

ECONOMIC ANALYSIS - COMPLEX ANALYSIS OF SOCIAL VALUE. THE “ROȘIA MONTANĂ” CASE.

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ABSTRACT: Analysis of economic phenomena is distinguished by its extremely complex nature, character which arise from the action of various factors that influence, determine and/or condition them. In this paper, we show that out of the multitude of these factors emerge as decisive factors for the particular results of an economic analysis the social factors ones. The direct consequence of this fact is the need to consider the economic analysis qua *analysis of social value*. An illustration with empirical value is given at the end of the paper, in relation with the Roșia Montană case.

KEY WORDS: Economic Phenomena; Economic Analysis; Social Value, Social Capital.

1. INTRODUCTION: ECONOMIC COMPLEXITY - OUTCOME OF THE SOCIAL NATURE OF THE KEY FUNCTIONS OF ECONOMIC BEHAVIOR

Landau's theory for describing the appearance of turbulence in fluids is regarded as one having the status of a paradigm for the notion of complexity. According to it, the complexity of a conduct results from the action of several independent factors that uncontrollably disrupts the evolution of the system under consideration (Boutot, 1997, p. 222).

Economic phenomena are, by definition, generated by a specific behavior of human beings induced on one hand by his orientation towards the future, wanted to be better than the present (this appears as the essence of the economic **entrepreneurship**), and on another hand, by the limited availability of the existing and known natural resources (compelling the particular economic concern for the **costs**).

Thus defined, economic phenomena are very complex phenomena (see also: Durlauf & Blume, 2008).

The explanation for this lies in the fact that the two key functions for depicting the economic behavior (functions in connection with the entrepreneurship and the costs) are preeminently functions of a **social** nature.

As Matthias Benz has shown, “being an entrepreneur seems to be rather rewarding because it entails substantial **non-monetary benefits**, like greater autonomy, broader skill utilization, and the possibility to pursue one’s own ideas” (Benz, 2006, p. 1).

Along with such personal incentives, one could add some social needs. In fact they are interrelated. For example, most people seek to gain more profit from their businesses in order to satisfy their need for receiving recognition and praise in relation with their broader skills utilization.

2. ECONOMIC VALUES AS ESSENTIALLY SOCIAL VALUES

All benefits of entrepreneurship could play a great role in the human cooperation, and thus

information, cultivation and preservation of the so-called **social capital**, namely instantiated informal norms that promotes cooperation between two or more individuals. The social capital should be viewed as the most important resource for an economy development.

This claim could be supported starting from the findings of the new evolutionist biology, that conflict with the idea of **homo oeconomicus**, so beloved by economists from yesterday or even from today (Fukuyama, 2002, 186). Besides, the term “economy” originates from the Greek “oikonomia”, meaning “household management”, based on oikos “house” + nemein “manage” (according Oxford Dictionaries), which fully justifies the place of economic sciences among socio-human sciences (as Ecumenical Patriarch Bartholomew has shown, the word “oikos” should be understood as having the meaning of a “common house”, referring ultimately to our planet, as within the term “ecology” - cf. Bartholomew, 2008, p. 2).

In his 2006 outstanding work “Sociology” (5th edition), Anthony Giddens, one of the most prominent modern sociologists, defined the economy (Giddens, p. 1014) as “the system of production and exchange which provides for the material needs of individuals living in a given **society**”. This definition is in complete agreement with the ideas advanced by the modern philosophical anthropology or by modern theological anthropology during the twentieth Century. The key concepts for those ideas are that of **spirit** (Max Scheler) (Șovrea, 2012, pp. 73-83), **exocentricity** (Helmuth Plessner) (Șovrea, 2012, pp. 87-107), **openness to the world** (“Weltoffenheit”, Wolfhart Pannenberg) (Șovrea, 2012, pp. 159-215) and that of **transcendental experience** (Karl Rahner) (Șovrea, 2012, pp. 219-284), noting that all these may pave the way for interdisciplinary inquiries and reflections on the human being destination for perfection together with his **social environment**. The absence of such an understanding can only lead to increasingly deeper social crises, including, of course, the economic ones (Butănescu-Volanin, 2013).

Yet Aristotle was the one who identified the man essentially with a social being - “**zoon politikon**”, literally meaning “social animal” (Ștefănescu & Miroiu, 2003, p. 19).

Economy is not just a socio-human reality among others, but it is one with such a great social significance: “What goes on in the economy usually influences many other aspects of social life” (Giddens, p. 1014). Moreover, “economic institutions are of key importance in all social orders” (Giddens, p. 1014).

All of the above entitle the assertion that the economic values are essentially social values. As a matter of fact, even when taking financial-monetary form, they are still essentially social values. Thus, the value of money is strongly related to the social **time-preferences**. For example, there is an interesting relationship between money and individual time preference for health (cf. Lazaro, Barberan & Rubio, 2001). But ultimately, the time preference “is determined subjectively by the actions of millions of market participants” (French, 2011, p. 10), which means that it is also essentially social-determined.

Likewise, every accountant knows that the balance sheet of a company relates its assets with its financial liabilities that are the monetary equivalent with its **socially-juridical** obligations.

All of the above are coming to support the claim that an economic analysis that wants to be a serious one, must be made essentially from a social perspective.

3. THE “ROȘIA MONTANĂ” CASE

The claim made in the previous paragraph is by far more important for the economic analysis of a project like the “Roșia Montană” one, that one asserts, mainly by recourse to financial figures, to be of a **national interest** (<http://tinyurl.com/phrjdeh>).

The first objection to the social benefits of this project is just in connection with the compulsory national character of its interest. Actually, the Roșia Montană project could not

be a project of a national interest, as this implies a proportion for the national capital of at least 60% (Analiza Academiei Române, 2013, p. 13). But this by far is not the case of Roșia Montană project, given that the foreign capital participation is 80% (Achim, p. 4).

The allegedly main social benefit of the project would consist in the creation of about 3600 new jobs (<http://tinyurl.com/nac32wz>).

But the economic analysis of the project should also take into consideration the number of jobs that would disappear, as a result of project implementation. Thus, the exploitation of the four mountains, which is stipulated in the project, would affect the tourist hostels and hotels, the furniture factories and the farmers or animal breeders in the much larger “Țara Moților” area.

Furthermore, the miners who will be employed, must be retrained for quarrying. However, once the project is completed (after 17 years), most probably they will remain again without jobs, being much harder for them to reconvert.

Besides the above mentioned social aspects, the analysis of the social cost of the project should take into account the following:

- The implementation of the project involves the relocation of more than 900 families, with the risk of splitting up of many of them. Already the local community is very split up (<http://tinyurl.com/mtwx2xf>) as a result of the actions undertaken by the company (Lungu, 2013), often with the arguable support of some authorities.

- The destruction of four mountains, supposed by the technology to be applied, also means the destruction of many cultural heritage sites (Wilson, 2010-2011), significantly affecting the social life, as shown by an European Expert Network on Culture (EENC) literature review paper of Cornelia Dümcke and Mikhail Gnedovsky (Dümcke & Gnedovsky, 2013) or by the “Council of Europe Framework Convention on the Value of Cultural Heritage for Society”, Faro, 2005 (<http://tinyurl.com/dzfry7>). It is good here to mention that the studies on social effects of heritage projects most often relate to such social effects as “enhancing social cohesion,

fostering social inclusion, community empowerment and capacity building, enhancing confidence, civil pride and tolerance, broadening opportunities for learning, skills development, etc.” (Dümcke & Gnedovsky, 2013, p. 140).

4. CONCLUSION

The economic analysis is essentially a social value analysis. Hence the complex character of it. Limiting the economic analysis to financial aspects may lead to decisions with negative consequences even economically, but especially from an extended perspective, namely the social-human one. The Roșia Montană case is a good illustration for this assertion.

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