from Adam Smith's construction, leads to the unregulated disorder instead of "natural order", which allows the big and the rich to monopolize the resources and the profits, ignoring the social and environment consequences. For it determines a concentration of economic power for which no account is given, this rapacious capitalism of the "elephants" fail, suffocating the freedom, in the name of freedom, just like socialism, due to the concentration of the political power, led to the spectacular failure of the social justice, in the name of it.

Which can be then the way to overcome these illusions? Just like Alice in Wonderland, we will choose the Way of Heart. We will follow David Korten's meaningful suggestion to choose the simplest and least arguable way – "the Main Highway", the way of the real wealth and not that of the phantom wealth (Korten, 2009). We choose an economic system and a political system which do not disperse the power, centring on the Man. Besides the State-Market mirror approach, we suggest the "3D vision", not the "3D illusion" – the Man – as part of the film, integrated together with the Market-State. The Man as a "flea" and not as an "elephant" in economy, that is Smith's entrepreneur, free and responsible, Schumpeter's innovative and creative entrepreneur, involved in the production of real goods and services useful to the Community, first of all, local, in the sustainable regional and local development, conceived as that development of the children and future generations, the Man as a player on a Market not separated from the moral Community. The Man as a "flea" and not as an "elephant" in the society, that is the Man – a citizen with the right to vote (Handy, 2007c), free to choose, but capable to sanction the irresponsibility of those chosen regarding his current or future life, his family's faith and his Community, a player of a State not separated from the Community, a Community, rather familial, local, regional, euro-regional even, than global, in the last, the Man who matters.

Beyond the "crisis of vision" of modern economic thinking (Heilbroner, Milberg, 1995), in search of getting out from the imprisonment of the old ideas (Munday, 1999), paraphrasing Todd Buchholz – discovering new ideas from dead economists, and getting rid of the old doctrines (Krugman, 2009), in search of the logic of "good capitalism" (Baumol, Litan, Schramm, 2009) of the 21st century – Robert Heilbroner's that "terra incognita" (Heilbroner, 1985, Heilbroner, 1993), we cannot end otherwise but promising that we will not stop searching, agreeing with our Professor Aurel Negucioiu's goad: "we must find what the philosophers call Measure, and in economics it is Order" (Negucioiu, 2010).

Notes

(1) In Gray's opinion, the term of Providence State has rather become a cliché of the economic theory than a term with a precise meaning. For it accumulates a large variety of dispersed public actions such as: health national services, State pensions, unemployment benefits, State houses, free education, social services etc. "it does not have any animating rational principle and no authentic justification" (Gray, 1998, pp. 96-97).

(2) The progressive enlargement of the role of State is suggestive presented by George Burdeau as follows: the Spectator State – the Tutor State – the Providence State – the Social State (Burdeau, 1970).

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