

ABOUT OTHER KIND OF PRODUCTIVITY AND GROWTH (HOMO-SAPIENS TO HOMO-OECONOMICUS)

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Abstract: Part of a larger research, this paper ranges among the matter of ideas confrontation concerning the causes of the economic crises and those keys to be passed. Paper aims at finding and praising the defining elements of our economy, in the purpose of better understanding the nowadays crisis, and at presenting certain conceptually different approaches. In this purpose, analytical presentations are focussed on the specific realities of the economic life that are in position in the last centuries, which are considered to be favouring the arriving to the critical states in the last years and to be promoting those maintaining, or which allow explaining certain effects and tendencies.

The approach is made from the angle of the nature of the productivity that is had in view and highlighted in the market regulating mechanisms, and of the due growth. The paper is grounded on important analysis on the matter (including anterior researches of the author), but their dimensions does not allow their presentation in the abstract. Analysis starts from interpreting the very nowadays crisis, from different sites concerning the core (general) causes, by correlating with certain features of the industrialized consuming society. More recent references are made in the literature on the matter. Modern western economy is defined from the angle of focussing on material-quantitative productivity and growth. Analysis tries to explain certain effects concerning this kind of focus. Interesting effects and tendencies are noticed, that miss to the traditional approaches. Further on an opposed theoretic model is discussed. This is built and developed inside the service economy (on the case of two conceptually similar approaches, came from two different sources of economic thought in the field; original contributions of the author are involved). Adequately to the knowledge society, this last one is considered more favourable for homo sapiens, at least once the visible effects of the last two hundred years model are revealed, which are dominated by homo oeconomicus. This reference model being set up, a short foray is intuitively made in the perspectives of humanity on long run and on very long time, in the supposed maintain of the present economic model. In all those presentations and analyses, connections are made with other papers on the matter, in the purpose of more profound study.

The conclusions concern the practical possibility of the model opposed to the industrialist economic crisis. The details highlighted from the analysis of the conceptual comparison between models and prospections bring, in the final, at proposing solutions, grounded on fundamental requirements on the line of humanity's values, with didactic addressing to the young generation. The elements of contribution of the author are underlined in the presented matter.

Keywords: productivity, modern growth, economic crisis, knowledge society, service economy

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1. Introduction

The nowadays crisis looks like a systemic crisis of the whole life of humans that was (and still is) approached in the modern tidiness, just like in the times of industrialization.

It looks like humanity arrived to the limits of a way of living that proved itself to be destructive for the planet and for the living of our own species on a very long time.

That what is certain is that, for Romania, the crisis is total: Romanian scientific research rather does no more exists, that we are

integrated in Europe on positions of a marginal country, that Romanians are importing the most of the apples and potatoes they eat, that our country is in enormous debt to the foreign banks, that the Romanian education lost all its chances to come back to the performances it had two decades ago, that the health of the population is under the impact of certain decisions of the same (and rather generalized) principle of elimination (and not of construction) etc.

For the analysis of Romania's economy can be invoked the exceptional book of Marius Băcescu and Dionysius Fota (Băcescu and Fota, 2009).

In this paper we will bring the discussion mainly in the field of *service economy*: this was that what made possible the necessity of approaching productivity, efficiency and growth in widened horizons to be seen. It happened in the postmodern epoch, when the traditional view was replaced, by taking into account certain social aspects and other, more than the monetary narrow economic. For a Short Literature Review, please also see the chapter no. 4.

2. The crisis of the world as a capitalist extensity spread

In opposition with the well-known growing intensity by industrial means, that is usual and preached in the theories concerning the modern world, the consuming society meant rather a simple spread of a model – the capitalist one – as Issac Johsua shown (Johsua, 2006). In the chapter 7 „« Nouvelle économie » ou l'utopie du capital”, the author we cited speaks about “over-accumulation” of capital, meaning accumulating it in a rhythm that the economy cannot support, on a long run, the profit ratio anticipated by those who supply the funds. The financial capital of the world brought us in crisis, sais Issac Johsua. This research, published before the nowadays crisis, speaks about the generating conditions of what followed – as we have all seen. “The crisis of «the new economy» was not surmounted, but only stocked in the

accumulated lack of equilibrium”, sais the author at pp. 240. The superficial character, from the economic point of view (founded on “moment solutions”, having beneficial results in the short run, but generating spread effects, including in the long run, aggravating effects) is exceptionally synthesised when Johsua shows that, in critical situations, “America rescued itself just as it lived: on credit. The pick up again was so realised, not by reducing certain anterior dysfunctions of the American economy, but contrary, starting from them, by increasing them.” (pp. 243).

The central goal on the market (and the criterion of “selection” by “competition”) is the gain, found in computed productivity. The method consists in cheating models of economy, by evading its genuine roles of *tool* for covering people's needs; and, by this, the economy is preached like a goal by itself; the slogans of liberty and of “fair competition” in the economy, but the economy that is producing those which are really *necessary* (economy that was dominant two-three centuries ago) is let in the outside of the efficiency: there is *else* that the market acknowledge and admits as rewarding and moneymaking; i.e. the gains are from winning in the “fair” competition, including the intense exploitation of the natural reserves, speculation etc.

A main result is that primary needs, as food, and flu and tuberculosis cure) are abandoned to the market laws, *at a subsistence level*: they are maintained in this way in the “poverty trap” (this matter is developed in our paper Jivan, 2008).

The existence of mass poverty also annulates or maintains to a minimal level the qualitative improving trends – which should be correlated with the increase in the price. The price increases very much, for relatively low improvements, for strictly opulent improvements, for advertising and mostly for good indicators established by the rate agencies (which are private firms and have private interests too); quality decreases for

the low price levels – having as a unique alternative the total give-up to those supplies. Prices are judged not in function of the quantities, but according to percentages of the revenues allocated to those buys. So, the situation (the current, given situation), of the existence of significant revenues above the fundamental needs (which can receive the most varied destinations, it is too little in the direction of improving or increasing alimentation) generates this marginal state of agriculture in the capitals beholders' economic action options. The issue of sponsoring agriculture is a mechanism which is external to the market, from outside the free competition, which tries to correct a situation (fair from the market logics point of view), which risks leading to a dangerous diminishing of the agriculture weight in the entrepreneurs' options.

The suppliers remain attracted – according to the market criteria, as well – by the luxury consumptions segment. Disequilibrium at the individuals' level results (Jivan, 2008). The optimizing system does no longer work, as well as the self-regulating mechanisms. A waste of values, of resources, of efforts result; this generates inflation.

3. Usual perceptions, including in the periods of crisis

It was shown (Jivan, 2010) how, in the traditional (classical) economic model, profit and interest are usually seen as varying with capital amount, economic growth being generated by material investment, which is about quantitative growth of tools, machines, money and other forms of capital employment for production which generates quantitative growth of production. But the economic growth can be better generated by growing returns: productivity and the quality of being lucrative are given by innovation, information, knowledge, science, brains, including the results of human capital formation and education; growth is varying with inter-relational growth and with intellectual factor. (Jivan, 1995).

The usual angle of approach and level of analysis is that of the accountants' books, as well as the source of data; but in the accountancy books of *business*, the place of such services may be less important than the place industry takes, even if the genuine essential generation of things has another logics (from Jivan, 2009). The understanding of the economists must go above the *businessmen's* reasoning.

Such a wrong approach is also in certain government policies concerning education and scientific research. Unfortunately they let us see the state of our country.

We discussed the materialist fallacy (classical, or Marxist); it is a big mistake to see mostly the expenditures in services (and blame them all as a whole), because of their immateriality – proving lack of understanding. We have also seen the consumption fallacy (Keynesian). They are as fallacious as any other exaggerations, like any speculating production, aiming exclusively to gain, with no respect for its environment (Mother Nature, social, moral environment). Any activity can be destructive (Jivan, 2010). But at aggregate economy scale (national, world-wide), useful performances are mutual, mostly, one way or another, at least by the mediation of the generalized market (see here our synthesis on the market as global servicing, in Jivan 1996).

Knowledge society implies an opened minded view and an interdisciplinary vision, which are superior to the narrow economic approach, including the care for the social problem, for the planetary environment and such like, among which moral-institutional aspects are also important. Even production and consume are replaced with “functioning” and with the creation of utility; and the place of immaterial activities is really central.

The choice between ways should not be a dilemma: the best permanent answer is *aurea mediocritas, the equilibrium* and avoiding any extreme and narrow view.

4. An opposite model

On the line of research opened by service economy, observations, critics and proposals were made at micro as well as macro-economic levels. Between those many research, we mention here only these realized by Jean-Claude Delaunay, Jean Gadrey (like particularly Delaunay, Gadrey, 1987 and Gadrey, 1992 and others), Jacques de Bandt (De Bandt, 1991), Orio Giarini (particularly Giarini, Stahel, 1993 and Giarini and Lauberge, 1997), André Barcet, Joel Bonnamy and many other authors (particularly the papers in *Revue d'Economie Industrielle* - no. 43, 1988).

Jean Gadrey (Gadrey, 2010) criticizes the industrialized economy, speaking (at pp. 88) about the “double dictatorship”, (i) of the world markets (that are not regulated) and (ii) of the agricultural “liberal-productivist” politics. He requires a more complex analysis of the productivity of an industrialized production process: not just the growing productivity of the modern tools and machines, but also the time of work consumed for their fabrication should supplementary be recorded as a cost; a cost that should not be ignored. He also proposes the deduction of the estimated value of the big damages involved by industrialized and chemical production (including in food) and long distances transport: those damages should diminish the pretended growth that modern industrialized productions pretend realize.

Gadrey argues (pp 85-86) that the usual theory of growth and productivity is interested only by the quantitative aspects, making no difference between an output that is protective for Mother Nature, not-polluting, ecologic, on one hand, and an output based on big consumes and waste of energy and less healthy for humans or even worse.

Gadrey speaks about the fact that an investing economic activity and a consuming one are considered to be „equivalent” in the numerical usual analyzes. There is a comparison made by quantitative criteria,

with no respect to the qualitative and more profound aspects.

All those critics and recommendations are revealing critical aspects of the usual productivity and growth models. In contrast with the usual (growing, industrialist) model, he proposes, in his large-hearted approach, a new one, using a “new type” of progress, the true progress, profound, not just superficially quantitative and not only on the short run.

Another approach is that of *servicity*, proposed like an extension or even a rebuff to *productivity*, at *The 9th Seminar on the Service Economy* (PROGRES – Programme of Research in the Economics of Services, A.S.E.C) in Geneva, September, 6th -7th, 1993. Firstly included in a paper published in the review of *Services World Forum* (Jivan, 1993), the concept was later developed in other papers and books. The concept of *servicity* is grounded on the point of view in the modern marketing optics and on service economics.

The concept we call *servicity* would mean exactly the effective *intrinsic* productivity, the effects of human activity consisting in generating *general* and *absolute plusses*. It is in opposition with *computed* productivity, generating palpable *concrete plus* to the concerned individual, therefore *relatively* to a specific economic agent (with no concern with the rest of the world, with the ensemble). Such approaches prepared the conceptual field for the European requirements of knowledge society and knowledge based economy, of more seriously taking into account the natural and social environment. Ulterior, the ideas were developed, and between the most recent exemplificative research we mention those on innovation, productivity and performance, of Faïz Gallouj (Gadrey and Gallouj, 2002, Gallouj and Djellal, 2010), Faridah Djellal (Djellal and Gallouj, 2008) and others.

As concerns the matter of indicators, between the preoccupations in the field, we limit us to mention only about the important European project known (shortly) under the name of

Stiglitz – one of the two big Nobel Laureates economists who are mastering, together with Amartya Sen, those research, to what work numerous and other big specialists.

5. Long term prospects of humanity

Mankind should see that, in business practice, the narrow pursuing of the goals of profit (and calculated productivity growth) and the interest and gaining principles, brought us in the position of buying the water from stores (please see the developments of the matter in Jivan, 2011), and there already are first signs of buying also the air (another vital genuine resource) on the market in a foreseeable future. The bear conditions for life are *sacrificed for gaining more money*. In these conditions, mankind should apply another widening of horizons, like Marshall made (please also see our Jivan, 2011, where from is the presentation here): the impact of the activity of people on the environment, the impact on Mother Nature and, implicitly on its own future (on a longer time that market can appropriately manage) should be considered.

Humans can already see that the most important must be the *entire existent* (the notions of Nicholas Georgescu-Roegen can be used or Gheorghe Popescu's „the Joint Living Whole”, in Popescu, 2006), including the environment, and the *utility and costs*, for it, of the output, of the whole economic activity and of any human act. People should no more use only the individualist approach, and should take into account not only the economic actors (both buyer and seller), but also the others, directly involved and not involved, present and not present, the entire environment of the persons directly decisive in the trade, from the most comprehensive point of view: in the space as well as in the time dimensions. It includes the whole human society, Mother Nature, the Planet, the not-yet-born generations. And it takes into account different means and fields of action in the human society.

Centuries of industrialism and market domination passed and the effects of the market values (determined by short and medium interests and regulated on the long run only by mercantile criterion – costs, gain and profit) become to let be seen the planet destruction.

In such a widened approach, firstly the economic science (and, by time, all humans) should take into account the *costs and effects for all* the parts of the reality that are affected, even if they are active or passive parts, even if they wanted or wanted not to participate to the processes of humans' economy, even if they were not warned or they did not know at least that they are involved in the economic process and effects, even if they are present or not yet born.

Furthering what Marshall made, we could surpassed the strictly economic angle of perceiving reality, which proved already to be also too narrow: we should introduce a third category of time, for having a more complete comprehension of events, in space and also in the historic view. The short run and long run must be completed with the very long term, proving the historical capacity of perception of our human species. In the post-modern understanding of realities, humans must already have the clear-sightedness to accept that if the same way of living is persistently pursued, no chance will remain.

Georgescu-Roegen hardly tried to teach us about another kind of economics we should study, learn, teach and apply, but he was marginalized (Georgescu-Roegen, 2009) – may be precisely because of this attitude.

6. What can we, still, make?

In despite of the usual principles of competition (invocate also by the economic traditionalist approach – still dominant), the special human (superior to the strict economic and short run) principles are surviving, (even in poorness or in societies what are weak from the economic point of view), like also a big enough number of their bearers and preachers. Their extension and spreading is not an exception, but a tendency, mostly in the knowledge society: it is and should be consistent with it.

The mercantile values represent just a tool and must remain a tool. In our times, *homo-sapiens* must now show his *superior knowledge and thinking*: superior and much more widen than the simple economic one. And must teach and *widen the mind of homo-oeconomicus* too. *This is the fight of our times*. The task is in the field of learning and of teaching the young generations, not in the spirit of private speculation, but in the team spirit of work, care and concern for the whole environment, as a common good for living. *A superior rationality must be put in*.

The economic functioning can be oriented on realizing the general well-being and on attending the interests of the whole *human* society, exactly and just by a well-considered and well-settled legislation – which points out the optimizing valences of the market mechanisms. (Jivan, 2009).

Science has the new task of knowing how and when the market mechanisms act in an improving direction: “how and when” means the legal *conditions* requested (*that society should settle*). A superior outlook upon the final (compensated) results of the efforts and effects of any human activities is necessary. Efficiency should not be no more narrowly limited by the economic criteria, but should concern the best for the person, for the society, for the world, balanced between the present and the future. Taking into account the disequilibrium we spoke about, we propose analytical studies concerning a certain criteria system in the matter.

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