

The methodological cat

“Economics understands action as having the connotation of here and now, the proof being that it excessively uses, for explicative purposes, two limitations of sense: space is seen as the place with a private destination (through the cognitive dissonance of methodological individualism), and time is seen as the short term (through the dystopia of rational markets).”

The human condition finds itself under the influence of an undefined, yet unitary group of factors. Economic analyses bypass this cognitive difficulty by considering only a limited number of factors. Usually, the influencing factors are identified in correlation with the components of the human condition: labour, work and action. Their enumeration varies both thematically and according to the vision on the role of economic fundamentals. Because economic theories are concurrent in the creation of the premises on which political decisions are based, there isn't any unanimously recognised order of prevalence for the factors.

This manner of contextualization in the observation of an object of study does not formally differ from the cognitive experience of other sciences, where theories have alternative views. But in Economics it is almost impossible for certainty to exist when looking at the relevance of the factors taken into consideration. The credibility game being played by the economic theories is the direct expression of the preference for a hierarchy of factors; it is not an unravelling of some implacable mechanisms of reality. In fact, all that is weaved around the human condition – which includes its efficiency component – has the consistency of a vortex of influences. The deciphering of its mechanism is still to bring clarity, when Economics chooses to follow only a part of it, without the certainty of having chosen the right one. This brings to light the limitation of economic cognition in the observation of only certain trends – which can prove episodic, happenstance, partial, spatially and temporarily diversified – which are the unrepeatable cases and not the perpetual regularities.

The real challenge that Economics must face is to explain the economic performance by capturing all of the factors into a coherent explicative formula. Resorting to the method of the prime factor in explaining the creation of wealth, accredited with cognitive virtues, proved inefficient most of the time: the differentiation of economic theories according to the preference for the prime factor did not guarantee the necessary increase in knowledge. Their explicative models – particularly those of the theories which are interested in

the macroeconomic perspective – did not reach complementarity, but instead even forwarded mutually exclusive solutions. The truth is that the problem on which such a theory is focused does not have the necessary grounding demanded by the method of positive economics, but is constructed in a normative way, representing most of the time an ideological projection on the economic reality.

It is probably for this reason that the appeal to evidence mattered in economic thinking. What is seen and felt directly by the agent or the observer counted as a makeshift legitimacy of the theoretical approach, especially after the thematic beliefs or the conceptual affiliations. In a paradoxical way, the science of rationality in meeting the material needs – as Economics strives to be – bet on intuition in prescribing the recipe for success. In many ways, the theories choose to present recipes which include the use of the player's flair for winning a bluff, by resorting to any means – including those immoral or illegal – in exploiting opportunity. In a somewhat natural way, Economics has limited itself to the condition of a science for prescribing personalized recipes, which means that it does exactly what it claims not to: treating individual patients with different symptoms, instead of treating diseases, as phenomena with universal patterns. The prime factor, which is considered as the cause of the disease and represents the target of the treatment, is individually relevant.

This manner of configuring the cognitive structure of Economics leads to time being defined as Horace's "*seize the day!*". Economics understands action as having the connotation of here and now, the proof being that it excessively uses, for explicative purposes, two limitations of sense: space is seen as the place with a private destination (through the cognitive dissonance of methodological individualism), and time is seen as the short term (through the dystopia of rational markets). In between these maximized contractions of intentions and randamental consequences, the living reality does not fit: the neurotic fixation on profit completely ignores the context. With the exception of the factor which is considered prime, the others which hold a causal or correlative role are being forced by the method employed to enter the black hole of *ceteris paribus*.

The exclusion of influences resembles the behavioural model of faith, with the economic knowledge abusing the reference to feelings based on trust and to expectations based on illusions. Economics admits in its epistemic substance the paradox of religious behaviour, as an operational meddling in configuring the context of wealth creation. The most accessible equilibrium in the universe of individual motivation is represented by the faith the divinity's power to solve everything. With this manner of understanding, problems tend to solve themselves, everything is simplified by the fact that they depend on the unique and unavoidable miracle of faith. On this path of surrenders and assimilations the

Credo came to be the stone in the alchemy of money and credit. Even methods like the targeting of inflation, or theories such as the one of rational choice, are built on the assumption of faith. Formulas for inducing faith have proliferated, as in the case of explaining the development function attributed to foreign portfolio investments or the effect of economic growth generated by stock market speculation.

Economics has constantly ignored the suggestion by other sciences to take into account elements from beyond the rational method of bigoted parsimony. Mathematics employed excursions outside the intellectual model established by Kant, accepting the counterintuitive determinist chaos in the understanding of complex systems, thus closing any breach for the insinuation of faith on the territory of reason. Quantum-level Physics has done the same when it accepted indeterminism and ubiquity as epistemic principles. Geometry broke through the artificiality of ideal forms by analysing non-Euclidian spaces or the rules of fractal reality. The structure of the universe has been reread within the methodological meanings of the anthropic principle, nuancing the mechanistic perspective until the cosmic canvas could include the function of the one explaining it. All this epistemic boldness was a bet on the recharging of the particular meanings in the framework of the whole, of the totality. It was the only formula for insuring the validity of any theory, its concordance with complex reality.

Economics was predisposed to make an abstraction of the fixing of the human condition in the ineffable complex of the human nature. All the other functions of the individual human as a social being have been dissolved by the methodological isolation of the contents of labour, work and action and by reducing each of their meanings to a single element in order to enable the maximization of the yield function. On the other hand, in order for them to be efficient, the interstices of the actional complex are lubricated with the mass expectation for winning, apocalyptically possible through irrational exuberance.

Economics can escape this cognitive tight spot by returning to the Smithian sensibility with which it was born: that of seeing the totality, including thus the individual, in a fundamentally – and therefore unitary – anthropic perspective, with all the influences, with precise calculations and relevant approximations, with reason and sentiments. The existence of the parts of the whole must be understood as a functional unit, where the whole is represented by the lucrative mosaic of the human condition, contextualized in the pulsating nebula of human nature. The non-human universe of *homo economicus*, in which human nature gets expelled to the *ceteris paribus* desert, must remain – just like Schrodinger's cat – just a mental experiment.

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Contents

Assessment modalities of the Master Plan for the Romanian tourism development 2007-2026 Aurelia-Felicia Stăncioiu, Andreea Botoș, Nicolae Teodorescu, Anamaria-Cătălina Radu, Ion Pârgaru	7
Frameworks for a sustainable development indicators system Camelia-Daniela Hațegan, Clementina Ivan-Ungureanu	31
Sustainability of public co-financing of investment projects with EU financial assistance in Romania Anca Dachin, Monica Gabriela Gherman	45
Time series analysis in loan management information systems Julian Vasilev	57
The impact of the image of the organization in terms of the online communication paradigm Diana Andreia Hristache, Claudia Elena Paicu, Nilgün Ismail	67
Why liquidity interventions are they optimal in the case of Morocco for financial stability? Abouch Mohamed, Firano Zakaria, Abouch Mohamed Amine	75
Global European economic model Cristina Burghilea, Anda Gheorghiu, Cristiana Tindeche, Anca Gheorghiu	103
Evolutions and prospects in Romania's economy Mihaela Daniela Niculescu, Miron Dumitrescu, Andrei Mihai Cristea, Oana Camelia Iacob	115
Choosing the career path – An unemployment enhancer factor Ortansa Florea (Moise)	123

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