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*Perspective*

# Building community consensus for sustainable economic governance

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## Abstract

Good governance is not only a benefit to the community but can also signify solidarity and closeness with neighboring communities. Therefore, one of the most crucial attributes of sustainable governance is the broad consensus within the community. For this reason, it is essential for the community to act as a mediator with nature, thus forming a majority consensus, as it is the recipient of implicit or explicit inputs from nature. The government should consist of highly qualified and skilled individuals who can follow this correct path. Additionally, the community should strive to express a convergent and solid majority. How can we prevent the community's common thoughts from shattering? Fragmentation can lead to regression towards selfishness, a lack of solidarity, and a speculative attitude. To prevent or mitigate these issues, it is essential to control all possible social conflicts, from unequal wealth and income distribution that leads to growing poverty, to the gender gap between men and women in terms of income and individual freedoms. Additionally, we must address issues faced by young people, who may need social assistance to pursue their studies, and the elderly, who should be viewed as a valuable resource to be cherished, and supported in their many potentials.

**Keywords:** Economic Sustainability; Conjuncture Cycle; Community as Responsible; Survival Holders

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## 1. Introduction

Good governance is “the manner in which power is exercised in the management of a country's economic and social resources for development” (World Bank, 1992). It is an essential factor because the economy is the architrave on which is based the relationship between nature and humanity. But not only. Because the good performance of the economy, managed and maintained by a good government, is also the bond allowing the social harmony of a community majority that recognizes itself in the choices made by the government. Therefore, on the one hand, good government follows the path of the greatest admissible potential together with the least possible damage to nature that ensures our survival. On the other hand, a good government can be the aggregation element for the consensus of large majorities, and in other words, this means that the social fragmentation in the pursuit of particular group interests is minimized and, in any case, is made unable to alter the government prosecution in its line of good management.

What is meant by good government is indicated by the consent granted by the community and by the duration of this consent. This is because we must assume that the correct administrative management follows a path that generally coincides with the expectations of the community majority. We must, in fact, admit that in each one of us, there is the expectation that “tomorrow will be the same as today”. A hope therefore that the development line of a society or of a continent or of our entire world follows a linear growth path with a contained inclination (development pace). This belief is supported by research in behavioral economics, which shows that people tend to have a preference for the status quo or continuity (Samuelson and Zeckhauser, 1988). Our presence on the planet creates alterations that must be reabsorbed and “digested” by the environment. These are alterations that are tolerable only on condition that development follows the linear path, and this from the environmental point of view means the least possible damage, that is, re-absorbable without consequences by the natural world system.

Therefore, if the government management escapes from this framework of relations, which connects the contained economic growth with damage re-absorbable by nature and therefore with minimal damage, then the community somehow feels the deviations made from the linear path. Since the community's DNA has the archetype of continuous and linear growth, every deviation is felt because the growth line changes and winds around itself to form a sinusoid. After a more or less short period of recovery, the development line begins a regressive trend, a recession, a decrease, or just a pause in GDP growth (Kose et al., 2019). The right meaning of the development wrapped around itself is linked to the environmental need for a development pace slowdown in a territory, a continent, or even the global economy. The aim is to give nature enough time to “digest” the excess waste produced by humanity.

Therefore, we have briefly characterized the development modalities: one classic and linear, which follows the path of minimal damage to nature; and another one, which instead has an excess of damage to the environment and therefore requires a temporary but recurring pause to reabsorb the excess waste at a natural level, though a development recession could also be possible.

Unfortunately, these two hypotheses proposed are not frequent, although they offer the possibility of maintaining a constant development level in the case of linear growth and with minimal damage to the environment. And not only. Because by continuing along this classic development line, we are essentially speeding up the time needed to reach our final goal of neutrality of our presence on the planet. A goal that will be achieved with the help of research and science which are humankind's great allies on the journey towards

the future. Yes, because unreservedly we can admit that good governance is allied with science on several fronts in the present and for the future.

Since good governance is allied with science, it will be supported in its administration by experts in various fields, especially when the intervention of wise people is required to maintain the right direction in executive tasks. On the other hand, the government will also rely on the community majority to understand which positions are to be taken in the presence of economic cycles. In this case, it seems appropriate to maintain the consensus level obtained by the government to listen to the opinion of the community majority. In fact, the recession required at a natural level could lead to income cuts especially for the less fortunate social categories, and to a reduction of job positions.

This prospected income decline requires the good government to listen to the opinion of its community to understand which choice should be followed (Soroka and Wlezien, 2010). It should be noted that a potential recession coming for natural reasons is always perceived as a deviation from the path of linear development and the least damage to nature. Therefore, the approval of the community for the recovery of a linear condition, could require the adoption of support measures for families who - having lost their jobs, source of their income - have no alternative livelihood. In any case, support measures become necessary to promote and maintain the unity of purpose inside the community which otherwise could show a fragmented variety of positions due to the income loss and the destabilizing uncertainty about the future.

Therefore, good governance must rely on science to seize the opportunities offered in every field. Furthermore, it must feel the obligation to listen to the community's opinion on the most important issues: in case of alteration of the economic cycle, or in case of a natural pause in the development path, to dispose of the excesses produced by the human presence on the planet and so on.

## **2. Community consensus and economic development: linear growth vs. speculation in the sub-world**

Resorting to the community or rather to its majority to have a common intent with the government, basically means conforming to the direction suggested by the environment around us. Why? The community receives immediate information on the changing times through the price system, which is essentially a summary of the economic state. But the community also receives some implicit information on the state of the economic situation. It cannot be explained otherwise that the community is able to predict in advance the timing of the cyclical change. In fact, when the price system begins to signal some news for the economy, the community's moods have already changed and are then reflected in the synthetic indicators. We must therefore believe that the community is the primary referent of nature. That's why it's important to question the majority on the expected state of the economy and above all to create favorable conditions for the formation of a stable majority, which is obviously the direct referent of nature.

Now, the most favorable cases traced by our development path are basically represented by the two hypotheses focused on so far. That is the classic development with minimal damage to nature and, moreover, the economic development following the economic cycle with the sole purpose of creating the conditions for a pause used by the natural system to relieve the environment of the waste produced by our presence on the planet. But these two hypotheses are not the most common, for the simple reason that following these

evolution lines is anything but simple and requires as a priority the full agreement of the community or rather its majority with the much slower environmental evolution.

Unfortunately, much more widespread is a third development hypothesis that is not coordinated with the evolution of our environment therefore it's the least profitable in terms of relations with nature and it turns out to be the least useful for the progress we could achieve in terms of development. In fact, the hypothesis of linear development with a contained inclination (development pace) and the least damage to nature is the most profitable path in terms of the quality and quantity of human evolution. Not only that, but it is also the shortest way ever that can finally lead us to the condition of complete and absolute neutrality of our presence on the planet.

Let me add that the goal of full neutrality of our presence is not only a sort of "gift" to our planet but it's also a liberation for humankind from the constraints that block our destiny as explorers in the vast field of science and research. Because the accelerated development in a large area, even of continental size, today still means nothing more than the accumulation of waste, to be bypassed to avoid alterations in the environmental conditions that are dangerous for life ("the" life, not just human life then). We know that there is a synergy between humankind and nature and each of them is committed from its own point of view to keeping the right life options prevail.

However, we have now arrived at the third hypothesis of human development which, as mentioned, is by sure the least profitable in terms of progress and which therefore requires long involution periods of the economic cycle. Precisely because we derailed from the path of least damage and therefore, we took the foggy and uncertain road of unpredictable difficulties and anomalies. In this situation, which we have indicated as a sub-world, that is an upstream motion that exposes us to serious penalties and doesn't obviously give us the possibility to make progress on the path of research and science. In this hypothesis of travel into the sub-world, we have the confluence of various negative factors. The first has already been mentioned and is summarized in a request for a pause in order to mitigate the damage caused by the imperfections we have produced. On this ground, the considerations already made on the importance of listening to the opinion of the majority in order to undertake a path to correct the difficulties produced in the environment, remain valid. But the sub-world is the cause of other serious aberrations whose eradication can be quite difficult.

In general, within a strong and supportive community, we do not find important forces that move according to the principle of individual advantage, that is, without consideration for any disadvantage created against the community. For the community to move according to the principles of solidarity, the first essential need is a large majority of converging ideas. Converging towards what and where? Obviously converging towards programs expressed by the good government. The more the community's position is fragmented into divergent parts, the more we risk falling and remaining blocked in the so-called sub-world. There are many anomalies into which a non-optimal government can fall, starting with the presumption of being able to guide the conjuncture cycle pace, which - in itself - seems to be an aberration, while it's rather a correction method which, if bravely and tenaciously followed, could gradually bring on the lost road of classic growth with least damage to nature.

The anomalies - spies and symptoms of the sub-world - are the alterations of monetary character, that is, deflation and inflation. It is certainly somewhat impossible to identify the origin of these charges that alter the spending values of families. Not only. Because both deflation and inflation are born as anomalies moving inside the monetary world due to errors in economic management. But beware, once they entered the monetary

circuit, both anomalies are no longer connected to the state of economic activities. Both therefore follow a constant acceleration, increasing or decreasing the nominal values, which is independent of the economic state and continue according to the initial accelerated pace, until the economic policy takes action to bring them under control.

This is to say that they are messengers, both - inflation and deflation - directed to communities to inform them that the economic trend doesn't follow the line tending to save the creative energies of the community. Therefore, an adjustment is needed whose size and magnitude will depend on how long the monetary phenomenon will last. As saying that the contribution of the community or rather of its majority is essential for economic governance (UNDP, 2021a). Not only because the community is the first to feel the change in the economic climate, but because it is also the collective recipient of the messages sent by nature through the monetary phenomena. Messages that have no other purpose than to push the recipient majority to influence the management of economic governance. Therefore, we can understand the crucial importance of a friendly relationship with its reference community for a successful government. And on the contrary, in the case of falling into the sub-world circuit, the growing difficulty encountered in forming a compact and supportive majority is certainly one of the reasons for the difficulties in governing the multiplicity of intentions and desires in which a community is naturally fragmented.

As saying that in those democratic systems that have anyway fallen into the sub-world, the characteristic feature is the multiplication of positions inside the community where each one believes to have the right recipe for success, in order to return to the classic linear development with the least damage to the environment which ensures our survival. In this way, the result is a plurality of hucksters and small leaders none of whom actually has the right recipe, but they are just the signal of the confusion that is being created. We can thus understand how it's essential that the good government is able to catalyze consensus and, according to this approach, to listen to the opinion of its majority on the most important problems regarding public management.

Using market research, social networks, development analysis, and other such methods does not necessarily mean delegating the responsibility of solving scientific and research problems to the people of a region, as this falls within the purview of government experts tasked with carrying out complex duties. There are therefore different levels of listening, and the first level is essential with its attention to solidarity, takes advantage of the community, and basically has the task of transmitting the general guidelines for the solution of economic management problems. Thus, for example, in view of the changing economic situation, we can understand whether we are facing the request for a pause to allow the natural recycling of our waste or if we fear more serious economic troubles. In this last case, broad decisions must be taken to support the markets and families and to allow at the same time the natural correction of the economic course which has a single exclusive way, the recession. In the sense that the recession is the tool made available by nature, with the variant of the sinusoidal motion of conjuncture, to gradually help the recovery of the only path that can allow us to reach, in the shortest possible time, the state of absolute neutrality with the environment.

As saying that even in the most complex cases of unorthodox development, nature seems to offer the tools and methods for a gradual disengagement from the negativity of the sub-world. The deepest alteration we have experienced in the first decade of the century is the severe financial crisis in 2008-2009. In this case, there was a serious discontinuity between the real economy and the elements of stock exchanges and assets seriously affected by speculative pressure.

Basically, we were able to see that the financial structure, which must be a sort of lubricant for the natural development of the real economy, has undergone a serious and sudden dissociation between economics and finance. The real economy has been experiencing deflation from the past until today, while finance has drifted into the realm of speculation, which has not only affected American families but has also spread across oceans and deserts, invading all continents. Therefore, the patrimonial assets, the Stock Exchanges and above all the real estate sector have undergone a sudden increase of the values in progressive and apparently tireless rise, also due to the mortgages (the so-called subprime) granted to families who couldn't guarantee the repayment of the credit granted to secure ownership of their home. A sort of magical dream that, with the growing value of assets and houses, offered everyone the opportunity to live beyond their means. But those dreams always end at dawn when the castle of super-speculation will lose its magical charm.

But how and why has speculation become a sort of international sport? First, we can say that it is an evil fruit for an economy that has fallen into the sub-world. In this sub-world, speculation endlessly alters the income and wealth distribution in the whole planetary context. Unfortunately, the phenomenon of the dissociation between the real economy and finance is underestimated, on the assumption that the violent charge expressed by speculation could have some effect on the side of our daily economy. But this is completely wrong. In the years preceding the serious crisis early in the century, we can see that even at the very height of the 2007 speculative crisis, the economy remained weak while the pressure exerted by international prices (first, oil) was little affecting retail prices.

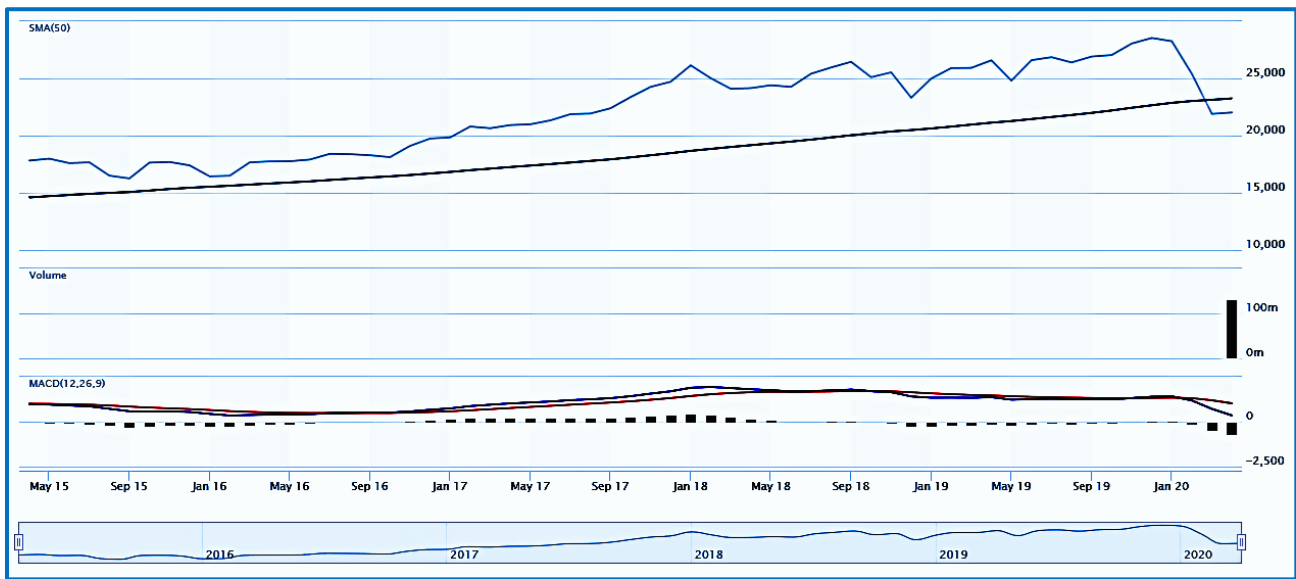
As saying that the world was at the time (as indeed also today) in deflation, that is, fully inside the worst stage of the sub-world, and anyway the storm of super-speculation troubled the world for a few years until the 2007 explosion. The past must or at least should be our guide for the future, yet the danger of a repetition of that experience continues to be somehow present in our scenario. Figure 1 shows the graph of Dow Jones, the largest American stock exchange, at the lockdown time extended globally to contain the COVID-19 contagion. It's quite evident that, despite the almost total block of activities ordered by governments for health reasons in spring 2020, the New York Stock Exchange reached a new high, regardless of the simultaneous GDP loss, not only in the USA but all over the world (International Labour Organization, 2021; World Bank, 2021). How to explain this dichotomy between the stock market run and the global GDP fall, if not with reference to a state of splitting and fragmentation within the communities, with the usual advantaged minority that tended to maximize profits, while the majority - especially the most disadvantaged social classes - was struggling with the daily shopping.

Speculation is essentially a sort of indication of community fragmentation, especially when struggling with an extended phase of deflation. Unlike the scenario of great compactness and solidarity as in the case of linear growth with minimal damage to nature, the fragmentation of positions within a community represents nothing more than the social implications caused by severe economic instability. With the hyper-speculation that affected the global economy in the second half of the first decade, a large part of the community turned towards speculation, in the false hope that the value progression could continue without end.

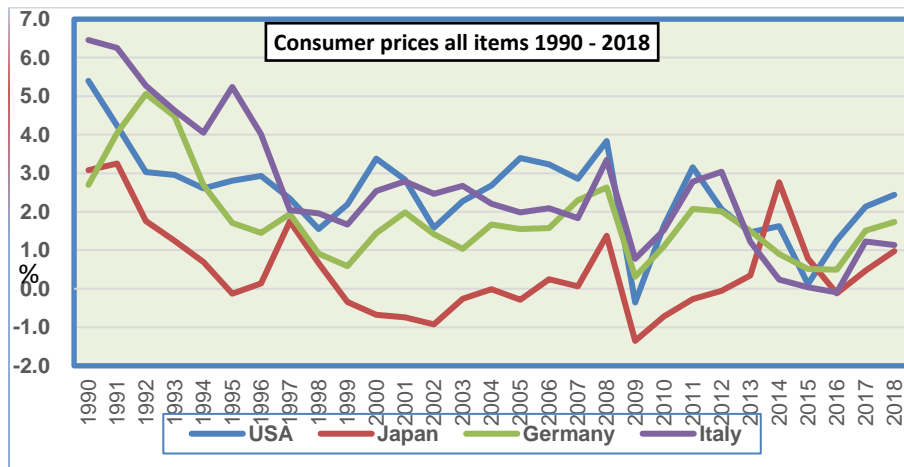
This alteration of the community, which is fragmented and attracted to the asset values and not to the trend of the real economy, is not an exceptional fact indeed. In fact, it can occur whenever the extended deflation of prices and the availability of low-cost credit create favorable conditions for speculative excitement. As was happening in 2020 spring, when the stock exchanges and assets began to run, despite the general economic



weakness. Let's not forget that deflation is a message addressed to the community to request a development pause, to eliminate the excess waste produced in the environment by our presence on the planet.



**Figure 1.** Trend of Dow Jones Industrial Average from May 2015 to January 2020 (Source: financial information on MarketWatch website)



**Figure 2.** Consumer prices 1990 - 2018 in USA, Japan, Germany, and Italy (Source: Elaboration on OECD data)

Therefore, it's a question of not giving up and accepting the possible recession that is forming, in short words it's simply laissez-faire. That is, the good government must listen to the guidelines coming from the community and its economic policy should support, whenever possible and appropriate, the falling income, especially for families who have lost their jobs and wages. In these conditions, trying to oppose the natural process of pause and involution of the conjuncture cycle may be wrong. Not only. Because the monetary policy

seen as a function supporting the economic cycle can concretely become a sort of endorsement and incentive for the deployment of speculation. In the case of deflation, in fact, monetary policy tends to maneuver the interest rates according to the price fall. The cost of money, therefore, follows a trend inspired by the declining nominal prices, on the assumption of compensating in this way the economic deterioration. A maneuver that essentially moves to mitigate the declining trend of the economy. This trend is somewhat in contrast with the natural movement towards decline, where we can usually see mixed together the action of natural pause and the conjuncture anomalies, accentuated by the fall into the instability sub-world.

The phenomenon of dissociation between the real economy and finance can be repeated if the basic scenario on which the financial values are excited is made more effervescent due to the orientation divergence between the government and its community. It should be added that, in the context of a sub-world in deflation, a financial policy that takes the place of the economic policy tries to revive the weak economy by maintaining the cost of money very low, or even zero. Already in the 2020 spring, the relaunch of the stock exchanges and assets, unrelated to the real economy, which was struggling with the lockdown, could have degenerated, thus disarticulating the increasing values of stock exchanges from the real economy affected by a serious decline. Until the explosion of a new unexpected financial crisis, after the sanitary lockdown. That degeneration didn't happen, because the exceptional anomaly between financial values in sharp rise and collapsed GDP due to the global lockdown, didn't polarize the market for the excessive risk associated with the collapse of the real economy.

As saying that the risk of a new very serious financial crisis is always lying in wait and ready for a new relaunch if the premises in the sub-world are still combined. Ergo, the possibility that the market could lose its real risk perception due to speculation, must be avoided: also, because once inside the self-fueled speculation circuit, there is no way out but only the final catastrophe.

### **3. The relationship between interest rates, economic stability, and environmental adaptability**

The fundamental way for avoiding a new fall into a speculative crisis is certainly going out of the subworld in order to return to linear growth, which offers a potential that cannot be overcome in terms of development. But not only, because it also creates the conditions for a more equitable distribution of income and wealth within the community. Apart from the hypothesis of substantial equality of resources among the members of the community, which is a hypothesis that doesn't fit with the capitalist economy, greater equity is an essential tool for good government to attract the greatest consensus. And thus, avoiding that the community is divided into many fragments with different goals and projects. This fragmented condition favors individualism to the detriment of solidarity and consistency in the majority. Therefore, being a good government also means a more equitable wealth and income distribution, while a fragmented community is the symptom of the group's inclination towards its own interest and, finally, towards speculation that directs earnings in favor of the wealthy categories.

The speculation issue becomes central because it causes serious social problems due to the consequent income discontinuity. One fact seems certain, however: speculation finds the favorable climate for the formation of an army of speculators when a deflationary climate and severe economic instability prevail. In this case, the monetary policy seems to follow, by reversing its position, the scheme that resulted successful in



the inflation case. To defeat inflation, the Federal Reserve raised interest rates well above the US inflation rate. After a two-year recession, inflation fell sharply to 5% and then dropped to 2% for at least twenty years. Therefore, the main Central Banks decided to reduce interest rates even beyond the decline suffered by prices. Again, deflation is a natural message informing the community that things in the economy are going bad and that the economic system needs a break to absorb the waste excesses produced by human activities. Therefore, the economic system's natural trend goes towards a recession, in an attempt to rediscover the linear development path in order to cause minimal damage to the environment.

The choice to follow the downward price trend by gradually decreasing the cost of money seems to go in a direction opposite to the natural orientation, especially if the cost of money is reduced to zero (or worse, below zero). This creates a favorable condition for speculation, which uses the low cost of money to fuel speculative excitement. A condition that can become a sort of roulette but just to raise the game stakes, without any connection to the real values. This is not to say that the fall of interest rates, in the deflation case, is a wrong operation. What I want to say is that a climate favorable to speculation is inevitably formed when the cost of money approaches zero or even falls below zero. A condition of the low or very low cost of money apparently does not favor the real economy but is instead a *sine qua non* to favor speculative activity.

On the subject of the cost of money, which falls until zero in the unfounded and unreal hope of dragging up the economic cycle, it should be added that there must be an implicit relationship between this variable (i.e., interest rate) and the value close to 2% used by Central Banks as an indicator of healthy and profitable management. The price system close to 2% is to be considered a universal constant, just like all other constants of physics and matter in the universe. It wouldn't be a value currently measurable because it's rather to be considered the value assumed by the price system when we will finally reach a full integration and complete neutrality with the natural world around us. That is, without leaving any kind of waste which are very difficult to be eliminated and made neutral by nature with its slow natural evolution. A stage unfortunately unattainable for now, and which can be conquered by humankind only through continuous research and scientific advancements.

Well, we must admit that there is a relationship between the constant value close to 2% and the development rate of an economy that follows a linear path with minimal damage to the environment. A relationship that sees an almost coincidence of values between the constant value close to 2% and the linear development rate of an economy, which we can place around 2.5%. An almost magical relationship that allows us to identify the path that only brings us closer to the goal of total integration and neutrality with nature, without residual waste. Obviously, the development models that fall into the trap of the economic cycle and monetary anomalies not only undermine the development pace but also unfortunately take us away from our goal as humankind, that is, from the full human adaptability to the slow evolution of the natural system.

All this to say that the constant number close to 2% is a non-value, in the sense that the condition of full and complete adaptability of humanity to the natural world implies that finally, the price system is completely stable and immutable: that is, no more affected by variations as happens in the present logic. Therefore, given the absolute invariability of the constant value at the stage of full adaptability to the natural environment, at this point, we must ask ourselves why this constant is not zero. We can guess that the value close to 2%, given the immutability of price values, is merely reporting the 'background noise' of the ever-moving economic system.

With this clarification, we can argue that the interval between zero and the number close to 2% is always and in any case the value corresponding to the 'background noise' of the system's activity and therefore a non-number, that is, an interval that we can consider as a zero value. Thus, it wouldn't be appropriate to make interest rates assume a value between zero and 2% when also the price fall, in a deflationary context, takes values comprised in this range. For the simple reason that, when talking of interest rates, that value interval should be considered equal to zero.

Now, returning to the subject of the cost of money, we must admit that there is a minimum value of the cost of money, in a scenario of extended deflation, which corresponds to 2%, that is, equal to the constant and universal number. A minimum value, therefore, because a further fall in the interest rate scale would essentially mean equalizing this value to zero. In fact, in the interval from zero to 2%, that is, to the universal constant value, there is only the 'background noise' of economic activity that never stops as we all know. Let's consider that in the subworld the constant value can be altered in relation to monetary anomalies. In the sense that inflation alters the absolute values of price stability and therefore also of background noise, which therefore both expand following a constant acceleration. An acceleration which in turn could be driven by some impulse hidden among the (unknown) values of the universal constant. Likewise, the universal constant undergoes a decrease deriving from the alteration or imbalance affecting the economy in case of deflation (Cossiga, 2018a, 2018b).

Back to our topic of interest rates, it must be admitted that if monetary policy decides to follow or even anticipate the price fall in the deflation scenario, in any case, the dropping rates shouldn't fall below 2%. In fact, if the rates are set in a range between zero and 2%, the effects of this decline could be equivalent to resetting the interest rates to zero. Precisely because that interval doesn't correspond to any real value but defines the background noise of the economic system and is interpreted as a minimum cost, then actually close to zero. In other words, when the cost of money approaches minimum values and falls below 2%, in a deflationary context there is a tension that can start a speculative excitement. And not only, because there will be also an acceleration of the dissociation between a weak economy and the excited financial market.

#### **4. Speculation's dangers to solidarity-based economies: lessons from inflation and monetary policy**

Paradoxically, the warning signal for the damage that speculation can cause to the real economy was given by inflation, which re-emerged after the time of hard deflation. Yes, because as the "Capitoline geese" gave the warning to ancient Romans threatened by the invading barbarians, today we are witnessing the "inflation geese" that gave the wake-up call to Central Banks. In other words, the Central Banks, under the pressure of rising costs due to inflation, have increased the cost of money. The Federal Reserve in the summer months raised interest rates from previous values close to zero, to raise the target range for the federal funds rate to 3 to 3-1/4 percent. The ECB moved in the same way and in turn decided to increase the reference rates, although with less force than the FED, due to the war in Europe.

It must be said in this regard that the alarm for inflation is improper because we are facing a rise imposed by the prices of raw materials. In particular, the price of gas has more than tripled under the impulse of speculation that is using the war as an excuse for the gas price increases. Saying that at least we don't have the accelerated development of the inflationary wave of prices, but rather the result, especially in our daily

spending, of the constantly increasing cost of gas, which affects most primary goods. It wouldn't, therefore, be a question of an inflation resumption, after forty years from its eradication, but rather an effect of the bulky cost of gas transferred over the prices of daily goods.

In any case, whatever the reason, it's interesting to underline that speculation is affecting a vast area of communities with precarious subsistence means. That is, the speculative activity is creating a huge transfer of wealth and income from the community in general, but especially from its poorest part to the benefit of groups who are little interested in the collective good. The danger of the continuous unequal distribution of income and wealth to the detriment of the poorest part of society is a fearful factor of disunity inside the community and therefore a reason for the fragmentation of opinions. We have said that a good government must listen to the opinions of the community on essential issues in order to choose the right way to maintain or return to the classic development way, that is linear growth. Now, it's evident that the social troubles created by the dissociation between economy and finance are not the ideal companions for a good government, but they have the merit of bringing to light its failings due to the different expressions of a community fragmented and without a stable majority.

It must therefore be established immediately that speculation does not comply with the market rules, but rather subverts its balance. Monetary policy must therefore intervene to ensure that the credit capacity configured by Central Banks with the setting of interest rates, is primarily destined to the economy and not to the speculative game. It's, therefore, necessary to decide that the surcharges earned by speculating on international prices are subject to extraordinary taxation that at least partially would absorb the super-gains made. But it's still not enough. Because the speculation problem is a curse that is reproduced also in the sub-world. A deterioration of the economic environment has reached a negative point, that is, the opposite of classic development and good economic governance.

The deterioration is somehow ambiguous because the economy seems only indirectly affected by the increasing prices of the goods attacked by speculation: it remains weak but not recessive, so creating the illusion that speculative strength is just a component of the economy. It's one of its components, in fact, but it has gone crazy. Moreover, the tightening of monetary policy to counteract the run of prices should be considered responsible for the adverse situation that is depressing the real economy, while the economic cycle reversal is part of the necessary treatment to try to emerge from the sub-world and its ambiguous irregularities.

In this regard, it's useful to recall that after the light tightening of monetary policy made by the Fed, the specialized press has estimated possible second thoughts of the US Central Bank for 2023. And in particular, it is a decrease in interest rates in early 2023. The reason is a possible mini-recession in the first months of 2023, due to the increase of interest rates. But thus, the natural objective in case of deflation is forgotten; that is, a recession is required to restore the balance of the economic system. Furthermore, it's underestimated or considered appropriate the fact that the hard speculation on gas doesn't slow down with the increased cost of money decided by the Fed. On the contrary, the US Central Bank must instead continue in the indicated perspective of a new rate increase in 2023. In fact, the increased cost of money means putting a stop to the arrogance of the speculative game, given the absolute obligation on the part of speculators to repay capital and accumulated interest within the established times.

At this point, it's useful to reflect on the inflation that deeply affects the global economy. The price run is quite surprising because the shocks suffered by international prices have been at least partially hidden in recent times by the price trend to contract due to deflation. Let's remember that during the second half of the

first decade also at the time speculative strength pushed the unexpected rise in oil prices. It was a period of severe deflation in the global economy and the pressure of international prices was affecting, though with limited strength, the everyday activity of markets. At the height of the speculative bubble in 2007 in the USA, that is, at the center of the speculative spiral, inflation stopped at 3.5%, despite the fact that the oil price reached the level of over \$ 105 per barrel.

Let us ask ourselves why in 2007 inflation remains the norm while today it has reached and exceeded 9% in USA and Europe, although with the same phenomenon of increased international prices. The possible and legitimate explanation is that after COVID, the long economic pause during 2021 was followed by a perhaps unexpected rise in the economic cycle. Apart from what may have been the causes for this new positive cycle in the West, anyway, there has been a corresponding attenuation of deflation. The improved economic cycle implies reduced deflation and a possible new scenario in the economy. Now it's evident that the pressure of international prices had an impact on the daily household expenditure, therefore alerting the Central Banks, whose intervention was anyway late.

In the previous history of exuberant speculation during the first decade of 2000, unfortunately, the control on daily prices played, due to deflation, as a narcotic that has somewhat clouded the risk perception not only of common citizens but also of Central Banks. Nevertheless, the current outcry about rising prices has played a factor of warning alarm for the economic and financial policy authorities. Thus, effectively creating a barrier against wild speculation, with the increased cost of money.

All this makes us reflect on the dangers implied by a revival of the dissociation between the weak real economy and the rising stock exchanges and asset values. And this without any reason, other than the breakdown of solidarity and the disintegration of a majority is the only possible guide for good governance. It worked out this time, thanks to the alarm caused by inflation, but we can already see the potential danger that could finally derive from the inflation decline in the USA and Europe.

If we didn't consider the war in Europe, then we could perhaps witness a period of cautious recovery of the economic cycle in 2023 and the following years, as a revival after the long lockdown of economic activity in 2020 and part of 2021. This is to say that in the near future, there is the possibility of a new speculative run with a new financial crisis in sight, especially if monetary policy decides a new (though improbable) interest rate cut in the USA and Europe. And even more, indeed, if the good economic pace could go hand in hand with a deflation stagnation on both sides of the Atlantic.

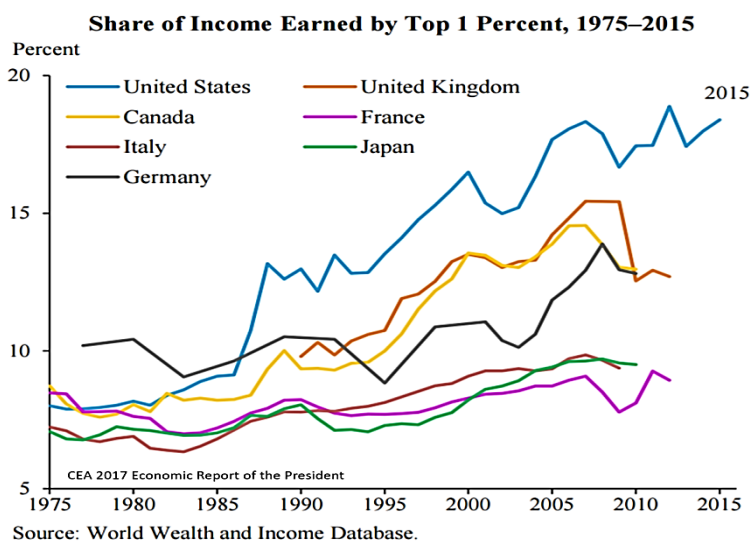
Of course, it is not enough to always argue about the danger of speculation for an economy even if it's moving according to the rules of solidarity and good neighborliness. Because when the "speculation sirens" sing, it means that a substantial part of the community is devoted to the dangerous game of unlimited development of asset values. Thus, yielding to the fallacious appeal of easy gain, instead of using these energies to give strength to the real economy.

Evidently, the return wave of the serious 2008-2010 financial crisis cannot be avoided unless a series of actions is decided at the level of G7 or G10 countries, to reduce the improper advantages accumulated by speculation. Meanwhile, it should be decided, possibly at the UN level, that the super-speculation, which is self-powered, is actually a serious danger for humanity because a serious financial crisis marks a painful decline for a large part of the population and especially for the modest income of less fortunate classes. The resulting social disparities are a source of strong tensions that in any case must be resolved with an economic policy of

public subsidies for the poorest and unemployed social classes. These kinds of decisions may alter the public budgets but are indispensable not only for obvious social reasons but also to recreate healthy social solidarity.

## 5. Addressing wealth and income inequality: measures to consider

The fundamental problem to deal with is the relentlessly growing imbalance of wealth and income within communities, without geographical or temporal distinctions. Humankind has always been grappling with this unacceptable and unfair inequality. This inequality doesn't decrease but rather increases, to the detriment of the poorest population and middle classes. A pathology, but also a probable requirement and the bitter fruit of the capitalist system. The social condition anyway doesn't improve because the gains on the way to development are attracted to the richest and wealthiest people. It is now essential to block the negative sources of wealth formation, such as speculation, to reduce the massive inheritance transfers between generations, and finally to impose a fiscal rule aimed at devolving to the State part of the wealth exceeding a given amount. These are (politically difficult) measures that, if adopted, should be accepted at least at the level of NATO countries, with the additional clause that any money transfer from one country to another – for unjustified economic, financial, or family reasons – is subject to the same basic taxation imposed on ultra-rich.



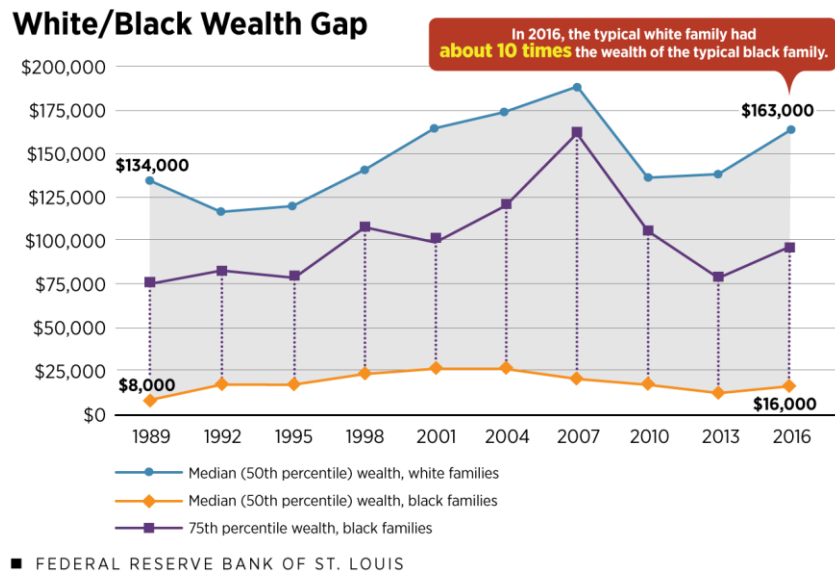
**Figure 3.** Share of Income Earned by Top 1 Percent, 1975 - 2015

The sums collected by each state through the special taxation imposed on the wealth of the super-rich must be used exclusively to finance a survival income for the poorest families without a job. Thus, the economic policy is called to intervene and mitigate the troubles caused by the wealth and income accumulation concentrated at the top of the social ladder. A phenomenon that must be continuously checked for the inextinguishable selfishness of humankind, and this control should start with market regulation in order to limit the speculative pressure and the negative, illogical desire for endless riches.

The justification for this levy on the assets of great families lies in the assumption that the classical development, linear and with minimal damage to nature, don't admit persevering in the unjust distribution of

income and wealth within the community. For the simple reason that a more equitable distribution allows the coherent solidarity of the various groups because only in this way there will be a real and lasting majority, on which the good government can rely. On the other hand, we shouldn't forget that if and when the goal of total neutrality of our presence on the planet is reached, also the development terms, now limited by the different evolutionary speeds of humankind and nature, will change. In the sense that the development possibilities offered by research, study, and scientific development will be able to accelerate, with evident benefits in terms of well-being and availability of any kind of goods. In other words, it is not unlikely that the high value now given to wealth, especially the unlimited wealth of many great families in the world, will gradually lose its attractive appeal, to become just a symbol of the past that will be replaced by the much more satisfying knowledge and understanding of the vast world in which we live.

In addition, we have to keep in mind that the unjust and unnatural distribution of income and wealth is a symptom - this too - that we are not following the most direct route to achieve the goal of total neutrality with nature. That is, the unfair and unequal wealth distribution not only moves away the social peace but also extends the time needed for the essential objective of full neutrality of our life activities with the environment. Unfortunately, the positions of politics seem to be inevitably attracted to the conservative attitude expressed by the most favored classes that obviously are interested in maintaining their positions of privilege for a long time, in a short-sighted and illogical vision of human destiny and its potential evolution. In this conservative position, the highest classes are certainly helped by the wealth distribution unbalanced in their favor, thus shattering the potential solidarity of the communities and breaking the policy coherence in pursuing the only sure way - albeit difficult - to reach the optimal relationship with nature.



**Figure 4.** White and Black Wealth Gap. 1989 – 2016 – Federal Reserve of St. Louis (Source: Federal Reserve Bank of St. Louis)

Figure 4 shows the wealth difference between white and black families in the USA. Another sign of the discrimination suffered by the black community is always in terms of comfort and solidarity (Shapiro et al., 2013). "In medio stat virtus" and in fact we can see in the graph that the median percentages highlight not only



the great detachment separating the two-family groups in the USA but also the improbability that such a distorted structure of social well-being can be of any utility to start a balanced development of society (Collins and Margo, 2004). Therefore, without a correct and equitable ratio in the possession of resources, we cannot hope to have good governance and a balanced and supportive development of communities (Oliver and Shapiro, 2006; Gittleman and Wolff, 2004).

Let me repeat that the goal is to have a good government that works hard to contain the fragmentation of community into heterogeneous groups and then to recompose a healthy majority that gives the right credit to the goal of reducing disparities of any kind inside the society. A target that can be approved by a majority but that will face anyway the unrealistic dissent of the small group that possesses huge wealth. Nevertheless, this minority group has a much greater and more powerful political weight than the effective number of its members, because what matters is the money owned. Et voilà that's why in a mature democracy, such as in many European countries and in the USA, a compact and determined majority with full confidence in the feasibility of the goal of a more equitable redistribution of resources, can support the good government in carrying out this fundamental target. It goes without saying that a good government should move on the wake of good old economic common sense and avoid the negative and false relationship with masses of money left unused (then useless) and gathering dust.

A good government must be deaf to the money power and should have some fundamental objectives to pursue which must be established in a framework law, adopted by the US Congress and by the Parliaments of all democratic states. Obviously, these are objectives to be achieved gradually and based on the resources available for this social recovery action. In this regard, it is quite evident that the abnormal disparity in wealth and income possession has opened new frontiers, where instead any disparity must be reduced and made as much as possible acceptable by the whole community. In Great Britain, for example, the scions of the best English society are enrolled in the best colleges, such as Oxford and Cambridge, and are then already titled as the future ruling class of their country (and not only). This obviousness must be now overcome, and certainly not just to deny this established practice which seems to be unavoidable in the aristocratic world and in the upper class. But rather to give the children of the lower classes the economic and social possibility to continue their study courses up to the Matura diploma or the certificate of professional institutes. In short, attending study courses up to access to universities should become compulsory. The assessment of the real potential of youth should allow young people to undertake any desired course of study without the concern for poor families about having to provide for their student children during the more or less extended university periods.

It isn't just a question of allowing all young people to follow their vocation and putting everyone on the same starting line in order to reach leadership and management positions in the public and private fields: by the way, as it's impossible and useless to have an army of only generals, in the same way, it's impossible and useless to have a society of only managers and leaders... Nevertheless, having the same starting opportunities is an important objective but still partial regarding the real mission that the new generations must face. In fact, the absolute importance of science and research is now emerging as the future challenge that young people will face. A deep, substantial change in the society's values is underway, although it isn't yet fully felt. From the money to be accumulated relentlessly (I remember the old story of a man who had accumulated a large number of goods in his granaries: "Now I can finally allow myself a great and carefree life", he thought... But sister Death had another destiny for him) there is the passage to the increased importance of knowledge to be accumulated as a primary goal for everyone, young and old. This is an epochal transition linked to the importance that

science and research extended to all fields of knowledge are assumed in the minds of most people. And this is happening not for questionable political positions. but much more concretely for reasons on which the very presence of humankind within creation is actually founded. That is, the deep knowledge of Mother Nature is definitely of primary importance, thus based on the generalized knowledge and research we can finally be able to reach the ideal stage of a full and real neutrality of our presence in the environment.

A potential freedom stage, which once reached can open new horizons towards development and knowledge for the whole of humankind. To achieve this goal, however, is required that the generations entrusted with this task of a new sustainable development do not neglect their mind with its potential, but certainly not seek an easy profit through the gains offered by the extreme competition on the capital markets.

## **6. A good government's fundamental program for achieving widespread collective consensus**

Therefore, the new generations must be ready to face future challenges which mainly concern knowledge and research development. This fact leads however to a number of other problems concerning meanwhile the older persons. So, when we talk about older people we shouldn't only think of useless people. but instead of a really active social group formed by persons who should never stop pursuing (and they don't want it, by the way), in the long course of their life, the interior knowledge and the continuous discovery of the world. Therefore, not a group of pensioners without passions and goals but instead a large and peaceful army formed by men and women who can attend universities for the third age, deepen and broaden their knowledge fields, in short, give their contribution by using what experience and research can offer at any age. The parameters of the relative uselessness of older people and their rich knowledge are linked to the world of manual skills that is (unfortunately, let me say) rapidly waning with the advent of the machine and robot civilization.

Now the skilled laborers and craftsmen have somewhat lost importance, nevertheless, those men and women do not stop their activity with the passage of time but continue a satisfying working activity so they don't lose the creative qualities that every human being possesses, and which must be cultivated throughout life, even if from different perspectives due to technological advances. Therefore, not only a life of grandparents just able to help the younger generations to grow and look towards the future, but also a large and vital community that follows and cultivates the most varied and rewarding activities, and continues the endless work that sees scientists and experts continuously writing on the infinite book of knowledge. These are certainly not entirely new concepts, since Marcus Tullius Cicero (106-43 BC) already wrote about them in *De Senectute* stating that we should know that it is not true that during older age we cannot practice activities, since in reality many functions can be carried out with the "simple" aid of thought (Cicero, 2003). And in fact in this regard, he cites himself and also Appius Claudius and Scipio Aemilianus who politically collaborated a lot with the Roman Senate. Then an interlocutor, Cato, intervenes regarding the memory loss typical of advanced age, arguing that this appears worse in those who do not engage in some industrious activity: when he was already old, Themistocles knew all the names of the inhabitants of his city and also Sophocles wrote and even performed an entire tragedy at a venerable age (Cicero, 2003).

Recent research has also supported the idea that older individuals can continue to engage in meaningful activities and cultivate their creative qualities throughout life, despite physical limitations. For example, studies on neuroplasticity have shown that the brain has the ability to adapt and change in response to new experiences and learning opportunities, even in older age (Park and Bischof, 2013). Similarly, the theory of

socioemotional selectivity suggests that as people age, they become more focused on pursuing meaningful goals and activities that are important to them (Carstensen et al., 1999). Finally, research on deliberate practice has shown that older individuals can continue to develop and improve their skills in various domains, such as music performance (Krampe and Ericsson, 1996).

Let us also recall the words of Pope Francis about old age: "this last age of life is a time of grace," therefore it is an opportune time for growth, even if the body becomes frail (Pope Francis, 2014). Most of the elderly, men or women, usually reach the so-called third age after a more or less long period of work and with some savings in addition to their pension payments. They can therefore have a dignified and profitable life often devoting themselves to improving those same activities for which they have a long experience and of which they can obviously provide a valid expertise. Moreover, they can use a long time available to deepen many study subjects, or even attempt to complete some research they had only started (Baltes and Smith, 2003; Willis and Schaie, 2006). And it is in order not to waste their precious time that elderly teachers, scientists, and professionals in different areas of activity always do their work without any impulse other than their professional integrity (Stoller, 2013). And finally, last but not least, no man or woman should feel dispensed from doing their part in all duties within the family, especially when it's a large family (Dillaway and Byrnes, 2009).

Once again, last but not least, there is the eternal and unsolved question of gender equality in the world of work, whether in offices or factories, which brings with it a whole series of problems that remain unresolved or have only been partially addressed, with only some of them finally being solved. Only one thing appears certain. If in the Western world, the practice of equality between men and women is carried out with determination and some results, the effects of that equality would positively work also in the most backward countries. We are faced with behaviors that were born in the distant past when pure physical strength made the difference. It is certainly quite singular that these inequality behaviors survive even today when technology, science, and research are now of primary importance and the reasons justifying the dominance of brute force are replaced by the reasons that support the preferred use of the intellect. Against the crimes perpetrated on women, the solution lies in the equality exercised towards children of both sexes, throughout the entire path that leads from school and university to the world of work and this egalitarian change should touch also all the activities in every sector of science and research. Likewise, raising their children and managing the family life should be a pleasant though demanding task for both spouses, but of course, the help of society and school should never be lacking.

After these considerations, we can say that the task of a society is not that of assimilating and equalizing the destiny of everybody, but rather to find a possible balance between the inevitable differences within diverse social groups and the social acceptance of these differences. In other words, a mediation between inequality and social acceptance of the various declinations made by census, wealth, or other. The whole society should offer a compensation model for the community divided by classes, making the due actions when and where the differences become unsustainable. I'm talking about the school open to everybody up to the university level with financial aid for families with fewer resources. Moreover, I'm talking about services dedicated to the elderly and others designed for women to facilitate the full expression of their personality in the world of work but especially in the scientific field. And again, I'm talking about the cooperation required of families who possess wealth and income beyond the imaginable (at least for our normal imagination), to return at least the surplus of their immense resources to society. All this is needed to make it possible to balance the social life

that has been troubled by alterations in the development cycles, which have finally fallen into the so-called sub-world. The permanence in the sub-world is a condition responsible for the unequal income and wealth distribution in favor of the privileged categories and therefore to the detriment also of the community majority.

It is certainly a program very difficult to achieve. In fact, it cannot be limited to a single social group but must be extended to a wide range. It isn't just a question of giving back to the less fortunate what was due to them if they had been in a more balanced development scenario, thus doing simply justice work. The real problem, in fact, is to reduce the friction caused by differences that have become macroscopic, not just within a community but between all communities. Therefore, the first objective is to eliminate or reduce the tensions between neighboring or non-neighboring States, which move pushed by misunderstood reasons of prestige but more concretely for implicit economic reasons. Motivations can be deactivated if the communities try to reach internal appeasement between the social classes, which is the best hope for the achievement of full solidarity and goodwill between the various communities and between all peoples.

This is even more true when we consider the tendency towards aggregation among people, which unfortunately has often been achieved through force and subjugation, as was done during ancient Roman times. We can unequivocally demonstrate that such unions of people can often give rise to civilizations characterized by development and well-being (Fagan, 2017; Diamond, 1997). Especially if the union is accepted by choice of the people themselves, as the great democracy of the United States of America demonstrates. Also, President Jefferson wrote about the explicit pressure of the new nation to extend its territory, but through agreements and plebiscites or even purchases (e.g., the so-called "Alaska Purchase", 1,518,800 km<sup>2</sup> purchased from the Russian Empire in 1867 for \$7.2 million dollars equivalent to \$140 million in 2021 dollars).

*"...We believe we are acting under obligations that are not restricted to the limits of our society. It is impossible not to be aware that we are acting for all humanity, that circumstances denied to others, but granted to us, have imposed on us the duty to demonstrate what is the degree of freedom and self-government in which a civilization can risk leaving its individual members."*  
[Thomas Jefferson, 1823];

*"...We can only foreshadow the period, not far away, in which the American empire will include millions of souls, west of the Mississippi"* [Jedidiah Morse, 1792] (Gordon, 2016).

## **7. Promoting solidarity and empathy: priorities for good governance**

So, the freedom principles are a sort of glue unifying people. Now, there is no doubt that freedom is the cement unifying different communities provided, however, that development follows as much as possible the classic linearity with minimal damage to nature, which allows our survival. Nevertheless, the development lines of people throughout history have been different and distant from the rule of linear and constant growth. Therefore, there have been anomalies, contrasts, and fragmentations that now, in our present times, need to be closed, solved, or recomposed starting with those that have altered the equitable and fair distribution of well-being, due to the economy fallen in the altered subworld pervaded by inequalities and selfishness.

Therefore, the following fundamental rules should be made mandatory by means of a specific basic law:

- Mitigating the income differences between the upper classes and the popular classes, currently massively present, with public intervention in favor of families without adequate income and without a job (Piketty, 2013).
- Financing the public funds in support of poverty through a levy (not necessarily compulsory) on assets that exceed a given (very high) amount. To the owners of great wealth who contribute with a certain liberality, some benefits could be granted in tax terms (e.g., on annual income); for large companies and asset owners could be provided extended publicity on their liberal contribution to the revenue, or possibly the cancellation - within the limit of 20% of paid sums - of unpaid tax debts, etc. Nevertheless, there will be the possibility of forced withdrawals for those who are unwilling to liberally pay any share (Raworth, 2017).
- Eliminating the legal limits on late retirement and creating initiatives aimed at encouraging an active life of the elderly with universities for the third age, favoring their collaboration in the field of research, etc.
- Promoting compulsory education for boys and girls up to High School diplomas and supporting university studies to help those young men and women who show a good propensity for study and research. To favor that worthy youth funding from Foundations and Companies of scholarships must be promoted, as also prizes for the most willing and talented young people to help them continue their university studies (Sen, 2009; UNDP, 2021b).
- Promoting equality between men and women in all circumstances of life, such as work, study, research, cooperation, etc. (UNDP, 2021b).

This basic law establishes the fundamental principles to be followed in order to promote in the shortest possible time and with commitment the objectives indicated to mitigate the excessive inequalities in the social sphere. Due to the necessary flexibility in the action plan, the basic law delegates to the government the organizational regulation of services, relations with the community, budget availability, etc. except to report to Parliament on the administrative activity and on the basic law implementation progress.

The good government, therefore, must promote with energy and commitment the essential objectives of its activity, that is all the above-mentioned preconditions allowing the creation of a solidarity and empathy climate within the community. These prerequisites, in fact, make it possible to become a good government inspired by the community's consensus and by the right collaboration with citizens, in order to achieve and then maintain the path of linear development with minimal damage to the environment.

In the end, it's simply about implementing in its universal and essential purpose the content of Article 3 of the Italian Constitution, which is essentially reproduced also in the Constitutions of most democratic countries.

Given these premises, the attention of governments should focus, as a prevailing commitment, on the ways and resources needed to implement the points above mentioned in the shortest possible time, but always within the context of necessary planning and gradualness. In the quite evident assumption that these priorities have the purpose of coordinating and making coherent the community's wishes, to be able to give the government policy the right direction in order to have a widespread consensus.

At this point, it seems useful for the government President to have full control over the coordination of the planning process of these preparatory affairs. Moreover, according to this line, it seems appropriate that all the specific functions should be entrusted to a ministry or a group of ministries coordinated in their action plan. For the streamlining and management of the objectives indicated by the basic law, it's essential that the



executive activity can have agile tools to organize and manage the centralized activity in relation to the needs of the community. For this purpose, the basic law should delegate to the government to enact the laws and rules needed on the various subjects: - organizing the services; - managing the relationship with the community; - arranging the rules to speed up the hiring of personnel specialized in the various fields; - defining the spending plan to support families, elderly, to improve equality and so on.

In this regard, the President will periodically report to Congress and/or Parliament on the progress of the actions underway for the implementation of basic law. Obviously, if deficit financing is requested for the correct application of the decision points, the proposal will be sent to the Parliament according to the principle of "no taxation without representation".

The figure called to carry out the functions of the President of Ministers should be chosen among experts of clear reputation and experience in the field of activities within the public and private sectors, even without any direct experience in politics. On the other hand, the activity in the political and institutional world should be considered temporary and anyway, it's possible the return to the original non-State activities in the world of work, companies, universities, and high studies. So, it follows that should be inadmissible for leaders of political parties without any of these requirements, to be called not only to manage a government but also to be part of the Parliament.

We are entering an era in which technology, science, and research are the main players along the development road. Therefore, we can define it as outdated as well as illogical and useless and people without any high scientific and technological skills can propose their candidacy for government positions or even as a member of Parliament. And therefore, that's why, for obvious reasons of social justice, all members of a community, regardless of their age or sex, must be given the opportunity to initiate and continue studies and any kind of research. Nevertheless, while this cultural openness can appear obvious for young people, it should indeed include also the underestimated resource of the elderly.

All this in the name of a human reality that is moving towards the full and total neutrality of human existence on the planet, and which must focus then on expertise and great culture, in order to achieve that goal and even beyond. These concepts are widely disseminated and shared, however, they didn't find yet a full implementation as basic principles of the common civil life. Indeed, it would be a serious social lack if those who didn't have the possibility to attend regular study courses are excluded from important positions. And likewise, it would be a grave injustice if women, because of their dedication to family and childcare, were excluded from top positions and public responsibilities.

It is therefore a priority to resolve the anomalies that a distorted development is causing within the communities, on the good assumption that the transmission of these simple but advanced ideas - at least within the great democracies of the world - can be a strong and insuperable wall against those desires, which unfortunately seem implicit inside the humankind. That is, they want to endlessly expand and extend beyond the horizon of the original territory, without realizing that also the horizons of other people deserve to be respected. As Thomas Jefferson said: "We have a duty to demonstrate the degree of freedom and self-government in which a civilization can risk leaving its individual members" (Jefferson, 1787). As saying that under the freedom flag and its prerogatives (mentioned above as priority objectives), it can happen that the communities ally and eventually even unite without resorting to conflict but based on common and shared values (Huntington, 1996; Fukuyama, 1992).



The thesis that we can support is that good governance should have the priority task of implementing the programmatic points established by law: that is, as we have said, promoting greater equity in the wealth and income distribution among the population; supporting the elderly to promote their active collaboration inside the society throughout their life; promoting the compulsory schooling for young people up to the High School and supporting meanwhile their willing to continue higher level studies; promoting true equality between men and women in all social and cultural areas. And so on. Thus, not only will useless and specious disputes on the political, social, and cultural levels be put aside, but also will be established by law a corpus of social rules that over time will become a cultural heritage of the communities; social rules that seem able in their simplicity and compactness to indicate the right path to take and follow, possibly with the widest sharing in order to increase solidarity and mutual understanding between the different social classes.

However, the wealth differences that have accompanied humanity throughout its history will not be eliminated, but from the perspective of human neutrality towards nature, they will probably lose at least part of their importance. Wealth is in fact a way of standing out and appearing within a society, just as a strong sign of ability and ingenuity. But let's not forget that the ability to stand out and excel in the future will more and more depend on cultural skills and ingenuity and less and less on the amount of accumulated money. Meanwhile, we can approach this future era, which is not as distant as it seems, with some strategies to reduce the social conflicts that are ultimately the cause of conflicts between near and far nations.

We shouldn't forget that there currently are great differences in the degree of civilization and well-being existing between the different continents, especially regarding culture and science but also the relative wealth gap: also, all these alterations over time are going to decrease with the gradual reduction of level differences between peoples and continents and not only in the economic field. With the gradual reduction of the current differences still existing between Asia and other more advanced nations, the so-called "Thucydides' Trap" (expression created by Graham T. Allison, professor at the John F. Kennedy School of Government, Harvard) could come into play (Allison, 2017). Even before the Roman greatness, the long fight (Peloponnesian war 431-404 BC) between Sparta and Athens to obtain supremacy in the Aegean Sea and the whole Mediterranean finally led to the decline of the rich and refined Athenian civilization (Mearsheimer, 2014). In our days, a large country which has grown a lot in power and wealth (China) wants now new space and authority in the international community and is then confronted with the hegemonic nation (the United States): this for now bloodless confrontation between giants could bring back the fighting shadows of ancient Greek civilizations (Huntington, 1996). How to avoid the danger that the dispute becomes a real conflict?

Obviously, the recipe remains the same, which means entrusting communities and their majorities with the task of managing relations between states and rejecting all hypotheses to resolve any disputes through war conflicts. And this should avoid falling back into the Thucydides Trap. Moreover, it shouldn't be forgotten that this peacekeeping work must be done backwards. In the sense that in order to achieve solidarity and cohesion within the community, the good government must necessarily engage in promoting in advance, within the availability limits, the five points: attenuating income differences, promoting equality between men and women, considering elderly people as a precious resource, supporting young people in their studies also beyond High School level, and last but not least encouraging the financial cooperation of the privileged classes to support together with the State the most disadvantaged parts of the community. I said backwards, because the wealth and income concentration, the elderly "without history", the young people unemployed and without prospects, undervalued or in any case underpaid women, all these are distortions and anomalies which all have

their roots in the growing gap between the classical and linear development with the least damage to nature, and the long stay of economic systems in the subworld pervaded by alterations. It is therefore a priority to attenuate these asperities (just to put it mildly) between social classes, which can also be the implicit engine of non-supportive relationships between communities and finally a possible cause of even very serious conflicts.

Well, placing these preliminary positive norms in the Western world can simply be a way to accelerate a process that is already somehow underway, albeit with some problematic delay, in the sector of solidarity in favor of poor and unemployed families. The same process can be observed in other areas, from the jobless youth to the neglected elderly, to the women still waiting for full equality. It's therefore not a question of the same starting point for everybody, of arguing about strange things and reasons completely unrelated and unknown to society. On the contrary, it's simply a question of deepening with tireless patience and severe commitment a package of positions that already convince a large part of our society across the board.

Of course, the problems are quite different when we turn our reasoning toward China and the Middle East. Regarding China, the big difference from the countries with advanced democracy consists in the choice of the leaders of the various State institutions: in the Land of the Dragon, they are co-opted inside the party headquarters at local and central levels. I must admit that I do not believe that the long history of Chinese people that went through absolutist empires and autarchic governments, can be the reason for the complete diversity of this large community from the Western area. At least regarding the relationship of the Chinese people as an intermediary of nature, there cannot be any differences. As we said, in the economic field the relationship between individuals and nature always concerns the implicit and explicit communications sent by the natural world in the form of price trends, economic trends, inflation, and deflation. The current great strength of China is linked so far to the continuous high growth of income, knowledge, and research with a tireless pace. An anomaly that is perhaps linked to the long period of frozen development for over a century. Fortuitously, it seems that these 'abstinence' periods do not lead to the loss of development potentials, which are somehow preserved and are therefore a reason for the acceleration of development possibilities (Cossiga, 2022). It must be verified whether the rule "good government = economy in linear development and widespread consensus" can be applied to the Chinese case with development rates at least double compared to the general linear growth. The near future will certainly solve the question.

As we said, the relationship between community and good government can be largely linked to the development pace, and then regarding China to its evolution over the last forty years; a rapid evolution that seems to be able to contain the social malaise deriving from pervasive censorship, imposed prohibition of association, monolithic single party, etc. On the other hand, in the last twenty years the GDP of that great Asian country has grown over 6% per year on average, although even in the experience of that communist country but open to the market, the income differences and inequalities are often abnormal. There is in fact a big difference in the living standard between the cities and the deep China of countryside, there are problems of inequality between men and women, great differences in the education of youth affecting their potential, etc. All this suggests that a decline in the development potential of that now mature country could call into question the same problems that should be the primary achievements of good governance, that is, the wealth and income distribution, the problems regarding women and the elderly, the support for youth without prospects, and so on.

## **8. Conclusion**

Good governance is important for the fate of the economy, not only and not so much for the results that should aim for linear growth with the least damage to nature. But to achieve this high result it's essential to recompose solidarity and convergence of intentions within the community because that's exactly the sine qua non for the necessary unity of purpose. Therefore, to try to recover the classic path of linear development, a government made up of quality and competent members is not enough if the preliminary problems affecting the relationship between the different social classes within the community are not solved first. Without some kind of cooperation between all layers of society, and therefore the collaboration of the whole community, it wouldn't be possible to move the economy from the static situation of the sub-world. That is, from a scenario that pushes individual selfishness against any solidarity tension within the society.

The problem is the relationship between the community and the environment that allows our survival. Therefore, assuming that nature has rules and laws for the economy and also for the relations within the community and between the communities, we must accept that the referent of those rules and laws or natural guidelines in the economic field is always and in any case the community of a certain territory. Moreover, it's a priority that the implicit or explicit messages coming from nature must involve a wide majority in order to be accepted by the whole group. It is therefore essential that the conditions are created to establish and maintain the majority and its relative solidarity. In the sub-world, on the other hand, it's really hard to form a majority, and different groups are instead formed with different interpretations and understandings which can obviously lead to wrong or improper directions.

In any case, generally, individualism, the pursuit of wealth, and deep differences between classes tend to prevail; therefore, we are in the perverse scenario of the sub-world which offers no valid alternatives. Now the problem is to get out of this negative mess that doesn't allow to have a good government and at the same time there cannot be a supportive community that can give its consent to the government. On a theoretical but also practical level, in a sub-world scenario is impossible that things in the economy can go well. For the simple reason that the poor correlation between community and nature prevents the necessary solidarity between the members of the group, but also the establishment of the consensus needed for government stability. On the other hand, if difficulties arise in the institutional relations, the same must be said for the issue of economic stability, which in the sub-world is affected by anomalies such as economic cycle, deflation, or inflation, confused and unbalanced relationships between the real economy and the financial sector and so on.

Therefore, the good governance issue must be addressed on two fronts, because having a good group of administrators in the government is not enough to realign the sinuous path of the altered economy. Moreover, we need to build a broad consensus base, without which we cannot see the unity of purpose in a majority and the correct evaluation made by that majority on the natural direction to be taken in order to find the right path for linear and supportive growth. In short, in the classic world of linear development, we have a coherence between the government and the majority that move both in the same direction. Which in other words simply means that we left, or we are about to leave the sub-world labyrinth and therefore we are ready to rediscover the harmonies of a community that understood the importance of non-altering the slow evolution of the terrestrial environment, our environment.

Otherwise, the coherence linking the government and the majority falls apart in a series of factions and small groups which fail to maintain even the slightest cohesion. Thus, there is a tendency to disrupt the

essential relationship between the good government and the community majority. And this breakup is unfortunately inevitable even in the hypothesis that the government composition made by people of culture, science, and action corresponds to the best intentions and the best choices. This negative mood doesn't remain within a community but unfortunately extends to neighboring communities which are also struggling with the relative internal discords. Thus, inside these different communities, in the attempt to differentiate from the antagonistic coalition some more unscrupulous members of the various groups try to involve their neighbors in the internal diatribe, with unexpected results. Therefore, antagonisms can form between different collectivities, which can offer an unexpected basis for the extremist positions that always circulate in the folds of relations between states and communities. As saying that internal tensions within a community can become tensions between communities and therefore can offer the pretext to a minority that belongs to one or more parties involved, to share the reasons used to lead to a conflict and even to a war conflict. Therefore, if relations between governments are compromised, minorities may emerge in their respective communities who agree to take up arms.

So, the community, which is the life protection stronghold even inside the sub-world and the advocate of the nature with which it shares the responsibility of life on Earth, well, that same community becomes a flagship in favor of the conflict, although still limited to an extremist minority. The community fragmentation into opposing groups could become not only the reason for a potential economic deterioration but also the possible justification taken as a pretext for a war between communities. How else to explain the crowded parades and huge gatherings in favor of the conflict that we experienced in the 1940s? Therefore, the fall into the sub-world can also be the additional cause that favors the autocrats in seeking consensus to start a conflict. Thus, completely overturning the logic of the community, which is otherwise the insuperable wall to oppose the warrior fantasies of populist leaders, rabble-rousers who appeal to distant past fantasies, thus bordering on a sort of anti-history.

A good government is therefore not like a mushroom that grows overnight, but it's rather a whole set of initiatives starting from the solidarity reasons linking a majority to a mutual sharing. We can consider good government as a sort of solidarity bond that doesn't end within its own community but is expressed by example and availability, it extends its positive actions also to neighboring communities. It should be added that there may be deviations so that a government apparently considered good is not good at all. The anomalies always depend on the eternal contrast to the good rule according to which there is an analogy between good government and community majority. Thus, history teaches us that in any case, the rule of good government is always to pursue a linear development with minimal damage to the environment.

But beware, because when the accelerated development of a country is the reason for a coincident economic interest on the part of citizens, the "Thucydides' Trap" can come into play. In other words, accelerated development is often following long periods of blocked economic growth. In this case, there could be a coincidence of interests inside the community of the country that gladly shares the economic successes attributed to the government. Not a good government then (at least in the sense we commonly give to the word 'good'), but according to appearances, it may seem so (in this regard, just see the case of Nazi Germany). In these certainly not isolated cases, there could be a community majority - or at least it seems so - that shares the positions of the government, which uses censorship and the systematic falsification of reality as well as the annihilation of all freedoms to drag that community towards its own tragic positions. As saying that the economic results having their roots in historical events of the past may be interpreted as a signal about the

performance of a good government, where instead the government used those results to deceive the community about the real war purposes pursued by the government (just as it happened on the eve of the Second World War).

Similarly, we are currently witnessing the war in Europe with the invasion of Ukraine made by Putin's Russia with all the set of freedom restrictions, censorship, and the infamous dezinformatsiya. Also in this case, after the fall of the Soviet Empire and the short unsuccessful political parable of Boris Nikolaevič El'cin, there has been a good recovery of the Russian economy. On this basis, the Russian autocrat was able to count on consensus broad enough to allow the imposition of freedom limitations, censorship, media control, and finally war.

At this point, we must be aware that economic strength, especially in the case of an acceleration of the development pace, is not a sufficient indicator to designate a good government. Indeed, it's always possible to fall into the "Thucydides' Trap", today as in the Athens and Sparta times, and then underestimate the neighbors to finally resort to the same 'old good war' in order to expand the territory.

We can identify as good government only the one that pursues linear growth with the least damage to nature. It's the good governance that makes possible the magic of linear growth with a contained inclination (i.e., growth between 2.5% and 3.5%) and of a price system that approaches 2%, or anyway a trend of these two variables never too far from this perimeter. Good governance cannot be a killer of citizens' freedoms and doesn't resort to censorship and systematic lies. And of course, never tries to solve the problems of diplomacy and good neighborliness with the war. It is instead the government that bases its path and direction on the ground of general indications freely coming from the majority of citizens. A fixed and essential point remains the link with the nature around us that must be continuously deepened through all the points indicated above, starting with the more equitable distribution of wealth and income, the compulsory schooling up to the age of 18, the support for the worth of the elderly, in the end, the establishment of a general system of equality for all citizens regardless of their gender, ethnicity, religious belief, etc. A set of objectives that give cohesion and solidarity to the community and therefore strength for its primary purpose as an intermediary of nature. A permanent bond between humanity and nature that forever removes the risks of new conflicts, of new economic colonialism in relation to the countries of recent autonomy in Africa, of autarchic regimes in search of a distant past buried by history (as in the recent case of Russia) and so on.

Ça va sans dire, by reasoning not in terms of democracy or non-democracy but only as collectivities in the varied universe of the economy, there shouldn't be any difficulty for the powers of communities to be identical. Furthermore, all governments, from the most democratic to the autarchic ones in Asia and Africa, should all be interested, within their respective resources, in creating the conditions for reasonable consent from their citizens. And if the leaders feel forced to use force against their citizens (therefore ultimately against themselves), this means that there are no valid reasons to stay still to lead the country, and sooner or later they will have to give up power.

We are not talking obviously about the current times but about future prospects that will be opened by the success of science and research within the framework of complete neutrality achieved by the life impact on the planet. Therefore, far beyond the goal, hopefully near, of totally renewable energy widespread all over the world and therefore available to everyone.



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