

SOCIAL COSTS AND (OR) ERRORS' COST DURING THE TRANSITION PROCESS IN ROMANIA

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The issue of social costs is relatively old in the field of sociological debates and not only. It seems that the term was introduced by the sociologist J.C. Simondi in his work "New Principles of Political Economy" (1819)¹. A.C. Pigon (Economics of Welfare, 1920) introduced the concept in the system of neo-classical economies by showing the negative effects that investments can produce at the various levels of people's lives such as destructuring neighborhoods by building factories in residential areas, the effects of advertisements on consumers, the increase of expenses for the police and penitentiaries' maintenance with the increase of the alcoholic products selling etc. K. William Kapp in his work "The Social Costs of Private Enterprise" (1950) offers a more complete view of the problem by introducing aspects such as the effects at the occupational level, pollution, diseases, unemployment etc.

A more detailed analysis from a sociological point of view is given by D. Bell (in the above mentioned work) in which the author shows the necessity of a social evaluation system which "would enlarge our concepts about costs and benefit and which would place the economic evaluation within a larger framework"². Bell offers an operational scheme regarding the use of human resources in four fields: a) measuring the social costs and innovation benefits; b) measuring the 'social diseases' (crime or family breaking, etc.), c) the

¹ See Daniel Bell, *The coming of Post-Industrial Society*, New York, Basic Books, Inc., Publishers, 1921, pp. 281, 330.

² *Ibid.*, p. 326.