

ROMANIA – TO HAVE OR NOT TO HAVE ITS OWN DEVELOPMENT PATH?

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Abstract: *Human societies are evolving in sequences similar to a business cycle. The cause for which the evolution is accompanied by setbacks lies in the complexity of social systems, which, ab initio, cannot be designed or intended by any human mind, and the irrationality arising from limited rationality of economic actors. Therefore, the time shows similarities, but rarely identities. Rather, we can talk about chronological series of similitudes, of repeatable errors and adjustable patterns. Using qualitative research and the introspective analysis, we explore the pattern which the Romanian economy followed under the sign of global crisis. We found that Romania's economy doesn't have a problem with its path but with the way in which it follows the trend ideologically and historically. Also, we found out that the end of the crisis is not just following an ordinary path, but represents the chance for the economy to be re-equipped with weapons of competitiveness and honour in order to leave the current era of nihilism.*

Keywords: crisis; path dependency; contagion; rationality; procyclicality

JEL Classification: E58; G01; H12

Introduction

The very idea of democracy in itself is winding and steep. We talk, for example, about two millennia that separate completely the spirit of Athenian democracy, an idea supported by Peter Mandelson and Philip Gould at the end of the twentieth century: "the twenty-first century would see a choice between <direct democracy or dying democracy>" (see Peter Mandelson's controversial opinion from 1998: "the era of pure representative democracy is slowly coming to the end") (Sutherland, 2004, p. 79). And also Douglas Carswell wonders, in this regard, if we can talk about "A Flawed Democracy" (Carswell, 2002, p. 16-32) and whether another pattern for democracy should be argued rather than the already known one. The idea is found clearly outlined in Jean-François Revel, who makes us understand that democracy is in real danger of disappearance, for democracy tends to underestimate the dangers or cannot respond to them with the same weapons. Democracy loss is caused by a domestic enemy, called passivity. Finally, without major attention dedicated to

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this purpose, the enemy coagulates and blames the forces hostile to democracy (Revel, 1983, p. 12), reaching to defeat democracy itself.

As Ernesto Sábato mentioned Nikolai Berdyaev's "The Meaning of History", precisely because there are crisis, this brings good news because it shows the fallibility of the human mind and of any constructivist engineering. This means there's room enough to reinvest God in our world fallen ... And, as Taleb would assert, regulating human society top-down by appealing to the "policies" of good, beauty and truth, we would anti-fragilize the system in an unintended way by no imperfect and limited mind. Nassim Nicholas Taleb convincingly demonstrates in his most recent book "Antifragile: Things That Gain from Disorder" the mentioned idea.

We do not believe in patterns of crises, because the crisis-type imbalances attack *any economic system*. Real differences occur in elements such as the "delay" of the crisis, on account of the spatial geographical landmarks; propagation types; aggravating factors and regulatory mechanisms.

The latest crisis (the one which started in 2007) through which reality has "tried" the world's economy is neither worse nor more lenient than those that preceded it: it is found in old and new democracies and sharpens the edge of political weapons. In general, in the world's history, almost all former governments are categorized in various terms, but generally all are negative: bad, weak, apathetic, illegitimate or even catastrophic. We will not meet too often honest political opponents who recognize the contribution of their counterparts in doing something worthy. We find only biased "analysis", accusing - in percentages - the administration which has completed its mandate, marking the emergence of new echelons of politicians.

However, we must grasp something: unlike previous decades, in this crisis, the information is distributed differently, because the Internet and the television help us find out everything that happens in the next second or even live, in the form of breaking news. The reactions can be instant and harsh, the intellectual acuity of the electorate cannot be removed from the equation, and the power of the press is a logo of the moment.

In what concerns some "models" of the crisis, this is what Alexander Fraser Tytler, Lord Woodhouslee (1748-1813) said about this subject, more than two centuries ago: "A democracy cannot exist as a permanent form of government" (Tytler, 2016) so that each system "always collapses over a loose fiscal policy" (Tytler, 2016), heading towards other formula, a dictatorial one. He considered that, on average, the world's greatest civilizations have survived about 200 years, during which they evolved step by step repeating resonantly a sequence similar to a cycle: "From bondage to spiritual faith; From spiritual faith to great courage; From courage to liberty; From liberty to abundance; From

abundance to selfishness; From selfishness to apathy; From apathy to dependence; From dependence back into bondage." (Tytler, 2016)

This "cycle" observed by Tytler is not at all wrong. He notices, however, the transition of any business or even of life itself. We cannot just assimilate it to economic systems or crisis, because it would not do justice to the surrounding reality. However, Tytler's merits are remarkable, even if he is not a prophet.

There is an intertemporal dilemma, which we try to anchor here between at least two limitations: Edward R. Dewey argues, for example, that seemingly unrelated time series proved to be synchronized with other elements from previous periods (cycle synchrony). For this reason, "Almost everything fluctuates" (Dewey, 1967), with or without the influence of Tytler. However, according to Spencer Leak Sr., in the works of R. E. McMaster Jr. (1986), Tytler's ideas are found in the genesis theory called "The United States War Clock", derived from The Doomsday Clock abstraction, a symbolic representation of a countdown to a global crisis. In this sense, time could be a coordinated circular of economic cyclicity, repeatable more or less. (Leak Sr., 2010, p. 106-107).

1. The Path Dependency and the Limits of Regulations

There is another favourite expression of these times, sometimes attached to Tytler's "fatal sequence": the "path dependency". In general, this "path dependency" indicates how present decisions are faced with limitations imposed by the markings of the past - even if the circumstances that prompted them are no longer valid. The concept appeals to temporal dynamic of ideas and values (be them personal, national or universal) and requires causal studies. Those investigations are therefore determined by circumstances that are no longer fulfilled to reason as they did in the past (Page, 2006; Bebhuk and Roe, 1999; Puffert, 2010): national economies or corporate structures, "dependent" on obsolete values, regulations that are no longer in force, etc.

"The path of institutional change predicts the future" (North, 1990, 2004, p. 99), says Douglass C. North, elaborating a whole theory of "path dependency", correlated with market mechanisms and especially with institutional change. (North, 1990, 2004, p. 92-105) Thus, the matrix of institutional structure becomes the blocking point of the inoperative elements of the economy and also the starting point of new structures.

Economically, the "path dependency" is a setback of development theories, which implies that the evolution of economic systems occurs in similar stages, so theoretically the least developed countries would follow the path of the developed ones. The question that arises in this case is: in order

to exit the crisis, should countries adopt policies pursued by countries that have already gone through such "episodes"? Our view is that the experience of other countries is extremely useful, but not at the level of "imitating", ad infinitum, generating what is called institutional isomorphism, but as a model of adaptive resilience, because, generally, anti-crisis policies need specific therapeutics and concern well defined targets.

For example, Romania fits into already known historical patterns regarding the effects of the economic crisis and the hardships borne. But this does not mean that it has to or can pursue policies that other countries pursued to have more success in managing and combating the crisis. Why? Because they do not necessarily fit, or because it does not have the means that other countries had in the same situation. And here we must admit that the policies Romania knows or does not know to apply represent the key of differentiating itself from other countries, in Europe or worldwide.

We must make a clarification related to the "fatal sequence" and "path dependency": for an idea to receive retro sociologic status history needs to repeat itself (about historic recurrence, see G. W. Trompf, *The Idea of Historical Recurrence in Western Thought*) and turn it in theory; otherwise, it remains just a paradigm. (Badescu *et al.*, 2010) We consider such an opinion fully justified. The issue raised by us is that with time only similarities are shown, but identities not so much. It is a famous quote often credited to Mark Twain who once said that "History does not repeat itself, but it does rhyme." (Goodreads, 2016) This means that not only the puppet theatre should be the same, but also the play and ...the puppeteers. We are still left with a crack of the theory: reality cannot be universal and inter-temporal valid, but molded only on a known support. We can rather talk about chronological series of similarities, repeatable errors, and adjustable patterns. It may be closed to those Seven Basic Plots of Christopher Booker (2006) or Thirty-Six Dramatic Situations of Georges Polti (1895).

Analysing the grounds of economic ruptures in history, Carmen M. Reinhart and Kenneth S. Rogoff assert that the manifestations of the current crisis and its perception "*are not appreciably different* in emerging and advanced economies" (the emphasis is ours). (Reinhart *et al.*, 2009, p. 161) Perhaps for this reason, economic theories and policies must focus more on the vulnerability of countries regarding the financial crisis and not on the specificity of the crisis. Governments - say Reinhart and Rogoff in "This Time is Different", are "the main source of the crises examined in this book." (Reinhart *et al.*, 2009, p. XLII)

This should be one of Romania's main concerns, because its problem is not the path, but the way it follows the trend historically and ideologically. Historian Lucian Boia wonders whether passing by the filter of typical comparisons, Romania falls in the somewhat "eccentric" category of countries that deviate from the "average" defined by "European normality." (Boia, 2012, p. 5) The

answer is hard to give because our history, both the old and the latest, is a vast epic on the hardships experienced by Romanians.

In fact, who establishes the limit of normality? But what about that of the conventional? People are not puppets (though politicians care sometimes seem so): not all of them have the same approach over decent livelihood, wealth, and survival. Few of them want to have something "in common" outside the national language and the portfolio of country values. Some nations are content to vegetate on the borders of culture, others are in a continuous search of something better to represent them in the universal culture. We, Romanians, believe in Europe and its values. In a Europe of more stable coordinates than those of today, still permeated by the fog of the crisis and societal turbulences.

Romanians have always had a fear of the "worse", but this expression changed its sense, from time to time. In the last two decades, this fear corresponded sequentially with the following reasons:

- the "legacy" left over from the socialist regime (Daianu and Murgescu, 2013, p. 2);
- disproportionate economic sectors: the "destruction of industry" (especially the heavy industry, machine building industry, chemical industry) (Popescu, 2014, p. 189), the crumbling of agriculture, the low impact and the poor quality of the service sector, the housing crisis;
- the changing economic structures and reform, outperformed and inefficient to provide positive outcomes (Tache, 2008, p. 12-13);
- the economy's perpetual state of inefficiency as a whole (Arefieva *et al.*, 1999);
- excessive urbanization and rural depopulation;
- lowered living standards;
- contradictory trends in the education system (Ivan *et al.*, 2001, p. 92);
- delays regarding other European countries, especially other former communist countries, be them neighbors or not (Daianu, Murgescu, 2013, p. 9);
- placing in the background the national interests in favor of group interests or clans' (Stan, Zaharia, 2012, p. 195-196);
- lack of consistency in the reforms implementation of political government and radical distorted vision over the socio-economy and structural reforms (Davidova and Lingard, 2003, p. 28);
- inconsistency of economic policies (Ciupagea *et al.*, 2004, p. 8);
- inflation and unemployment as major macroeconomic imbalances (Totan, Geamanu, Tudose, 2012, p. 1);
- dispelling traditional cultural values and the emergence of pseudo values (human values, moral values, material values) (Zamfir, Robu, 2009, p. 183);
- the marginalization as a nation, because of the social behaviour of certain social groups.

And yet we must not read "diagonally" these reasons, although there are some truths between them. Paradoxically, the society - a fierce militant of the right to privacy - is always looking for sources of rumours, nurturing its curiosity and thirst for frivolous nothings. The individual image becomes easy prey to the intent to harm, and the first targets are public figures. What is the worst today in Romania is the financial-monetary component, that daily grinds Romanians' trust in tomorrow.

The contagion effect is common in the economy, especially during crises. And the recent financial crisis may be mirrored by a very simple statement: "This tsunami of increased dependency is likely to overwhelm our political system" (Feulner and Tracy, 2012, p. 66). Moreover, the contagion grows as much as the dependence of the economy to the government increases. Note: the Index of Dependence on Government measures the growth in spending on dependence-creating programs that supplant the role of civil society. (Muhlhausen and Tyrrell, 2013). Moreover, some American analysts stated at the end of 2013, that "The great and calamitous fiscal trends of our time - dependence on government by an increasing portion of the American population, and soaring debt that threatens the financial integrity of the economy - worsened yet again in 2011 and 2012. This rise in government dependence happened despite the nation undergoing an economic recovery after the economic collapse of 2008 and 2009." (Muhlhausen and Tyrrell, 2013). But the population, although being able to realize the danger of contagion, cannot act without state support. Only then can the following statement become true: "To be pragmatic, you must be humble enough, big enough, and honest enough to acknowledge three essential truths again and again: I was wrong (...), I made a mistake (...), I change my mind." (Feulner and Tracy, 2012, p. 157-158).

Given the fact that the complexity of economic and non-economic systems is solved through regulation and re-regulation, Lucian Croitoru (2013) proposes a theory that shows that instability is given by human nature that scrolls, like an economic cycle, between euphoria and panic, under specific conditions. Starting from Minsky's statement that "financial instability hypothesis is a model of capitalist economy which does not rely upon exogenous shocks to generate business cycles of varying severity" (Minsky, 1992, p. 8), Croitoru shows that intrinsic traits of the human spirit, such as the intellect, desire and thymos, are endogenous factors that fuel economic cyclicity. (Croitoru, 2013, pp. 38-39) In terms of systems complexity, uncertainty seems the best keyword outlining the need for statist regulation. But Croitoru asserts that precisely because this complexity is incomprehensible, any regulation, however complex, restricts the freedom of choice, making it unsustainable. Statist regulations do not have the ability to decrypt the future or to mitigate the

intrinsic values of human nature, for example irrational euphoria. The only acceptable regulation remains liberal, based on simple decisions that mean deregulation (Croitoru, 2013, pp. 50-59).

2. Romania and the Contagion Effect of the Crisis

The magnitude of the crisis is questionable from country to country and yet 2007 was the year of its "birth" (in its initial version 1.0). In this case, each of the years that followed could represent one new version but not an improved one, rather one aggravating worldwide. This transition was felt by Romania since 2008. At one point in 2009, Mugur Isarescu, the Governor of the National Bank of Romania, believed that the prospect from which Romania approached the crisis had several particularities compared to other countries. Amongst them we note on that "the Romanian economy has a high deficit of current account, indicating its dependence on external financing" (Isarescu, 2009). According to Isarescu, we can choose "between the ordered reduction of this deficit or its reduction made by the market in the current conditions of tension and distrust, with dramatic consequences for the exchange rate and economic growth" (Isarescu, 2009). Thus, the Governor of the National Bank of Romania is an adept of the objective approach over the financial crisis, taking into consideration coherent and realistic economic policies, without yielding to subjective pressures.

The import of the crisis was inevitable, being facilitated by the great fluidity of capital and their unprecedented movement. Therefore, although the anti-crisis policies attempted to have an international character, the Romanian government has applied its own way of action. The austerity policy in 2011-2012 resulted in severe social polarization, after which the population has not been able to access the market offer, due to lack of money (meager wages, unemployment). At least from one such reason, Romanian crisis can be characterized by underconsumption, reality with which people were confronted before, during the Great Depression of 1929-1933.

The alternative responses to the crisis in the European Union do not seem to be too many (Lapavitsas, 2012, pp. 59-74, 113-125): the first step is the policy of austerity; a second step is moving towards reconstruction of the euro (creating the "good euro"); ultimately, exiting the Eurozone (as a major social and economic change). In either case, the society is the one paying the price of the crisis, the key word being the socializing effects of global economic turmoil. The society supports the weights and it also pays in the end, the public debt. But the radical solution of poor countries - the exit from the euro zone- is very dangerous, because it announces losses and greater problems than the other options.

Austerity could not have been reversed in Romania, even though in early 2013, one of the ideas of the Prime Minister, Victor Ponta, referred exactly to the renouncing to the austerity policy previously applied by the government in order to adjust budget deficit. Although he claimed that "macroeconomic and financial adjustments were required during the period 2008-2012", he also observed social inequities caused by this policy, in the context of the financial crisis and political instability (The Romanian Government Press Office, 2013). In this regard, the recommendations for the 2013 draft budget called for the fiscal and budgetary discipline, to reduce the budget deficit, to decrease government spending, to increase the absorption rate of European funds and boost consumption (The Romanian Government, 2012, pp. 12-24).

At this point in the discussion, we must note another fingerprint of the crisis, which deepens the state of panic amongst Romanians: a mission of the International Monetary Fund that came in the summer of 2012 in Romania to assess the state of the economy. From its preliminary findings resulted an already known issue of the economic environment: that Romania was recently determined vulnerable to contagion from the Eurozone crisis (International Monetary Fund, 2012, pp. 1-8).

This was not something new. Economic weakness became a feature of the euro area, persisting in 2013, as the President of the European Central Bank (ECB) Mario Draghi forewarned. Although the EU economy showed signs of gradual recovery in 2013, the factors maintaining this economic state were entailed by tension and uncertainty - the financial markets constants (The Telegraph, 2013).

3. How Did the Crisis Debut in Romania and the Effect of Procyclicality

The period of economic exuberance during 2000-2008, artificially inflated by the state, was deflated very quickly when the global crisis contagion reached the Romanian economy. Especially for 2005-2008, it is worth noting the key role played by Romania's National Bank in further emphasizing macroeconomic imbalances.

Daniel Daianu emphasizes that "It has been seen therefore that in the years when actual growth was significantly above the potential one, the imbalances were high (increased). During the 2006-2008 period, current account deficits have reached 10.4%, 13.4% and 11.5%, being largely financed through debt. At that time, the growth rate deviation (ie the difference between actual and potential growth as percent in the GDP) was 3% in 2006, 1.8% in 2007 and 4.2% in 2008. Budget deficits in 2006 and 2007 stood below 3% of GDP, but have hidden much higher structural deficits (which take account of the economic cycle) - in 2008 the budget deficit was substantially above 3%" (Daianu, 2015).

Referring to the wage stimulus generated by the state, an aspect is worth mentioning. During 2000-2008 it is noticed, on average, a wage increase by 28.4% per year, far from the average annual inflation rate, 13.7%. Since 2003, the wages for those working for the public sector grew faster than those in the private one. Moreover, their wages also exceeded the growth rate of labour productivity (Croitoru, 2015).

Economic performance during 2000-2008 attracted foreign investments (GDP increased from 40.5 to 139.7 billion euros, thus three times more!). Between 2002 and 2010, foreign direct investment (FDI), including reinvested earnings and loans offered to local branches by investors, together with the money from the banks of Romania, together with the capital inflows in the form of loans to other sectors and public institutions, totaled approximately 106 billion euros (Dochia, 2012). All these elements, grafted on significant capital inflows that generated excessive accumulation, acted procyclical, to stimulate consumption on credit, to inflate the bubble in the real estate sector, to raise the public share as a result of public spending year by year, having large negative effects on the current account deficit.

The transition of the new financial crisis towards Romania caused the national currency to gradually lose power "from 3.1 Ron / euro in July 2007, the exchange rate reached 3.73 Ron / euro at the end of September 2008, before the outbreak of the speculative attack" (Croitoru, 2011, p. 30), said Lucian Croitoru, looking at things from the perspective of the NBR. "Apart from the current account deficit of around 13 percent of GDP, the public debt dynamic, the dynamic of international reserves, or external competitiveness made no prediction regarding the devaluation of the Romanian currency by 5.6 percent in 4 days" (Croitoru, 2011, p. 31), argues the previously mentioned economist.

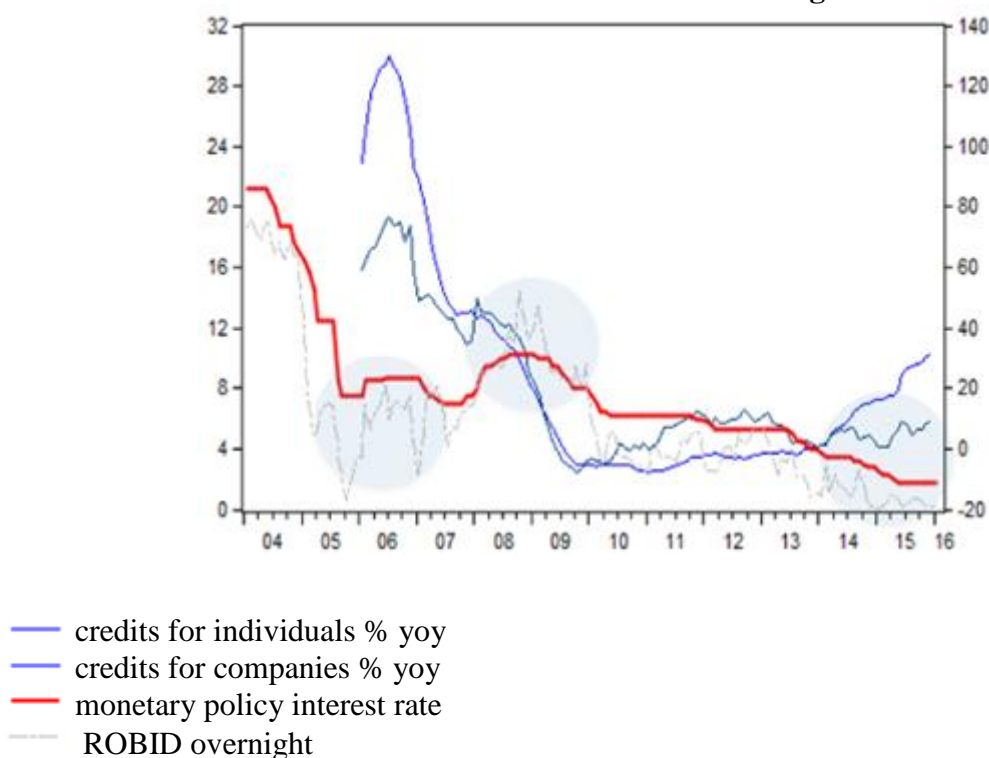
Croitoru's assumption is that in Romania, speculators have operated based on economic models where the central bank and the government aim at optimizing well-being. Its variables aggregate some internal goals (production, employment levels, the stability of the banking system) and external goals (the exchange rate). But market processes during the crisis affected the relationship of these variables so that, inevitably, during the crisis output and employment diminish, and the banking system manifests high fragility (emphasized by the high ratio between short-term external debt and foreign currency reserve). This relationship can cause "an attack on the currency" because the political environment develops measures directed towards production and employment, but not towards currency stability (Croitoru, 2011, p. 31).

Economist Florin Citu warned that today decision-makers belong to a school of thought that believes that the procyclicality can hurt the overall economy and that state intervention is meant to

calm these rapid changes from boom to depression (Matei, 2015). Such a vision considers that when the economy grows above its potential (overheated economy), countercyclical monetary and fiscal measures are to be implemented to reduce the effect of volatility of the economic cycle, for example the taxes and/or the interest rate should increase, the budget deficit should fall and so on. When acting procyclical, it appears that the effects generate imbalances in the economy.

As shown in the chart below, for the indicated periods (but especially for 2005-2008) when there was an economic boom, the interbank interest rates were significantly lower compared to the monetary policy interest, suggesting that the central bank has massively and artificially injected liquidity into the economic system. It is what the specialized language calls a procyclical monetary policy. After the crisis and the start of economic decline (the negative economic growth rate), the National Bank of Romania has continued to act pro-cyclically because interbank interest rates exceeded the monetary policy interest rate, which led to a withdrawal of money supply from the financial system with negative consequences on medium and long run economic growth (Citu, 2016).

Figure 1 - The evolution of credits in RON for individuals and businesses, of monetary policy interest rate and of ROBID overnight



Source: Citu, 2016

4. The Romanian post-crisis scenario

The period 2009-2014 was characterized by a series of internal obstacles which have slowed economic growth: massive drop in public investment and introducing new taxes or increasing the existing ones, erroneous decisions when there was already a shortage of the aggregate demand (Croitoru, 2015, p. 9). All these, plus other corrective measures, such as a 25% decline of public sector wages, reduced final consumption and gross fixed capital formation (for example, in 2014, it reached just over half the level recorded in 2008) (Croitoru, 2015, p. 11). The economic recovery in the period 2011-2014 has made possible only the 2014 GDP to equal that of 2008 (Daianu, 2015).

Here's the position of Romania in the Standard Eurobarometer 82, conducted in 2014 on the population of the European Union countries (European Commission, 2014, p. 14). To the question "What do you think are the two most important issues facing (OUR COUNTRY) at the moment?" (first three highest scores), we discovered that the "economic situation" is the first problem preoccupying public opinion in Cyprus (with 68% level of interest among the population), Slovenia (47%), Greece (46%) and Bulgaria (44 %). In particular, however, Romanians also fear the rising prices / inflation (30%), unemployment (30%) and the economic situation (30%). Other European countries are concerned by other issues, such as government debt, health and social security, taxation, crime, pensions, the education system, housing, terrorism, immigration or the environment, climate and energy issues.

Romania is not that different as we may think. Developed countries have experienced for a while, living beyond the means of supporting their cost of living. The repercussions? They were indebted. It is true that they were funded, only that this is not something for the long term. If not responsible, the economic reforms will not provide the source to cover the debt, but will be involve in future austerity and poverty. We want to believe that the chance of the post-crisis period is a social-economic and political pact, which can turn the situation to a more favourable conjuncture. However, this pact should include some several major objectives:

- solving institutional and economic deregulation;
- creating a competitive economy pattern;
- eliminating the idea of discrediting capitalism;
- the need to adapt to interests of the state to those of the market;
- the renunciation to vanity and huge gains of an oligarchic minority .

The image of a nation is promoted in international relations and, when material or political support is needed, it is the key to opening many "doors". Let us not forget that various bodies that

allocate funds worldwide are judging by political and economic criteria but also take into account the portfolio of trust of one country or another. Let's take an example: How is the Romanians image received abroad? "The laudatory tone or, on the contrary, the contemptuous one, that foreigners use to write or speak about Romanians is favored (and sometimes even conditioned) by the level and quality of data / impressions gained in favorable or unfavorable circumstances" (Avram, 2004). Overall, foreigners arrived in Romania report what they see, hear, think, know or feel when they get in contact with Romanians. But sometimes we only talk about impressions and not realities. Therefore, sometimes, the image of Romanians in the world may be false or incomplete (out of dishonesty or misinformation).

"Choosing the path" is not so simple a matter as to evade the game of fate" (Postolache, 2009, p. 75). These are the words of Romanian academician, Tudorel Postolache, which any state should bear in mind as food for thought. Getting out of the crisis is not simple, but it is a chance for economies to be re-equipped with weapons of competitiveness and honour, to leave the current era of the ugly nihilism.

We do not want Romania to return to the past, on the contrary, it should promote the virtuous circle of a healthy economy. We are a beautiful people; therefore, as the great Mircea Eliade said "any of us must see at least exaggerated this insatiable desire to talk about the concept of "Romanian" and "Romanism". We may be required something else (...) that is to create the frameworks of the Romanian spirit" (Eliade, 1990, p. 60).

In this spirit, post-crisis Romania can excel by nurturing its national identity, moving away temporarily from the so-called economy of the immediate effects, easy to obtain, but without consistency. Romania's path can and should be one offered by real significant investments in its own economy.

Conclusions

The contagion effect of the recent crisis had important negative consequences for many national economies, those which were connected like a "global village" (Marshall McLuhan). The anti-crisis policies followed many mainstream tools. The Romanian decision makers started to implement a specific macroeconomic therapeutics, a set of policies successfully followed by other governments in the past. The experience of others represented a guarantee for the present success for another one.

The artificial economic boom during the pre-crisis period freezed when the global crisis affected the Romanian economy. The economic policies implemented for reducing/eliminating the

turbulences were, in fact, procyclical policies that generated fragility and negative expectations. When acting procyclical, the imbalances in the economy grew in a sustainable way. The positive and infallible effect of economic policies was overestimated.

Temporal dynamics of ideas and values demonstrates that any human choice is uncertain, volatile and risky. The already famous "black swan" shows us that we cannot be futurologists or, if we insist, we can do more harm than good. Therefore, the image of a continuous progress of human societies is fallacious. What is valid today may be obsolete tomorrow. Therefore, the solution lies not in arming with policies and tools to find the solution of continuous economic growth or the god of relentless progress, but in accepting the idea that instability is given by human nature. Any attempt to regulate human nature is doomed to failure.

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