

Controlling Chaotic Systems. Perspectives for Economic Policy

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Historically, economists have, whenever possible, used linear equations to model economic phenomena, because they are easy to manipulate and usually yield unique solutions. However, now it has become impossible to ignore the fact that many important and interesting phenomena are not amenable to such treatment. By chaos theory is possible to take into account those aspects of phenomena. The theory of chaos is challenging many of the fundamental presuppositions of the traditional older Newtonian world view of science. The implications of the new science vision will be explored starting from physics to arrive to economics in terms of their challenges to the traditional methodological views. In particular it will be highlighted the implications of chaos control theory for the economics. The purpose of this paper is to show why the economists cannot ignore anymore the economics is a complex system and how the application of chaos control methods could improve the system's economic performance