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Need for a Paradigm to Return to Nature and Common Sense

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Abstract *The lack of a multilateral paradigm to be considered and developed for a natural and sustainable economy urges both the formulation of immediate tactical objectives and activities as well as the following of short-term effects. This paper seeks to answer the following question: why is highly necessary nowadays a new paradigm for the economy and science? Economy paradigm and its science must not only be consensual, but should also provide a basis for determining different strategies regarding every sector of society. It also could play the role of system integrator for society. One reason for irrational economic development is the lack of a critical mass of modern thought, potentially responsible in national institutions, scientists, strategists and civil society organizations. Of course, also the inadequate current paradigms of the economy and development in science.*

Key words Paradigm, economics, natural size, artificial nature, moral guidelines, development model

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1. Back to the basics of economics

Until the crisis of 2008, "modern economic theory, with its sincere belief in the freedom of markets and globalization, had promised prosperity for all. Much trumpeted new economy - the amazing innovations that have left their mark on the last half of the twentieth century, including deregulation and financial engineering - was supposed to enable better risk management, bringing with it the end of the term *economic cycle*… Economic theories incorrect result, not surprisingly, into the methods of improper acts, but obviously those who partisans were believed they would bring the desired results" (Stiglitz, 2010).

What happens in the area of economic theory is not different from what is found in behaviors that configure economic reality. The irrational feature of intellectual reaction has a natural dimension, in states of excitement, and an artificial one, the ideological impulses. The economic activity combines emotional with passionate alignments, which describe the dynamics of factorial choices at individual level and social level. The late John Kenneth Galbraith used to say, knowing well what effect such an axiom has when pronounced by him, that economics is not a science. If it were, he continued, then all economists would be rich, because they knew before the evolution of the markets. It's the same reasoning as in fortune telling: if soothsayers could predict the future, they would not toil selling their talent for a few pennies. That economics is not a science has been seen in financial disaster that, starting from the US, swallowed Europe, without signs of stopping. No "Nobel prize for economics" - most of them Americans - forecasted crisis as, at this point, no one had any idea what would happen next.

Despite what followers of modern eocnomic faith supported, maturation of economy is not attested by the use of mathematics. Maturation meaning should be given by the strengthening of the capacity of the economy to reflect appropriately both the complexity and the inevitable volatility of its object of study. Cognitive ability is proved by applying mathematics in homogeneous systems, neutral towards time, with repetitive motion and linear causality. Mathematics itself remains immature in capturing complex, dynamic structures with negative feedback, such as socio-economic systems. In addition, the mathematical device operates with a series of mathematical quantitative reductions which distorts the essence of social processes. What mathematicians and economists did not understand or ignored is that the human phenomenon is unpredictable and cannot be quantified mathematically. The world's anthropic aspect may be quantified somehow, but we still do not have such a mathematical tool. Quantifiable, mathematically, is human work, the artificial adding by which man converts, enriches and complements the natural. But this is done in a marginal manner, by indirect measurement. What makes

mathematics in economics is to approximate without managing error and predicting, without dimensioning uncertainty, because subjectivity in determining the proportions between the advantages and disadvantages of combining resources pushes economics away from mathematics. Information accuracy, consistency of cognitive patterns and coherence of explanations cannot be achieved in acceptable levels of relevance by the mathematical method in economics.

Economic science has emerged as a way of asserting rational knowledge in using the opportunities of material order. The most significant aspect is that it insisted less on deciphering natural manifestations of this order: the most prominent innovations of economics were artificial in nature. Structuring the economic rationality has a regulator derived from human nature.

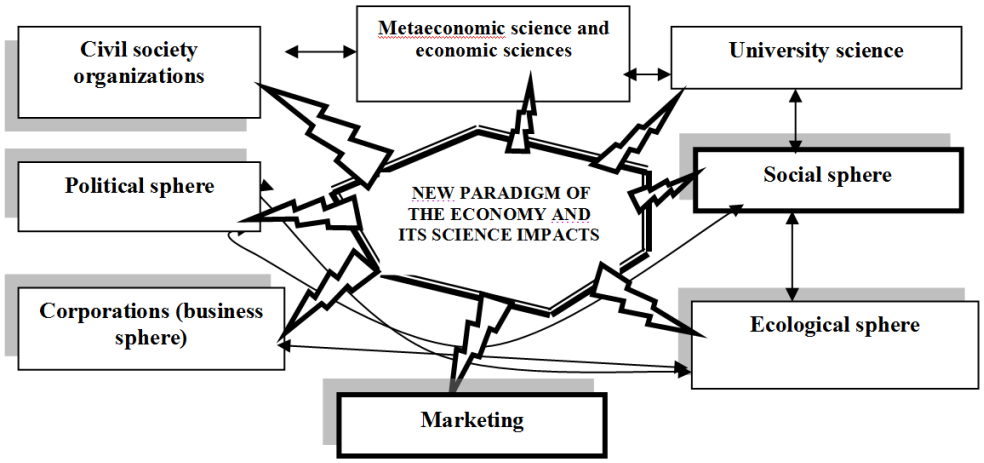
The economic way of thinking is ordered around an element of human nature. This regulator gives natural meaning to human action, establishes rules of the logics of this action. It's common sense. Focusing human action, under the spectrum of efficiency, on common sense, is the only way for it to remain within the perimeter of natural material order. All other elements intended to be subject of human action, such as to intermediate needs, such as money, to retain the status of means, and they could not reach goals in themselves, or be substitute of elements of natural order, related to life. Removing human nature from the control of the artificial, its regeneration and re-foundation of the natural order involve use of a natural regulator. Common sense is the only solution. The rest proved to be illusory.

Economy itself was left to be managed by improvisation, by political forces with narrow selfish interests. In transition countries there has been no real critical mass and organizations of civil society that should be aware of the problems and of needs of wise and sustainable economic development. Unexpected consequences of the economic crisis reveal that the natural relations of human action fields drive a virus escaped from the laboratory of ideologies centered on the power of wealth. Constitutive values of the modern world are thus redefined in terms of prevalence, although it is rather a vertical dependency on geopolitical arrangements. Justice has no fulfillment as freedom, as progress and tolerance have contents only for power as equivalent of wealth. Governance becoming corporate, efficiency disconnects equity power.

Designing a development strategy in the context of neoliberal constraints is not a matter of economics, no matter how much inspiration and dedication would put into solving it. The current of the world makes developing an issue of geopolitical world order. Development is today the number one political issue whose settlement must be made with the knowledge to avoid the apocalypse.

National strategic references points required for EU membership is not based on a rational paradigm and on a holistic and long-term economic development and on the available scientific potential of the Romanian society. A model of wise and sustainable economy must begin with a strengthening in terms of thinking, vision and strategic actions. During the process of creating a wise and sustainable economy, the combination of "top-down" and "bottom-up" is a must. Addressing the "top-down" facilitates preparation of documents, vision, strategies and projects under similar documents valid for the European Union. Approach "bottom-up" involves a variety of initiatives and entrepreneurial thinking from various stakeholders to be debated and launched. Also, as a starting point of the new paradigm, we have the holistic future-oriented thinking. Instead of using the principle of "divide et impera", the new paradigm must replace it with the principle of "integrates and (afterwards) develops". Paradigm must urge a return "back to the basics of the economy" to be used and forward-looking. The impact of the new paradigm in different sectors of society could be systematized as in Figure 1.

Nature is a democratic principle of understanding the need. Food chain works according to the rule of imbalance favorable to each. Nature is based on common sense critical proportions; the only secret of success is cohabitation. If everything in living nature is increasing under the sign of arithmetic harmony, unless cancerous random behavior in the world created by man, with its multiple dimensions of economic, political, cultural, religious, etc., growth follows the trend of geometric progression. Economic systems justify their raison d'être by the quantitative rule of more and faster, political systems targeting absolute control, cultural systems flirting with globalism and religious systems claiming universalism.



Source: Yankov, N. (2009). The Necessity for a Different Paradigm for Economic Development. *Amfiteatru Economic*, XI (25), 189-200

Figure 1. The new paradigm of the economy and the impact of science

For overbidding their functions, artificial systems decline, they are marked by implacable growth-decay cycle. Everything that grows more than necessary outside a proportionate measure cause-effect, between intention and consequences or reasons-purpose, reaches self-destruction, sooner or later. Glaring disparities between hypothesis and conclusions indicate logical inconsistency, even in the sciences which claim the attribute of science. Excessive deviations from the mean values of the input and output of a system show structural scarcity. What becomes much kills diversity and tends to be self-sufficient. Monopoly, for example, unifies through massification, demotivates through centralization and subordinates through power.

Global economy, the preferred formula of the creative power of humanity, defies the common sense rule naturally. Markets have become so large that they align everything to their claims. Society is organized by market principles. Banks have raised so high their power of influence that states pay tribute for existence. Everything should turn into profit.

The existing paradigm for economic development makes efforts to balance the extreme classics "efforts (expenses)" ↔ "results". Thus, despite statements full of emphasis on sustainable development, often completely excluded from the architecture of the model development is the matter of assessment (integration) of damages / losses and risks. Or, in other words, future generations will be deprived without being consulted, of most opportunities as a result of irrational exploitation of current economic heritage. In this respect, it must be developed and applied a new model of wise and sustainable economy, which must include: "Efforts (present and future)" + "Expenses (present and future)" + "Benefits (present and future)" + "The risks (present and future)" and "Damage/Loss (present and future)". This coordinated fundamental matrix is based on the "benefits should be much higher compared to the damage and they must be defined clearly and explicitly for very long periods". We consider also that no ecological system has absolute efficiency. There is always waste, loss, degradation and environmental pollution and accumulation of harmful substances. But, decreasing and eliminating them is a real challenge for theoretical sciences, research organizations and universities, as well as other economic actors that must put them into practice.

Uncertainty of crisis management, equivalent to the risk of resurgence in crisis, shows the same attitude favoring beacons of instability. In fact, it is about abandoning the preventive role that institutionalized signaling plays in relation to behavioral fluctuations of agents and their influence on the economic cycle. In such a perspective, understanding the whole economic operation is not possible because there is no measuring unit in judging particular solution given to the problems of particular parts. An ultra-specialized procedure is applied, as thousands of simultaneous operations per organ in distress, hoping that it will keep the body functioning as a whole. The hypothesis starts from a deterministic understanding of things, absolutely linear, unrelated to rational approach to complex situations. There are absolutely non-allowed reductions of sense, complemented by risky assumptions. As if, in physiology,

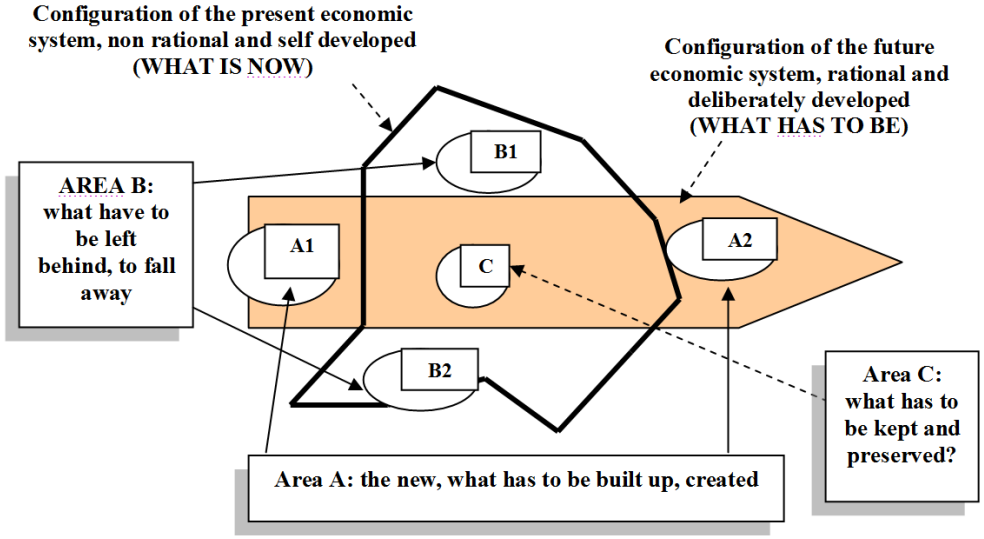
accelerating the circulation of blood should be the cause of increases efficiency of mental functions of the brain. Cognitive isolationism managed to investigate performance in small, dissolving meanings of the context that assembles in a vital order, the parts of a whole.

Removing moral references from economy reasoning was not only a way to make it more objective, but to disturb its value judgments. Crossroads was in the seeking of economics towards its status of science represented by physics. Economics simplified human nature by altering its essence so that it could fit only rational regularities. Modern and especially postmodern in economic science should guide, lead and ensure economic systems wisdom of functioning "on different levels". To do this, economics itself should be transformed, to adopt a different paradigm. Macro paradigm of economics must change its management concepts and principles. One of the tasks of the new paradigm of economics is to find not a "balance point" but "areas of balance". An example is that of "conventional economics" (in relation to the existing paradigm) and "economic science (non-conventional)" (which denies the existing paradigm, the inertia of thinking, and starts from the future to the present and then forward).

When power was associated with wealth, economy had to defy both human nature and nature in general, subjecting them to yield rules. With the first industrial revolution, economy, becoming science of wealth as basics of power, created models for combining factors with the function to maximize the output. Especially in the last century, the economy centered on the idea of growth, in which quantitative determinants were the norms.

The question is whether the economy has entered a route epistemic consistent with its object. Of course, the correct answer is not found in the explanatory performance of the economy for centuries, not even in the extent of such quantitative performance. While it may seem strange, this assumption is meant to invite the answer to be sought beyond the path of efficiency of the economy, especially its variant represented by theories of economic growth. The argument pertains directly to common sense rules that distinguish human nature and specific behaviors that support natural systems.

In the matrix of the new paradigm, the general idea about economics system transformation is shown in the model in Figure 2. There is no doubt that economy, as business, has a strong artificial component, it is even producing the artificial. If we exclude the man from the equation, we could judge by artificial rules. In essence, what is created by man remains in resonance with the natural laws, in their specific expression of human nature. To create anything but by the rules of nature seems a challenge, often assumed by man, but it never proved its durability. To create more, increasingly, in the economic sense, to produce more, more and more, that is out of balance between human needs and the sources of nature (including human nature) is an apocalyptic risk. It contradicts both rhythms of life and human nature balances.



Source: Yankov, N. (2009). The Necessity for a Different Paradigm for Economic Development. *Amfiteatru Economic*, XI (25), 189-200

Figure 2 . The transformation of economics

The foundation of economy on progress has reached its limits. Pluriform current economic crises are increasingly clear signs of the lagoon. The working hypothesis is that successful open economy managed to deny the idea of science of wealth and to recharge with other contents the ideas of competition and economic growth.

2. Conclusions

In its interaction with the external environment, the individual gets in touch with a number of stimuli that tries to identify, to evaluate, to assign a meaning. In fact, growth is the name coined in the idea of competition to defy the human role able to achieve rational agreement for an agreed level of comfort.

How evolutionism teaches us, like in life, in a competition "who is stronger", the success rate is different for two parties only if one of them cheats. The economic growth race cannot continue indefinitely because resources are limited. In addition, when savings do not rise any more, in a rather normal rhythm, sustainable economic function of the countries is not reached.

Economic behavior cannot be any different than the behavior of nature, balanced, smooth, and committed to the average path. The economy must provide normal milestones for economic behavior. And they cannot be too far from the common sense of nature.

Mankind cannot exceed its condition because for thousands of years the education pattern has not changed. Strangely, perception is inverted: all are educated to believe that they have an equal chance of success while the public order (kind of cord to wrap the possible understanding of each), sends the message that it is normal, i.e. naturally, for the special ones to lead. They are derived from ancient aura virtue - which would be somewhat natural, but also from the elite conventions, reserved to one to two percent of people strongly promoted by propaganda institutions.

It would not be enough to see reality if we did not return the raw dimension to the current society, that is perverted by the total scarcity of political culture and precariousness of education in respect of civilized rules. In modern fury of equal opportunities, which acts as a curtain of the genuine moral constitution of the people, it is speculated, with perversity, the need for something different in order to obtain (miraculous as a model, but catastrophic for humanity) alignment to standards of behavior strongly presented as possible.

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