

GLOBAL ECONOMIC CRISIS AS A DIVINE BLESSING

Dumitru MOLDOVAN

Academy of Economic Studies of Moldova, Chisinau

Faculty of International Economic Relations

dumold@ase.md

Abstract

The article substantiates the hypothesis according to which economic crises, representing generally positive events, are destined not to correct market imperfections, but to prepare the conditions for transition to a qualitatively new generation of machines and technologies. Nanotechnology is the driving force of the real leap forward that world economy is now preparing to make. Economic scientists can facilitate economic recovery, amplifying people's positive expectations related to the outcome of the crisis.

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JEL Classification: E₃, E₆, O₃, Y₈.

1. The source of economic crises - beyond the visibility limit?

It is possible to shed light on the mystery of economic crises if we bypass the “purely scientific”, or strictly materialistic interpretation of economic activity, and seek their source beyond the visibility limit. This “idealistic” approach genuinely corresponds to the spirit of the age. Several years ago, economists at Harvard University, simultaneously with their colleagues from the European Business School (INSEAD) based in Paris suburbs, reached a similar conclusion that meditation and intuition would be the most effective business tools in the 21st century. It is quite clear that, while mediating and developing intuition, we are approaching God. Participation of the Divine Power in regulating productive activity has been directly and indirectly recognized by economists before. Namely, over two thousand years ago Confucius wrote that Divine Spirit always intervenes in the society's life when the events taking place are not favourable for the majority of population. Does the father of Economic

science Adam Smith speak about the same kind of intervention in his famous theory of “invisible hand”?

Paradoxically, while more and more exact scientists recognize and argue the existence of a Divine Spirit, atheistic interpretation of reality prevails in Economics. Doesn't this situation impose certain limits on the development of Economic science? Otherwise, how do we explain the fact that for over two centuries the world's greatest economists have been unable to predict the oncoming crises? Thus, a legitimate question arises: does the Divine Power have any connection to the economic activity in general and economic crises in particular?

Let's turn to the sacred books for the answer to this question. According to the main religions of the world, life is a reward and not a punishment, and human beings are meant to live on Earth in abundance, happiness and self-fulfilment. In one of his prophecies Jesus Christ states: “I have come that they may have life, and have it to the full.” (John 10:10). This message is interpreted as a wish of the Divine Power for people to live in plenty and have all necessary material and spiritual benefits. Thus, a prosperous life is one of the promises given by the Divine Father to his children on Earth.

Is there a connection between the promise of a prosperous life and economic crisis? And could it be that economic crises are created and directed by the “invisible hand” of God and represent a divine blessing?

2. Economic crisis as an objectively necessary intermission and a path to new growth

Nowadays, the perception of crisis as a harmful, forced event, a specific form of punishment for greed and vice, prevails. Attention of the researchers is drawn to the negative aspects of crisis. Mass media and serious economists with a great deal of pleasure savour the details of production slump, unemployment surge, income reduction, using such “strong words” as “economic collapse”, “crash”, “bankruptcy”, “poverty”, “catastrophe”, etc. Meanwhile, the lack of faith and optimism deepens the crisis and protracts the recovery.

A good illustration is an anecdotal case that took place in the US during the crisis of 1929-1933. While businessmen went bankrupt in scores, one of them made a fabulous fortune. When asked about the secret of his success, he confessed that he didn't know anything about the crisis, didn't read newspapers, and only thought about making more money. Nowadays scientists from the University of North Carolina advise entrepreneurs and

company managers to hedge their employees from the negative news that mass media spread in times of crisis.

We believe that it is wrong to perceive crisis from a victim's viewpoint. According to our hypothesis, all economic crises, including the current one, are predominantly positive events. And here's why. Obviously, while the population of the world is growing, in order to live in abundance, according to the God's Will, people constantly need to invent more productive, more economical technologies and equipment. Scientists and inventors are successfully coping with this challenge. So do entrepreneurs, since the newest achievements of technological progress are, as a rule, timely introduced in production process. But they are introduced only partially. When a need for transition to a new level of material production, to a qualitatively new generation of technology and machinery arises, such powerful engines of economic progress as competition and profit, and in socialist countries – planning, are simply powerless.

Transition to a higher level of technical and technological progress is possible only as a result of a deep and prolonged economic crisis. From this point of view, the destination of crisis is not correcting market irregularities, purging ineffective businesses or re-evaluating economic reality, but preparing the ground for the new leap forward, a transfer to a new, higher level of social organization.

This is why under socialism, when economic crises were theoretically made redundant, newest achievements of the scientific and technological progress were introduced into production activities with great difficulty. In order to cardinaly and thoroughly switch to a new generation of technology, the economy needed a devaluation of existing production capacities and a sufficiently lengthy interruption in production. Which by no means fit into the logic of planned economy.

Releasing vast amounts of financial, capital and labour resources from traditional (and increasingly ineffective) industrial activity and creating a necessary "intermission" in production, crisis emerges as an instrument of transferring to a qualitatively level of economic and technological development. It is impossible to fully recover from the crisis without introducing a new generation of technology and machines, new energy sources, no matter how significant are monetary injections in the economy from the state. Using exclusively monetary mechanisms has proven to be inefficient, because they usually "restore" the economy to the previous, pre-crisis development level. Meanwhile, economic development is not a smooth motion of an escalator, but more like climbing up the stairs.

From this viewpoint, economic crisis is obviously not just a positive event, but also an objective necessity. Crises, appearing to be a result of significant disproportions in economic

development, are in fact a consequence of the huge amount of accumulated scientific and technical discoveries waiting to be introduced in the economy.

For a number of years, the biggest companies of the world in their pursuit of profits have become disinclined to introduce all scientific inventions in production, thus harming both science and people across the globe. When business interests start holding back scientific development and reducing welfare growth rates, an economic crisis “automatically” appears. A crisis provoked by the “invisible hand” of God.

By accident or not, according to the researchers of Kauffman Foundation the biggest and most competitive companies in the USA, such as Microsoft, Chevron, Disney, 3M, IBM, General Electric, Hyatt, CNN, Adobe, Johnson & Johnson, McDonald’s, Apple, Kraft were created in times of crisis, recession and stagnation.

But let us return to our subject and ask why such powerful driving forces of market economy as competition and profit, as well as planning, cannot ensure the universal implementation of major scientific and technical achievements? Because improvement of management techniques is not sufficient in order to switch to a new generation of technology and equipment. More universal reforms are needed as well, reforms concerning production infrastructure and market institutions, human behaviour, lifestyle and principles of income distribution.

Therefore, large-scale economic crises are destined not only to ensure the transition to a new technical and technological level of production, but also to prepare the corresponding theoretical, psychological, social and political conditions.

3. Nanotechnology as a driving force of future economic growth

It has become obvious that a new surge of economic growth will be based on introduction of the so-called nanotechnology in all spheres of life. These newest technologies will underlie the creation of new goods and services with radically new forms and features, changing the profile of industry, agriculture and especially the service sector. For example, applying these technologies to medical science and practice will lead to a significant increase of human life duration. It is legitimate to claim that demographic revolution and a sharp reduction of population growth rates in the developed countries has prepared one of the conditions to assure that in several decades people in these countries would be able to live 20-30 years longer. Does it seem that all these logical and consequent changes take place under the influence of the “invisible hand”?

In the past economic crises have also been overcome due to a sharp increase in demand as a result of transition to new generation of machines, new energy-economizing technologies

and conceptually new goods and services. This way we were introduced to television, atomic energy, aviation, personal computers, cell phones, Internet, etc.

New central heating technology, more powerful wind turbines, economical electric automobiles, watches measuring biological, psychological and emotional cycles, radically new types of clothes and commodities are just a few of the innovations that might appear as a result of the current economic crisis. It is forecasted that nanotechnology will accomplish a deeper transformation in the society than electronics did. In the developing countries these changes will lead to a significant improvement of living standards, decrease in birth rates and eventually an increase in life duration.

4. Positive thinking – main “instrument” of anti-crisis policy

In the antiquity Hermes Trismegistus, Pythagoras and Plato knew that thinking process has the power to create matter and attract the object of human thoughts, feelings and imagination. Moreover, they proved that thoughts manifest themselves in material reality not only as objects, but also meetings and events. In this respect Natalia Pravdina, the best-known Russian expert in positive thinking, writes, “our way of thinking determines the quality of life”. Our thoughts can do even more. According to the famous American author Joseph Murphy, “by changing our way of thinking, we change our destiny”. Our own destiny in the first place. But if a sufficient number of people change their mindset, they can transform the destiny of the whole country and event the world.

Hence, if we change the emphasis from negative perception of current crisis to expectation of its positive consequences, our thoughts will help the economy not to a lesser extent than monetary injections from the budget. The psychological law states that if we expect the worst, the worst happens, while if we believe in the best, we get the best. Whereby the most positive thoughts are about goodness, beauty, about God.

What can we do if the crisis “doesn’t listen”, if it, like flue, insists on “going all the way”? We believe that more attention should be paid to psychological laws of human behaviour. It is determined by the fact that people “live in waiting”. Even when one is thinking, speaking or listening, he keeps on waiting. It is not surprising that one’s destiny depends to a great extent on the content of these expectations. If it is so, then can we, the economists, facilitate economic recovery by strengthening people’s positive expectations? Yes we can, first of all, by means of developing a “strategy for transition to a new level of technical and technological development”, taking into consideration competitive advantages of each specific country. For most developed countries it would mean introduction of nanotechnology on all levels of production. This strategy would make provisions for

temporary privileges and subsidies to be received from the state by the companies obliging to introduce the newest technology. Description of new goods and services that would be available to everyone as a result of transition to a higher level of development would make up another important compartment of the strategy. Sounds like a fairytale? Everything depends on us, yet we should not forget the words of a great poet Alexander Pushkin: “fairytale is a lie, but is a hint, for good men a lesson”.

Economists also could describe in more detail and make public the positive consequences of different crisis-related phenomena: unemployment (as an opportunity to reach higher qualification and find a more adequate job), reduction of public revenues (which stimulates civil officers to look for new ways of ensuring economic growth), slump in imports (as a possibility to develop national production), etc. From this point of view, we find it relevant to mention a research by scientists from Stanford University which shows that in times of crisis people lead healthier lifestyles than during economic expansion. Human behaviour changes as well. For example, during recessions the volume of charitable donations does not diminish, but increases instead.

Incidentally, it is reasonable that even now psychology should become a supporting discipline in economic training, along with mathematics, statistics and law.

As in many other countries with open economies, the crisis has been imported in Moldova from abroad. It came together with a sharp reduction of remittances from Moldavians working abroad. It led to a plunge of import volumes and public revenues. When remittances easily “fill up” 70-80% of national budget, civil officers have no particular motivation or incentives to improve anything about the economy.

Meanwhile, due to import reduction and lower prices for energy resources the conditions are perfect for introduction of new generation of technology and equipment. There is a possibility to move away from the model of economic growth based on remittances and import and on to a model based on national production and export.

In recent years, after the sharp increase of energy prices, the Republic of Moldova and other underdeveloped and transition economies had virtually no chances to produce more competitive goods and significantly increase their exports. Now there is an opportunity to timely and creatively adjust to the ongoing changes in production patterns, target markets, demand structure.

Thus, not only psychologists, but economists as well should use positive thinking as a tool of economic recovery and improvement of people’s welfare.

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