

# Seven Laws of the Macro-Economic Movement

**Hassan Kian**

Faculty of Management, Tehran University, Tehran, Iran

**How to cite this paper:** Kian, H. (2017). Seven Laws of the Macro-Economic Movement. *Journal of Humanities, Arts and Social Science*, 1(1), 13-16.  
<http://dx.doi.org/10.26855/jhass.2017.01.002>

**Corresponding author:** Hassan Kian, Ph.D., Faculty of Management, Tehran University, Tehran, Iran.

---

## Abstract

Existing economics systems in the world, either in socialist form or in liberal form, with many weak points, in practice, faced with crisis or were not able to contribute to sustainable economic development. Therefore, it seems the world requires new economic rules to boom and for revolution in the liberal and socialist structures. The paper has stated the seven main rules of this revolution and the author believes by following these golden rules, economic society is able to experience explosive economic growth and prosperity. It is obvious that in the system, our definitions of government, production, services, and even culture use, are different.

## Keywords

Socialist, Liberal, Sustainable economy, Government, Services

---

## Abstract of Seven Rules

1. The principle of freedom of production and services, just like freedom of expression. (Remove prerequisite for obtaining a license in economic activities)
2. The principle of monitoring of economic activities. (Monitor either the public sector or private sector, is without executive powers.)
3. The legal trial. (No economic activity cannot be closed or restricted until after the judicial procedures)
4. The flotation of standards ( Economic activities should be floating and growing)
5. Reduced economic risk (The biggest obstacle to economic growth, is increased risk of developing)
6. The desacralizing in the economics (All are equal in economic activities)
7. The intelligent protection like children's rights (Economic activities has neonatal period and they need for an incubator in the period)

## 1. Introduction

### 1.1. Principle of Legal Trial

Any economic activity may not be closed or limited except after particular judicial ceremonies.

## 2. Issue Explanation

The most important economic laws of human whether in socialistic or liberalistic form, although they could result in a limited growth limitedly and locally in some sections, but they always had some obstacles and they have acted inversely from some sections and they have deprived huge masses of people from the talents of economic mutation in the personal life (A. & T., 2008). Therefore, the problem is that can we find new rules which may cause economic growth of societies

in macro level and meanwhile economic growth of the units of society individuals in micro level.

In the 21st century, especially in the middle-east region, we observe encounter in the important economic thought of socialism and liberalism and its exchange in intellectual kinds caused creation of terrorism, because today, terrorism is a more profitable economic activity in this region and gradually all over the world (A. 2014).

Starting a healthy business needs taking numerous justifications which of course, it is following bureaucracy in a classic economic system and the bureaucracy is also following administrative immorality (S. & L., 2010).

Such business may be threatened to be closed by the organization issuing the authority or tens of other supervisory institutions or its legality may be under question and as the knowledge advances increasingly, it is considered lagged rapidly despite the existence of the standard promotions and they may lose their competitive advantage (R., M., & H., 2009). No doubt in such space, despite the existence of legal or illegal competitors, the risk line is also high and this economic firm is extremely subjected to threat in an economic society which is based on discrimination even if it has passed the stages of its larval state and birth healthfully and whereas a terroristic organization has more chance to survive and grow since its formation because the organization or better say, terroristic firms have no need to take any authorities for formation, so their formation and growth is very simpler than the formation and growth of a normal economic firm in the above societies and it is exempted from the bureaucratic complexities of taking authorities. The supervision organizations common in liberalistic or socialistic systems are not able to question the legality of such organizations because formerly and in the beginning of the formation of this economic firm, the legality of the system is rejected and of course, the huge population who are harmed economically from socialistic and liberalistic thoughts have also accepted their transfer to the above systems (E. & P., 2009). The terroristic firms are inevitable to be benefitted from the state-of-the-art and the recent standards, so this compulsion also helps them and they precede the classic economic firms. These terroristic firms were developing in the region of middle-east and they would emerge rapidly in other locations of the world if the absolutism of the socialist or liberalist economic systems reduce relatively. They usually found ideological fundamentals for themselves and thus, they proceed to make sanctified airs at least in their fans' minds (E. & P., 2009).

So if the status of global economy does not change in terms of economy and theoretical fundamentals, we would soon observe the emergence and development of terroristic organizations in other locations of the world in addition to middle-east. An emergence and development that perhaps form in sharper edges of economic strangulation such as middle-east and then in regions such as North Korea, Caucasus and Africa, but it would be developed rapidly in other global areas having masses of people unsatisfied of the economy. Hence, new theoretical fundamentals should be searched in the economy to keep the units of people in peace so that Montesquieu states in the first chapter of the book "The spirit of the laws" that: the [free] commerce has a great influence on improvement of the morality among the nations. It adjusts the spirit of violence and cruelty and causes development of the civilization (D., 2013).

**Table:** Comparison Between Creating Economic Firm and Terroristic Firm

Economic firm	Terroristic firm
It needs taking authority	It does not need taking any authorities
The official stages of its formation is complicated	Its formation does not need passing any official stages
It should be responsible for threatening the supervisors	It is lacking supervision and it is not responding
It is luxury for it to follow the standards	It is compulsion for it to follow and develop standards
It is lacking holiness and ideology	It is ideological and holiness-oriented
It has a limited and safe profit	It has a major and immediate profit

### 3. Methodology

To write this paper, both field and library research methods are utilized. The library resources used in this research are

mentioned in the end and the field method of the research is also inductive model of incomplete induction type and also modeling.

#### 4. Theory

After investigation on the advantages and disadvantages of different economic systems including liberalistic forms of Europe and America or socialistic forms of Cuba, Venezuela, Northern Korea, ex-U.S.S.R and China and also the economic models of totalitarian societies and economic mutations in the models of south America with the approach of birth, maturity and old age of a small or moderate or big private economic firm and besides, by pathological investigation on the models resulting in the birth of terroristic firms particularly in the middle-east, it seems the seven laws below could not only solve the ill economy of crisis-stricken regions and Dutch illnesses of economy in different regions of the world, but it causes preventing from generating poverty and terrorism in the world and it can treat the economic crisis of the developed countries too. Therefore, in the following, the theory of these seven laws is explained.

##### 4.1. First Law: Principle of "Freedom of Manufacturing and Services"

As the freedom of speech though positional may cause quantitative and qualitative growth of publications, the freedom of manufacturing and services may also cause quantitative and qualitative growth of economy.

For instance, in Iran before 1941, the number of publications was maximum 57 titles, while this variety increases to 56 titles during 6 years after August 1941 that a relative freedom of speech was dominating because of the conditions after world war 2 and before the beginning of the cold war between the blocks of liberalism and socialism and it was suddenly increased to 560 titles (F. 2013).

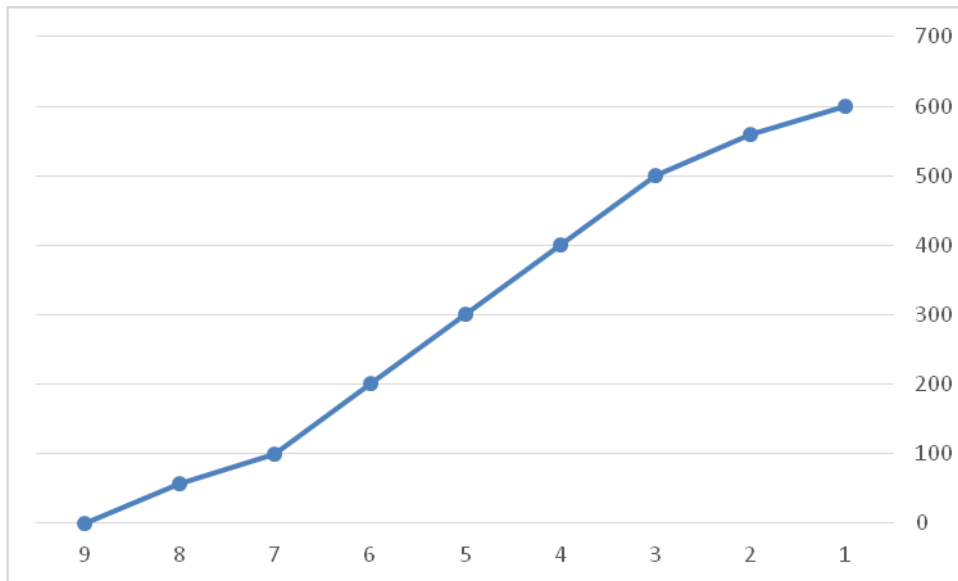


Fig.1

Based on the economic index of heritage, that class of countries having more freedom of economy have more economic growth according to the formula and  $V_i$  has a direct relation to the economic growth of countries.

$$\frac{V_i - V_{min}}{V_{max} - V_{min}} \times 10$$

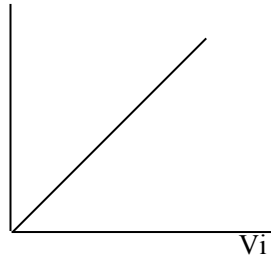
In which:

$V_i$  = the value of variable for our country

$V_{max}$  = the maximum value for our country

$V_{min}$  = the minimum value for our country

The  $V_i$  in turn is constituted of 5 independent economic variables which are classified in 10 major categories.



**Fig.2.**Economic Growth

The principle of freedom of manufacturing and services states that:

"Anybody including natural or legal person is free to produce what he/she wants and present any types of services he/she wants."

It means that the originality is along with the absolute and unconfined freedom of manufacturing and services and manufacturing and service presentation is free absolutely and there is no obstacle or limitation except the two below limitations which of course, these limitations themselves require proving according to the second principle and they are accounted as limiters only after certain issuance of the order in the court.

Limitations of the principle of freedom of manufacturing and services are:

Device

Direction

Device of manufacturing or services

No doubt, the main aim of this plan is to perform, manufacture, and present the free and unlimited services, but there is a given and humanistic rule that "the goal does not justify the means". Therefore, the device should not be inhuman and non-noble (illegal). So, it is not allowed and permissible to use any types of devices, for example slaveholding in manufacturing or presenting the services or abusing the work force of the children is not allowed. So if it is proved that no manufacturing or services are carried out with non-noble or illegal tools, that manufacturing and service should be closed. Of course, it is emphasized that according to the principle of exculpation, all devices are legal unless the opposite is proved. It is evident that the criterion in this field may be corresponding to the legal status of the societies (D. & et al., 2015).

Direction of manufacturing or services

The direction of manufacturing or services should also be noble, humanistic and legal. Therefore, if it is proved a manufacturing or service may be in the direction of injuring the human's health, it is not allowed and permissible. For instance (K., A., & R., 2010), if production of weapon is in the direction of self-defense or sport, it is free, but if it is in the direction of murder and robbery and plunder, it is not allowed. Again, it is noted that the direction of all productions and services is honorable, legal and humanistic unless the opposite is proved. So nevertheless,

production of opium or alcohol is also allowed in the direction of medical matters and it is non-allowable in the direction of prejudicial consumption. So, perhaps it may be stated that the production of opium is considered allowed or not allowed in the mediation of the method of its sale. If the produced opium is sold to the pharmaceutical factory, its production is not difficult. But if this opium is offered to the laboratories of manufacturing the drugs, it is not allowed (M).

#### **4.2. Second Rule: "the Principle of Information Supervision on the Economic Activities"**

No doubt the economy is drawn to corruption without any correct supervision, but the most destructive kind of supervision is also governmental supervision. If the supervisor is government, non-noble examples are incorporated with the policy in the direction of manufacturing or services and the economy undergoes the policies of the government. Hence, the right of governmental supervision on manufacturing and services should be removed and from the other hand, the supervisor should not have the power of decision making and on the life and death of economic activities and it should only present his/her supervisory view like an impartial critic and then these are people or consumers who should make decisions to use the products or services or not.

Therefore, it seems that the supervisor should be NGO organizations and even if the government wants to have supervision, the non-implementation and non-operational section in the government may only exclaim its supervisory view merely beside the NGOs by giving stars and scores to economic activities.

The supervisors' view to economic activities was accounted merely evidence or sign for the courts and it would not have order of deterministic reasons.

#### **4.3. Principle of Legal Trial: "Any Economic Activity May Not Be Closed or Limited Without the Vote of the Court"**

One of the important indices in economic security based on PEST analysis is that how long does it take to establish an economic firm in a country and how long does it take to close that firm with the order of authorities. According to the principle of legal trial, shutdown of an economic firm should be carried out surely with the attendance of jury and it should be surely carried out after the certainty of the order and the temporary closing should have a long-term process and it should merely be when the private complainant complains it legally and his/her reasons represent lack of legality of direction or device in that firm. So, low quality or lack of good quality or high price and etc. are not the economic reasons for closing an economic activity, but in a free economy of the considered type of this paper, lack of quality or lack of good quality or inappropriate price is carried out automatically and inevitably through social rejection of that activity by the society which in turn is due to the existence of different economic competitors in the society and if for any reason, the economic activity which has a legal device and direction and has also an advocate and is not economical for its executives is not closable or limitable through the government. On the other hand, founding an economic firm does not demand taking authority and passing administrative stages and ceremonies and the register merely means authority and of course the process of registering a company would be executable merely and easily with authentication and claim of legality of direction and tools. To approximate the mind to the matter of founding, an economic firm may be similar to the birth of a real human and its closing may be similar to a real human's death. As a human's birth does not need any particular authorities typically and his/her initial rights is established automatically through taking his/her identity certificate, an economic firm should be founded easily and it should also have initial rights including right of living merely through registering. And it should be prevented if possible from its death or in the worse state, closing it which may be similar to execution and perhaps a government

or even a private section creates some centers to prevent from death of a juristic personality so that there are such centers to support natural persons' lives.

#### **4.4. Principle of Quality: "the Standard Should Be Floating and Increasing"**

Change in the economy is not possible without change in the standard. Therefore, the standardizing movement should be occurred with authorization and variety of governmental and private standard organizations and the goods and services should be offered through receiving numerous signs of standards (i.e. the donors of standard sign compete with each other in gaining social acceptability and value and importance). It is evident that the responsibility is also expected for the standard institutes in exchange for presenting the standard sign and these centers should be accountable for complaints of private complainants or attorney generals correspondent to their value and validity and they should compensate the probable applied damages merely or through the help of the insurance.

The standard should not be fixed and stopped, but it should be floating and promoting with the increase in the quality and advance in the technology. If the quality has no ending, the standard should not also have any endings. Of course, culture-building should be carried out for people to consume standard goods and prevent from consuming non-standard goods which this culture-building is the task of government and the executives of standardizing. But in free economy, there is never any compulsion to use standard goods or standardizing, though it might seem that some of the important goods like drugs or medical tools or things which are related to the life of people should be standard perforce. But if a culture is built that lack of using standard goods may be deadly, then automatically, no one uses non-standard goods.

It should be noted that the courts may reprimand and punish the expert person if he/she is not using standard goods, according to "the statistic of the expertise".

#### **4.5. The Principle of Risk Reduction**

The economic activity including purchasing, sale, manufacturing, services or even consumption is always along with risks. Hence, for economic revolution, some professional organizations should exist in order to reduce the risk of producer, supplier and consumer which among them are insurance organizations, but some other support associations and institutions are imaginable and each one of them proceeds to support their addressees financially, legally and culturally from a particular angle and like the insurance organizations, they receive a small amount in lieu of these services and accepting their responsibility. Therefore, like insurance organizations, such support organizations should be established privately and governmentally<sup>1</sup> (i.e. the establishment of the insurance organizations is also free according to the first principle and its supervisory tools would be civil institutions and of course the competition) in order to insure everything and support them to reduce their risks, because one of the important obstacles of the economic revolution is risk. An inventor or entrepreneur should have the ability to insure his/her investment risk so that a good or the services may also offer the label of the consumer's support services including financial, legal, patronage, etc. during the supplying so that if it had not the required quality or standard as the private complaint is executed and the court confirms, the insurance must pay its cost.

It is evident that also this category requires culture-building. The people should use to consume goods or services which have standard seal and consumer's insurance seal too. This is also better to give it stars or points by the

---

<sup>1</sup> The existence of the governmental fairs beside the private ones is always dangerous and it may cause unhealthy competition. Hence, this matter should be abstained as far as possible. But when this is inevitable, it should be prevented from competition with private section.

supervisory (non-governmental) organizations.

#### **4.6. Principle of De-monopolization: "in the Facility of the Economic Activity, All People Are Equal"**

There are no preferences, superiorities, sanctities, priorities or any custodian roles in the economic activities for any individual, nation, government or person to another and the natural or legal or governmental person should never be availed of any particular advantages to perform an economic activity. In the other words, no service or manufacturing task resulting in exploitation is considered to be a governmental task, and the government may not prevent the others from carrying it out in order to gain incomes or provide a part of its incomes. For example, even the tax which is a completely governmental matter could not be monopolized by the government and if another legal or natural person had the legal tools and direction and of course such acceptability that the individual/individuals paid him/her taxes by their request, he/she would be allowed to execute this task<sup>2</sup>.

Also, in the permission of the economic activities, sanctity, and religion play no roles and any economic activity by anyone from anywhere in this world is permissible if the tools and direction are appropriate and correct, and the governments should not inhibit the economic activities by tools, customs, visas or excuses of supervision and authority<sup>3</sup>, because any monopoly or any custodianship only causes manifesting the economic and administrative corruption so that whatever the commercial development and the variety are less and the economy is more monopolistic or governmental, the administrative corruption will be increasingly higher. Hence, this principle may also be explained as the principle of free and fair competition which there is no doubt that such competition causes economic dehiscence and revolution.

#### **4.7. Principle of Intelligently Protection: "Economic Productivity and Development Requires Creating Centers of Growth."**

Creating the centers of growth and the simulators of economic growth, provided that it does not cause discrimination and monopolization may result in economic revolution. Although the role of government is of importance to create such centers, the private section may also attempt to found centers of growth. In fact, the task of the government is not productions, sales, or even provisions or presenting any services. Yet, the government may present services to society and these services should merely be free.

Wherever the government takes money from the people, it stimulates corruption and results in creating the monopoly of the heritage. Therefore, the government may not sell petroleum or present the training services in lieu of taking money and it is not allowed. But in such system, it may have stations to supply free petroleum for weak classes of people, or schools, or free universities, or free hospitals which of course present qualified services and products too, though they may be limited in terms of quantity so that the rich individuals are not interested to use them because it is very crowded and limited and indeed, somebody would use these governmental facilities who pays its cost in the shape of time, not money.

It is evident that with this definition, the army, military and security forces, department of environment, fire station, courts, organizations of road engineering and infrastructures which are not profitable, remain monopolized by the government. First, they are not profitable and second, they have no acceptability and social implementation authority or warranty for implementation. But wherever the possibility to gain income is provided, the monopolization of government is broken immediately. For example, if a corporation may construct a road and acquire money in lieu, it

<sup>2</sup> Maybe samples like a fifth of the net income or religious tax in the Islam religion confirm the same meaning.

<sup>3</sup> Charter of WTO (world trading organization)

should perform this task without needing any governmental authorities. Of course it is evident that the principle of legality of tools and direction is always existent and prevents from its activity in the regard of environmental destruction.

The centers of growth and the simulators of growth are some centers where facilities are provided to create small or big firms. The entrepreneurs may have bureau in the centers of growth with the least cost and sometimes free and they may benefit from its laboratory and workshop facilities. They may use its legal, advertising and financial consultants, proceed to experimental sampling and supplying, evaluate the market, write strategies and future studies and simulate their strength and weakness points and opportunities and threats in this way, amalgamate their activity from different angles and test and simulate them in a miniature way, then exit from the centers of growth for a serious and professional activity and give place to other beginner entrepreneurs.

## 5. Conclusion

Implementation of the seven stated laws which may apparently create economic anarchism has traversed the rules of economic liberalism in some fields and the rules of socialism in some others. It has created a new culture in the economy and it results in financial development of the countries, creating occupation and removing the unemployment. Perhaps it seems apparently that the role of governments is reduced and the support is removed from the consumer, but indeed with transferring the supervision to the civil organizations and creation of competition with the eruptive increase in the firms, the final consumer which of course his/her culture and view to consumption has changed, gains the most profit financially and also the government becomes not only more powerful, but the continuum of providing its authority would also be wider.

## References

- A., A. M., and T., G. (2008). "Macroeconomic Factors and Stock Market Movement: Evidence from Ghana." *Available at SSRN* 1289842 .
- A., J. (2014). "The Major Ideologies of Liberalism, Socialism and Conservatism." *Political Studies*.
- D. M., M. (2013). The Relationship Between Macro Economy and Economy Development in Iran. *Quarterly of Economic Research and Policies*, Year 21, No. 97. Pages 171-192.
- D., T., et al. (2015). "Macro-economic and Development Indexes and ISO14001 Certificates: a Cross National Analysis." *Journal of Cleaner Production*.
- E., S., and P., B. (2009). *Labor Supply Heterogeneity and Macroeconomic Co-movement*. No. W15561. National Bureau of Economic Research.
- F., C. (2013). "The Anonymous Movement in the Context of Liberalism and Socialism." *Interface: A Journal for and about Social Movements* 5.2 : 345-376.
- K., R.; A., M.; R., E. (2010). "The Significance of Environment and Its Relationship with Macro Economy". *The Journal of Economic Research*. Page 1-28
- M., G. *Macro Economy*. Translated by Hamid Reza Arbab. Tehran: Ney Publication. Page 45.
- R., A. A.; M. S., N. Z. and H. T., F. (2009). "Macroeconomic Determinants of Malaysian Stock Market." *African Journal of Business Management* 3.3 : 95-106.
- S., H. and L. Ch. (2010). "RMB Exchange Rate and Price Level Under Structural Change: Pass-through Effect, Dynamic Movement and Macroeconomic Determinants." *Statistical Research* 4: 003.