

THE ECONOMIC CRISIS VERSUS THE CRISIS OF ECONOMICS

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Abstract. *The authors draw a parallel between the economic and financial crisis of 2008 up to 2010 and the crisis of Economics as a scientific discipline. Both bankers' greed, with their toxic products, and consumers' greed who, most of them, had borrowed money to buy a second home, were the most important causes of the recent financial crisis. The recent financial crisis has shown us that the Economics itself is in crisis because it is grounded on hypotheses unproven by reality. It refers both to the assumption of spontaneous market regulation and to that of the capitalization of interest. The work demotes these assumptions and proposes as the solution a sustainable development in which the individual returns to the fundamental values: family, environment, community, partnerships, resource saving, communion with others. The main conclusion is that the economy should be understood from the following holistic approaches: economic, social, cultural, philosophical, political and spiritual. With regard to money (as the subjects and the main objects of Economics), the rich is the one who gives, the one who helps his fellows and not the wealthy people of these days who have perverted the economy so that to justify the usury, the speculation and the financial engineering.*

Keywords: *holistic; the sustainable development; the crisis of economics; the economic crisis; greed.*

Introduction

There have been a lot of discussions about the causes of the recent financial crisis. The clearest voices have led to one fundamental cause: greed. It was not only the greed of the bankers who gave easy credit by bulletin and with good interest for them but also the greed of the borrowers who, although most of them had a dwelling, wanted one more, as if you could live in two houses at the same time.

If at origins, in Adam Smith's view, capitalism had moral foundations, then they disappeared altogether. Why is abstinence important, fasting? Why is no greed good? There is even a Romanian proverb, "greed ruins humanity"

Going ahead, we ask our next question: why are there rich and poor? Why do people have no equal income? From a Christian perspective, there is a very simple answer that is incomprehensible to economists, sociologists, philosophers or politicians. The rich achieve redemption through the poor and the poor through the rich. How can this be done? The poor ask the rich for help and the rich give mercy to the poor. In this context,

they both live heaven on earth. But does this actually happen? Do not the rich despise the poor, and the poor envy the rich? Based on these feelings, each one lives like hell, and basically, the two are irreconcilable enemies.

The economic crisis

Some authors consider that in the years before the 2008-2009 market crisis, in the old core of the capitalist world capital system, capital, and debt transactions have overtaken industries that generate jobs and profits for everyone. If financial instruments accounted for only a quarter of the investments in the 1970's, in the 1980's the financials raised the total to 75%. Globally, financial assets accounted for 4 times the value of all investments and 10 times the world's global GDP. The recent financial crisis reveals the main internal vulnerability of capitalism. This is a systemic risk - that is, risks that are part of the complex network of internal connections that constitute the modern financial system. The impact of this financial crisis has been multiplied by the enormous increase in global finances over the past decades and the extent to which financial assets have come to dominate advanced Western economies. (Wallenstein et al., 2015, pp.204-209)

We basically find out how the symbolic economy overinflates the real economy in its own right, and this grows inexorably. Financial crises appear just to correct this imbalance between the real economy and the symbolic economy.

"It is characteristic of the fractional reserve system that virtually all money is created as debt, which means that all money brings interest to the bank. The problem is that banks, with each new loan, create the principal credit, but not the money to pay interest. Their payment must be made by contracting new loans, and interest on these new debts may also be paid through other loans. This leads to the conclusion of an "impossible contract" because there is never enough money to repay the loans without taking out other loans. In other words, loans must be constantly imposed on the economy to pay interest on older loans. Ultimately, there is an overdevelopment of the system, which results in a credit crunch. People most affected by the recession are usually not part of the group who benefited from credit expansion. Therefore, rewards are privatized, and risks, socialized. Winners are looking to keep their profits, while ordinary people are required to cover their losses. (Médaille, 2012, pp.72-75)

Hence the perverse morality of capitalism: in good times, the bankers earn, in the bad ones the losses are borne by the population. Such a background flaw has no long-term and even medium-term coverage.

Kennedy argues that our monetary system is based on the exponential growth of compound interest, a model that is present in mature natural organisms only in diseased cells, mainly in cancer cells. As long as the economy has to follow the pathological growth of compound interest, which keeps the money in circulation, we will have to increase our economic growth even at the cost of destroying the environment. The current monetary system allows us to choose between two types of collapse: social or environmental. The growth of the real economy, dependent on the availability of natural resources, differs from monetary growth to such an extent that the requirements of the financial economy can no longer be met. Thus, while monetary assets in Germany increased 46 times from 1950 to 2010, and bank interest rates 37 times, Gross Domestic Product grew only 8 times. It is as clear as possible that the exponential growth required

by our money can no longer be maintained by the real economy. (Kennedy, 2012, pp.12-13)

The assumption of interest capitalization is not sustainable in the medium and long-term, and excessive funding brings about the emergence of financial crises that are more and more powerful and hit the center of the financial system.

Saint Basil the Great considers that poverty is not a shame. "Why should we add debt repayment? Nobody heals a wound by another wound, nor does he heal evil by evil, nor deny the poverty of interest. Are you rich? Do not borrow! Are you poor? Do not borrow! If you are rich, you do not need to borrow, and if you have nothing, you will not have what to pay for your loan." (St. Basil the Great, 2009, pp.58-59) If mankind had obeyed and had applied the wise counsels of Basil the Great, we would not have had today's financial capitalism and the unprecedented gap in the history of mankind between the rich and the poor.

The crisis of the economics

Globalization is a dynamic, non-stop, dynamic system that has both beneficial and unfavorable results. Therefore, when looking at globalization, we need to look at it in terms of the balance between these results and their impact on long-term growth. Some comparative estimates illustrate how creative, in terms of economic dynamics, can be some interrelations. It appears that under the same conditions common language contributes to a 42% increase in sales turnover. The growth is 47% if the respective countries belong to the same trading block, 114% if they have the same coin and 188% if they have a common colonial past (Kolodko, 2015, p.75). The inter-correlations established between states call on the table the main economic actors: the national states, the United Nations, the World Bank, the International Monetary Fund, the World Trade Organization and the transnational companies.

Economics cannot be a natural science. It is closer to the quaternary structure of reality and being: the human-cosmic-God and the unfathomed equation of existence. Because man lives in history, the new economic science also needs a new theory of history, understood as the development of meaningful structures over time. It can be reduced neither to neoclassical abstractions, nor to institutionalism, but must take into account the anthropological background, the richness of ideas and symbols by which the human community expresses its fundamental existential experiences (Brăilean, 2011, pp.83-86).

Essential is the human-society equation-Cosmos-God. Basically, the answer to all the problems of mankind is this: the return to the sacrament and the consciousness that we are stardust. The old man-society paradigm has brought us to the crises of our day: that is, a sum of economic, spiritual, ecological, social, political, environmental crises.

"The economy counts itself as the ablest to interpret the social world of our time, but we always find that it needs a myth for this role. The economy uses the myth in several respects or in several ways. First, it serves the myth in its starting hypothesis, and then it creates itself myths and stories. Homo economicus' model is precisely such a model-myth. The fact that it tells us a story by covering it with a mathematical coat that does not change its mysticism. As an example, take the myths and stories about total

rationality and assumptions about perfect information or the invisible side of the market, but also the story of man's freedom and self-determination, or the myth of eternal progress or self-regulating markets. No one has ever seen any of these things, but they are stories, beliefs or myths that resonate strongly in economic theory. And our disputes, experiments, and statistics that we are doing are leading to the confirmation or overthrow of these narratives." (Sedlacek, 2012, pp.194-195)

That is why we advocate for *Homo spiritualus*, which transcends consumerism and emphasizes on balance, temperament, love of nature and knowledge of spiritual laws.

We believe that we can solve all current problems through "masculine" means: by changing institutions and adopting new laws through planning and computing. However, in the end, they alone will not resolve them and will never succeed. What will always succeed, even though apparently defeated, is something as different as possible: a vision, an experience behind all these structures, which, alone, can give them meaning: the overwhelming humility of the personified Church in the Mother of God... behind all the struggles and conflicts that have sprouted the world is the secret desire, unknown and unconscious after the final synthesis, after a convincing image of man and humanity. It is what the Church, and it alone, can offer to the world." (Schemann, 2014, pp.81-83). The Mother of God is glorified and glorified by both the Universe we know and the one we do not have access to because of our limited knowledge of life, spiritual laws, the Cosmos.

Poor and wealthy people are not in the world, neither by chance, nor because the making of this world would be an irrational one, but according to the overwhelming Divine Care. God can level everyone in an instant as wealth, but that would be a real madness. In that case, people would become totally independent of one another. Who would then be saved? And how could you save yourself? Because people are saving themselves depending on each other. The rich depend on the poor, the poor - the rich; the cultured one depends on the one who does not know the book, the one who does not know the book of the cultured one; the healthy one depends on the sick one, the sick one on the healthy one. The material is paid spiritually. The spiritual gift of the cultivated one is materially paid by the one who does not know the book ... (Tănăsescu-Vlas, 2010, pp.54-55)

No economic or utilitarian system explain so simply and holistic at the same time the partnership between the rich and the poor.

The sustainable development

James Canton (2010, p.102) predicts 10 key trends in labor:

1. Global struggle to attract talent,
2. The future of labor will not be defined by geography, but by talent,
3. Population aging in America and Europe will have dramatic effects on society and the economy,
4. Hispanic population and women will dominate the future of the United States labor force,
5. A high percentage of new employees and leaders will be women, permanently changing the strategies of the boards of directors and the market,

6. A high level of immigrants will be needed to allow talent to keep pace with business and society requirements,
7. Finding skilled workers in high technology from the global talent pool will be the greatest challenge for each organization and every nation,
8. Innovations will be a key driver for the development of workforce skills, claiming a complete restructuring of the education sector,
9. The domestic labor force will record a slower growth rate due to the alarming decrease in fertility rates,
10. Labor-related crises in the future are likely to be due to the lack of a skilled workforce.

Futurist James Canton puts emphasis on innovation as the main resource of today's day to build tomorrow and to increase the role of women in the labor market at all hierarchical levels of a firm.

Erwin Laszlo (2008) believes that 2012 marks the gateway to a new world, a new civilization, based on a new way of thinking and a more evolved consciousness because the current distribution of wealth, the global financial system, and the current social system no longer support. He identifies 10 stories of changed consciousness:

1. We live in ways that allow others to live,
2. We live in ways that respect the right to life and the economic and cultural development of all people,
3. We live in ways that protect the intrinsic right to life and an environment that supports life,
4. We seek happiness, freedom and personal fulfillment in harmony with the integrity of nature and our fellows,
5. We ask that our government connects to other nations and people in a peaceful and cooperative spirit,
6. We ask business organizations to accept responsibility for everyone who has an interest in them as well as for the sustainability of their environment,
7. We ask the media to ensure a steady flow of reliable information to make the right decisions,
8. We place them in our lives the less privileged than we,
9. Encourage people to make ethical decisions about their future and their children,
10. We work with such people to preserve and restore the essential environmental balance. (Laszlo, 2008, pp. 139-140)

The New Consciousness takes into account the other, our neighbor and does not focus on pursuing our own interest at any cost. Mankind gradually awakens from the sleep of reason, selfishness, and greed, and discovers spirituality, co-operation, and altruism. These values constitute the cornerstone of Sustainable Development.

D.C. Korten (2009) in "From Ghost Rich to Real Rich" makes a real action plan for a new economy:

1. Re-directing economic policy's attention from rising ghost wealth to increasing real wealth;
2. Recovering undue profits made by the Wall Street and setting fees and commissions at a level that would make the theft and gambling of this institution unprofitable;
3. Implementing price set at the full cost of the market;
4. Correcting the corporate charter;

5. Restoring the sovereignty of the national economy;
6. Rebuilding communities to ensure local independence in meeting basic needs;
7. Implementing policies that create a current trend for business at the human level, owned by local associates;
8. Facilitation and redemption of corporate assets for the democratization of ownership;
9. Using tax and income policies in favor of a fair redistribution of wealth and income;
10. Revision of intellectual property regulations to facilitate free access to information and technology;
11. Restructuring financial services to serve the Main Branch;
12. Transferring responsibility for issuing the currency to the federal government. (Korten, 2009, pp.128-129).

Korten writes a true Constitution of Sustainable Development, in which the primary focus is on the real economy rather than on the symbolic, the individual and not the state.

Chang identifies the following principles for the reconstruction of the world economy:

1. Capitalism is the worst economic system if we exclude all others.
2. We need to exalt our new economic system on the assumption that human rationality is very limited.
3. We need to build a system that pulls out what's best, and not worse in people. Organizations should be built to reward trust, solidarity, honesty, and cooperation. If we leave everything to our personal interest in the short term, we will destroy our entire system, which does not appear to anyone's interests in the long run.
4. We must give up believing that individuals are always paid the 'worth' it is. Individuals in poor countries are often more productive and entrepreneurs than those in rich countries, and the control of migration from rich countries keeps them at the limit of misery. On the other hand, the rules of the scholarships need to be changed, in order to limit the excessive payments of the managers of the limited liability companies.
5. We have to take seriously the idea of producing concrete things.
6. We need to achieve a better balance between finance and "real" economic activities.
7. Governments need to become stronger and more active. (Chang, 2011, pp. 254-261)

Chang (2011) focuses on long-term, honest, cooperative, salient, real economy.

Aivanhov (1991) talks about the economy of the future by pointing to the wound and against the current debauchery consumerism. "Do you want to know the true economy, do you want to have treasures, treasures that you can spend to help others? Well, we need to be careful, bright and to master ourselves. Here's the real economy. It is stupefying to see the number of products now appearing to restore everything that has been destroyed, broken or dirty, not just objects but simple people. It's incredible, half of mankind is working to repair the losses caused by the other half! ... In reality, nature only knows and practices the economy: it knows how to do it in order not to lose a single atom. A little trace of dust, dirt, everything is used ... The leaders of the countries, those who pronounce on economic issues, should first learn some truths that cannot be found in the books of economics: how man is built, as he is bound to the whole universe, which are the hierarchies in the universe, as all human deeds have to obey a model, a celestial idea. At that moment, everything they will do, everything they will order, will be perfect." (Aivanhov, 1991, pp. 110-113). Here Aivanhov shows that nature is wiser than

politicians today and yesterday. Today's politicians need to know the laws of the spirit, and what they will do will be perfect.

It is important to stop the dynamics of exponential growth with its compound interest and increase our overall well-being. To ensure that the new, sustainable money goes in the right direction, it is vital, in the next phase, to make prices that say "the ecological truth" of our lifestyle decisions, reflecting the real costs that the activities we impose on the environment and future generations. All progressive economists support this vision.

Kennedy (2012) believes that sustainable money has the following advantages:

- a. Replace paper profits with real benefit. Thus, the real benefits do not exclude profit but subordinate it to social values.
- b. Their purpose is limited, not universal, because a complementary currency cannot be traded on the world market.
- c. They are tax-supported and do not produce interest. In the new system, exponential growth does not characterize either monetary assets or debt.
- d. It's easy to understand.
- e. They can be democratically controlled and will no longer be used as a power tool.
- f. Supports the community. Conventional money undermines the community because it operates mostly outside of people-to-people communication.
- g. Stop inflation as 100% of goods and services are covered.
- h. They have performance coverage, not ownership. Time invested and productivity are the basis of earnings within this system.
- i. It works for the benefit of all. Sustainable money brings benefits to 90% of the company that will double their income as interest hidden in prices will be eliminated. They also benefit the rest of 10%, people who prefer a stable monetary system. " (Kennedy, 2012, pp.73-80)

Because money today is no longer covered in goods and services, sustainable money is the solution especially in relation to individual-community binomial.

Today, Latin Americans have taken their countries back through the blatant policies: nationalization of certain sectors of the economy, agrarian reform, major investments in education, literacy and public health. (Klein, 2008, p.82) The most significant shield that Latin America puts in the way of future shocks derives from the increasingly prominent independence of the South American continent from Washington's financial institutions. The Bolivian alternative to the Americas is a barter system, where countries agree on the value of goods and services offered, giving relative economic stability and predictability. Here, Bolivia provides gas, at an estimated and stable price; Venezuela provides oil and expertise in the exploitation of natural resources; Cuba sends thousands of doctors." (Klein, 2008, pp.484-485) These countries come out of the US influence area, rediscover the individual and social economy, rediscover owners, producers, and consumers, and discover the benefits of genuine and honest cooperation with countries in their region.

Conclusions

The recent financial crisis requires rethinking the economics as a materialistic discipline and addressing the economic realities of a holistic overview: spiritual-political-social-cultural-economic. The political economy itself is in crisis, and this is due to its very foundation. The symbolic economy overinflates the real economy, just as the political economy negatively affects the religion.

It is the time for a modern man to no longer worship the golden bull-money and his daughters: greed and chaos. We turn to ourselves, to the divine self, to the search for the meaning of life. Life is here and now and is waiting to discover it, giving up the illusions and discovering what is eternal in us. Economic systems so far favor either the state (Marxism, Keynesianism) or TNCs or the financial system (liberalism). The time has come for an economic system to place the individual as a citizen of the city, viewed both as a consumer and as a producer and creator. That is why we use the term sustainable development. Education today and tomorrow must ensure a balance: to be both a mass financial education and a mass spiritual education.

In connection with money, the rich is the one who gives, the one who helps his people, and not the rich nowadays, who have perverted the economy to justify speculation and financial plots.

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