

ECONOMIC - FINANCIAL AND SOCIAL CRISIS: BETWEEN THE FUNCTIONS OF THE STATE AND NATURE'S LAWS

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Abstract:

The paper analyses some of the challenges that economic sciences face during the global crisis. Ideologically, the crisis caused a fierce debate between the adherents of the ultraliberal theory regarding Adam Smith's „invisible hand” and the supporters of state interventionism suggested by John Maynard Keynes in order to overcome recession. The crisis therefore, generated a change in the post-WW II development paradigm. Due to the functions assumed, in order to respond best to an economic model considered to be infallible and immutable, based on growth, a model that ignored nature's laws, the state pushed to moral hazard both entrepreneurs and consumers. The new generations can be characterized with one word - ignorance. Whether we cultivate or not this ignorance, this is another story. It is however certain that the „prosperity generations” have their sense of measure atrophied. They cannot conceive the world outside the comfort they have been used to. The conclusion is that the existing paradigm led to increased instability in the economic system, which led to a crisis.

Keywords: crisis, economic model, paradigm, creative destruction, natural laws, animal spirits

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