

With what could Professor's Paul Bran Economic Thinking Help Us To-day, in Full Process of Search of New Theories and New Objectives in the Economic and Financial-Monetary Practice and Science?

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The profound crisis we are all experiencing today, both at global and national level, as well as at regional and individual level, requires a revision of the economic science and school, an objective frequently encountered in the papers of the current academic environment. We can find an answer in the works of the mourned Professor Paul Bran, THE ECONOMICS OF VALUE and MONETARY MECHANISM, papers within which the basis of a new theory re-garding value has been set up, of a new way of dealing with value, of a management and achievement mechanism of the value, as well as the entire organizational structure of the management of economic activity at micro- and macroeconomic level. On this basis one can build a theoretical model suited for the information society towards which the mankind is heading.

Keywords: *monetary mechanism, economical communication, the economics of value, the en-tropy theory of value*

Introduction

Why do we need today to review the works of our professors?

Did they manage to tell everything to the economic school and science?

What shall we do, how could we carry on this reasoning and apply it to the process of economic development and to the development of the economic school and science?

In this article we intend to look over the main objectives followed and

developed by Professor Paul Bran in these papers, his work being analyzed in detail gradually because one cannot render in just one article all the subtleties that he pursued.

Professor's Paul Bran systemic thinking regarding the current theory of monetary mechanism at national and international level

The communication processes in economy

In the author's opinion [1], "an economy's monetary mechanism or that one of the world economy reflects in its principles, methods and instruments the essential feature of the dominant economic relations", paying attention in the same time to the practical side of the monetary mechanism.

When the influence of economic relations becomes an important, favourable or disruptive factor for the domestic or international monetary activity, the objective-qualitative side of the money category will be brought into discussion.

For the society, value measurement has involved a series of actions similar to those encountered in the activity of weight measurement, and after a long period of research and attempts it has been settled a value standard which requested a material sacrifice on behalf of the society.

Once the volume and the complexity of economic life grew, money have been dragged up by the society in exerting a new function, the function of communication within economy, this function engaging money to exert other functions as well, lifting the role of money in the economy one step forward. The starting point of this new function is represented by the process of drawing out information about the size of the value concentrated in the assets gained by the national economy. This information characterizes the production results, and allows the distribution of these results between society members, trade and individual and collective consumption evaluation within an economy to take place. Possessing such an informative quality, the information about value becomes the substance of wide communication processes in the economy, processes that are in the service of knowledge, as well as in the service of management and economy ordering [2].

The Money-sign, as a visible element of money, fulfils its function only if it is connected permanently to the money-commodity. The latter, even it appears in the form of an information, guarantees the circulation of the

money-sign, both at national and international level, the money-commodity certifying the existence within the economy of certain commodities with a value equal to that one of the information concerning the value comprised under encoded shape in the money-sign.

The communication processes regarding value [1]

Communication processes within the economy, in which the informational “substance” of communication is made up of the information about value, take into account the permanent and bilateral interaction between production processes and consumption. In knowledge theory, the communication process is being regarded as a cybernetic system, comprising in his structure the elements of communication, the direct links between the codifying subject, S_1 , and the decodifying subject, S_2 , as well as the backwards connection between the performed subject, S_2 , and the known subject S_1 [3].

In the process of communication through money, the general relation for a bilateral communication process is

$$\Sigma =df [R, S_1, S_2, v, v', b, v'', b, v'''] \quad (1)$$

where:

R represents the links between the elements of the communication process through money;

S_1 = the known subject of the signifying phenomenon;

S_2 = the receiver or decodifying subject;

v = the signifying phenomenon (in our case, the value phenomenon in the domestic and international market);

v' = the sense (the information) about the size of the value created within production;

b = the vehicle sign for the sense v , represented by the financial sign;

v'' = the image decoded from the receiver subject when accepting the message through the financial sign;

b' = the financial sign used by the receiver subject in order to send to subject S_1 the message concerning the way to understand the initial message;

v''' = the image decoded by subject S_1 about the way in which subject S_2 understood the initial message.

The communication process is, in a practical way, a sequence of direct and mediate knowledge, as well as a sequence of information transfers between

communication partners.

The signifying phenomenon

For the communication process through money, the phenomenon is represented by the mechanism of achievement and sizing the value, this mechanism includes, at national level, the economic production and consumption processes, the processes from the society and those ones from the natural environment, all contributing to the achievement and sizing of the value.

At international level, the partners for the achievement and sizing of the value change, some of them belonging to other economies than the one in which the product or service dedicated to international trade has been accomplished.

The known subject

In the case of communication process through money, this element is extremely complex. Within it all the individuals or legal entities are included, having the mission to define and use the monetary standard in order to measure the value. Through the agency of this standard the meaning can be detached from the signifying phenomenon, in the form of information about the value, also known as price.

The communication process through money, being a bilateral cybernetic type process, provides an active role to all the participants, and that is why its self-regulation mechanisms are able to identify and adjust more or less operatively (depending on the economic and social conditions of the corresponding economy) some disruptive influences. With all the subjective ingredients that appear in the communication process through money (into the reflection actions of the value, into the codification and decoding of the information about the size of the value and into the actual usage of the money-sign), the objective side of the economic process has the dominant role in the communication process.

The objective fund of communication through money is given by the real phenomenon of value production and usage value consumption within which the value is concentrated.

Monetary mechanisms at national level

Today's society has never in the history of mankind concentrated and

directed all its life vigour towards money. To what extent this orientation is correct we are about to see through those studies and analysis done by different specialists, in what concerns the economy, finance-currency, as well as those coming from the fields of psychology and pedagogy, philosophy and sociology, or from other fields related directly or tangent to these preoccupations.

The reflection of value through money

Obtaining information about the size of the value is a decisive step into the wide action of knowing the economy, in the light of value production in the production processes, this information operation assuming the existence and functionality of a reflection system of the economic reality. In this reflection system, two subsystems – the subsystem of value production, also called reflected subsystem, and the subsystem that reflects the value, also called reflecting subsystem - coexist in a mutual interaction. The reflected subsystem is made up of the real value creation processes and serves as an objective factor in the communication process through money, while the reflecting subsystem reproduces in itself, in an informational way, the content of these real value production processes. The persons included in the known collective subject, S_1 , as well as the methods, the mechanisms and the instruments by the means of which information about the size of the value contained by the commodities produced in the economy is obtained, are part of this latter system. The complex mechanism of the value reflection currently comprises new aspects that influence directly the theory and monetary practice, the changes stepped in being those related to the mechanism of value measurement by means of money [1].

Communication, as a process, involves an information transfer from a source of information to a receiver, mediating certain signs. The basic elements of a communication process are represented by the signifying phenomenon (the referent), the known subject, the meaning or the sense, the object used as vehicle sign and the interpreter, subject which takes notice of the meaning sent by the known subject through the agency of the vehicle sign about the signifying phenomenon [1].

The economic language mediated by the money is part of a wide communication process towards the economy and society. At each step there is the risk of deviations and communication errors. Thus, four main moments are being observed: understanding the value achievement phenomenon; the codification of the meaning and its enrolment into the content of a sign; the

decoding of the sign by the receiver of the message; the confirmation that the transmitter of the message has understood it [4].

The first moment corresponds to the value knowledge through measurement in the process of communication through money.

The second moment, the one through which the meaning obtained, the price, is unloaded in monetary signs with the help of the banking system and which brings risks.

The third one is related to decoding monetary signs. The value message brought by money does not mention the commodities as well in which the value that economy provides for the monetary signs holder lies. The decoder will identify the value based on his pattern, in what concerns the size of the standard, as well as for the assets in which the respective value lies.

The fourth stage takes place only if the money possessor uses it in order to buy commodities that exist in the market. The monetary signs get to the bank, being able to re-enter a communication circuit. If the money is being kept for future payments, they will not have the same meaning because both the value and the standard change every day.

Born into the intimacy of some processes and complexes, in systems as the environment, the society or the economy, the value comes to surface, in the market, in the shape of the price. The respective information is mediated by the monetary standard, the latter going through deep changes, as well as the value and the sign shape of the currency [5].

Consequently, the price will mirror the contestants' conflict of interests regarding the value achievement and management mechanism, from the producer to consumer, from the society to the natural environment!

Taking into consideration the directions in order to perfect the monetary mechanisms and the economic communication through money, we can have the following:

The first direction. The structure and volume change of the economic order which can be transferred into the money-sign in the form of information in what concerns the size and distribution of the value created in the national economy and in world economy; solving this change is not a task of the monetary unit, but belongs to the objectives of economic and social policies.

The second direction. Another direction is the reorganization itself within the monetary mechanisms, the expected changes having to provide a growing money-sign volume and a money-commodity standard as stable as possible. These solutions are possible through the effective commitment of

special drawing rights as money-commodity standard and as international money-sign. As long as we use a national currency, it is necessary to allow participation in international clearing to other national currencies as well, these being ideas that require monetary organisms to admit the currencies of other developing countries into the international monetary mechanisms. This way, world monetary decisions will ask both for participation on behalf of the corresponding countries and their contribution to the economic and monetary solutions expected by mankind.

A third direction, towards perfecting communication through money, consists in integration of technical and organizational innovations within the work of the banking system: stressed “transition” of economic phenomena which money reflect and intensify.

Once the money-commodity is transformed from an effective usage value into information about the purchasing power of the monetary unit, as a generalization about the entire goods and services production, it is money-sign's turn to take new steps towards a powerful trade technique economy.

The velocity and economics of communication through money require another sacrifice: once we gave up the luring glow of gold and silver coins, it is monetary paper signs' turn like banknotes, cheques, bills of exchange etc to become obsolete.

People make instruments and idols in their own image, the money of the future will have the image of man's mind, hidden to sight, but quick and guarded, mostly by the subjectivity of the heart.

Consequently, technical and organizational solutions are an auxiliary of the monetary mechanisms, the content of these mechanisms, represented by the information regarding the size of produced and allocated value in the economy or in the world, needs, in order to match mankind's wishes, both mind's fruits and the work of people!

The economics of value – a fundamental change concept of the paradigm in economic science and in economic management reform at all levels through the agency of “value management” [6]

“The economics of value” represents a small science encyclopaedia and not just a simple, classical economy treaty, paper which brings new possibilities in economic phenomena research. Professor Paul Bran uses the

interdisciplinarity methodology of Economics research, being a multilateral developed personality, with spirit and encyclopaedic knowledge, but also gifted from nature with a strong intuition in what concerns the observation and correlation of natural phenomena, as well as correlation with socio-economic and financial-monetary phenomena. He was a scientific treasure, but also a spiritual one, a treasure that is reflected in that work as well, where questions are raised regarding the evolution of economic phenomena and their perspectives [7].

The object of study for the value paradigm

In order to understand the value theory based on low entropy we need to know the mechanism of life, this myth of systems far from balance.

The living organisms keep themselves alive only if they manage to attract and transform low entropy from the environment from the primary elements of the matter: substance, free energy, information.

Integrated in the natural circuit of the matter, man's living system is the beneficiary of an enormous low entropy potential, produced by the living systems and the nerves from nature. This potential allows itself to exist, even if the processes he triggers in the society and economy are overspreading.

In order to understand the mechanism of value, economic science must assume the discoveries from other sciences as well. It cannot be a sister of mechanics, but will have to be related to non-linear thermodynamics, biology, cybernetics etc.

The general model of the entropy theory of value (TVE)

Possessing a new opening, economic science has to build a complex model for the value achievement mechanism, a model that takes into account multiple constants.

The construction of a model involves a well structured project in which primary transformation, conservation and transfer processes are present, all these contributing to the transformation of the initial attracted potential into the real value known by TVE.

The TVE model does not exclude the final event in the life of a system, the closing moment.

The correlation of the TVE model with the other theories of value point out the differences, as well as the fact that the value entropy based model includes the other models, taking knowledge far beyond, to the real level of the

preserved potential as value of the obtained product.

Although during TVE the production process is just a transformation-conservation-transfer process and not one that creates additional value towards inputs, it represents a decisive element of the TVE model. That is why, understanding the production process model is essential to know and assimilate the general model of value achievement and management [8].

Decoding primary processes of transfer-input, transformation, conservation, transfer-output brings additional knowledge elements to the economic theory and practice.

The input transfer, as well as the output transfer, takes place in a natural way, through allocation or trade. The sources from which the transfer is made are quite diverse, the possibility of reinstatement of waste potential into the economic circuit being brought out. On their turn, the primary transformation and conservation processes contribute to reseat the low entropy from inputs according to firm's profile and to consumers' requests. The transformed potential is being preserved into product's quantitative, qualitative and reliability dimensions, at an ever lasting subunitary productivity [9].

In the theory of value, the utility paradigm brings the following main elements:

- into the value achievement mechanism the consumer is brought, with all its preferences towards production results, these preferences, under the form of Satisfaction, becoming an essential restraint for the producer;
- consumer satisfaction grows with each new product used, but consumption product productivity is lower and lower, becoming zero when saturation is reached and then negative if the consumption process continues;
- the marginal utility concept is introduced, helping the producer to observe consumer's reaction more operatively.

The physical support of value in the entropy theory of value

An incursion in the depths is needed in order to reinterpret the value achievement phenomenon following the laws and exigencies of nature sciences, accomplishing The Economics of Value, a mixture between economy and the physics of value. This way of working will allow us to substantially broaden our investigation area and to ground the idea that the economic phenomenon emerges way ahead company's hall, and the effects of economic processes diffuse further away!

It is hard to understand by the general public how to accept the fact that we use a certain organization degree.

The living systems feed themselves with the energy preserved in these elements or in living and nonliving systems. This energy appears as an energetic potential.

The potential is the organization degree possessed by a simple or complex system, level of organization which makes itself attractive in order to be consumed by a living system.

The organization degree that comes out from the economic transformation-conservation-transfer processes that are put into gear towards value achievement represents the physical support for the value.

Taking this as a basis for value, we avoid limiting value's physical support to certain categories related to human activity and behaviour (work, for the TVE and utility, for TVU).

The main paradigm changes are:

- inputs in economic processes are counterbalanced by the contribution of some systems and processes outside economy;
- outputs exist at a level permitted not only by the production (TVM) or consumption (TVU) process, but also by the whole set of processes from the wide value achievement and management mechanism;
- within the results, the outputs are also pointed out, in the form of waste or useless results of the value producing economic system;
- the definition relation of value- entropy complies with the general law of Nature (the law of transformation and conservation of matter, the law of entropy).

The society

Unlike natural potential, social potential already a processed product in the laboratories of social institutions:

- cultural and scientific information;
- the trained man;
- qualitative administrative services.

The economy, being the third engaged system into the value achievement and management mechanism, consists of microeconomics (the producer, the market consumer), macroeconomics (financial and banking institutions, economy and related ministries), world economy (international monetary and financial institutions, regional and international institutions with economic attributions etc) and the currently forming cosmo-economy.

Both the primary and the secondary processes, specific to Nature's

general system, can also be produced in systems engaged in the value achievement and management mechanism, in the form of production processes, consumption processes, and closing processes.

Conclusions

In conclusion, we cannot build a society and an economy based on knowledge without a modernization of the economic science and of human behaviour directly involved in promoting these changes.

Economic communication through money will gain an much important role in economic science, thus changing the economic way of thinking and the way social-economic and financial and monetary phenomena are approached.

Monetary mechanisms must comply with the improvements imposed by the changes and necessities of national and world economy.

In the Entropy Theory of Value, the consumption process is just a transformation-conservation-transfer process, as the production process, and represents a fundamental element in the TVE model. From this point of view, it is essential to understand the consumption process model in order to know and assimilate the general value achievement and management model.

The model of the Entropy Theory of Value involves the recognition of the potential drawn from the product by accepting this potential in a future production process.

This general model implies the idea that value is the result of some complex transformation, conservation and transfer processes, reunited within the dynamic production, consumption and closing states.

We need to build the model for economic and social projection policy according to the requirements of Nature's general laws (conservation and entropy law) and by presenting the contribution to all value achievement engaged systems.

From this model we can also see the responsibility of all economic systems (budgetary-financial system, capital market, company, regional and rural development etc) or from the environment for value achievement, as well as for value management and safekeeping, in a larger proportion, in the economic circuit.

The systems engaged in the general Model of the Entropy Theory of Value are:

- the natural environment;
- the national society (with macroeconomics' subsystem);
- the world society (with world economy's subsystem);
- microeconomics (with the economic systems being in production and consumption states).

The Model of the Entropy Theory of Value comprises all possible systems that can be engaged in the achievement and management of value, as well as all the channels of natural, social and economic potential's transition towards the real level of value.

Promoting economic policies at national and regional level can be assigned to the model within the subsystem – Economic processes, but strongly connected to society processes – taking into consideration the fact that public institutions, mass-media institution etc are involved in this process.

Following the same steps, we can build the correlation between social policy and budgetary-financial policy, but only having a strong correlation of all economic policies (which can use modern public funds management systems). When building economic policies at national level, we must have this Model of the Entropy Theory of Value as a foundation, through whose applicability the entropic losses can be reduced to maximum by management of economic policies and by emphasizing those phenomena which we cannot take into consideration at that moment (losses from the society and the natural environment).

At economic and social policies' level, at national level, we foresee the construction of the Model of Entropy Theory of Value that will support policies' management, as a basis for these policies.

In this model, society processes have a central position, being influenced and directly dependant on the economic processes and those from the natural environment.

At regional and local level we intend to apply the model of the Entropy Theory of Value, putting first the processes from the natural environment, which, at local and regional level, contribute to value creation and will have an essential impact towards the results of the economic and society processes. This can be obtained through the system of economic, social and sectoral policies' e-government, which can include a national data base regarding social information, with an extended territorial network, with elaborated information concerning the social problems of the population. The very tight connection between processes (economic, social and environment) within the

model of the Entropy Theory of Value involves developing an informational national system.

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