

The Sustainability in Economics as a Key for Future Prospects

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Abstract

There must be a balance position, a point where the potential and possible harmony can be established between humankind and Nature in terms of development. It should be considered that the human development along the economic path is an absolute and primary need, and this because growth also means well-being and solidarity, but above all, a good growth gives a boost to the progress of science and research. Over time, science will lead us to an absolute compatibility with the environment and in the meantime, we are offered the possibility of minimizing the damage inflicted on Mother Nature. To correct those damages, the conjuncture cycle inserts the recession into the phases of development. The recession i.e., essentially a periodic pause, is necessary to allow nature to digest the excess waste produced by human activities. Moreover, there is the possibility of a serious alteration in the development process during which we can witness the occurrence of monetary alterations (inflation and deflation), which are anyway nothing more than messages sent by nature to the community. The collectivity must in fact realize that the economic train has derailed from the right and linear path. With these premises, we can sustain that the magical balance that brings the values of optimal development and those of the cost of living closer to 2% is a weak approximation of the lasting and constant balance that the economy would achieve in the event, now still away, of a realized neutrality of our presence on the planet. Even while waiting to achieve the stability of our relationship with nature, we can therefore maintain a condition of relative stability, which consists of a linear growth limited to 2% - 2.50% on annual basis, with a long-lasting feature if at the same time the principle of the least possible damage to the environment is respected. A magic combination therefore that contextually may see the convergence of development of economy with the constant value close to 2%, which ensures the potential stability of the relationship with the natural world. This constant value is close to 2%, that is indicated by the Central Banks as equilibrium of economy condition, be considered a con-

stant universal as the great universal constants of physics and matter. At last, how to explain the accelerated pace that some territories have shown over the centuries like, last China. Some indication tells us that the accelerated pace in development may not be a symptom of a good government and good relationship with Nature.

Keywords

Economic Sustainability, Inflation and Speculation

1. Introduction

The topic of economic sustainability offers a sort of thermometer to analyze the condition of economic things in a given territory or even globally, starting from the assumption that the survival of humankind and life on the planet is generally intimately connected to the environment, which makes our survival possible. Thus, the **anthropic principle** is extended to the economic field on the assumption that the human survival is linked to the planet's resources and therefore to its ability to dispose of the waste produced by our presence on the planet (Barrow & Tipler, 1986).

Nevertheless, our presence has consequences on the environment and the damage produced must be repaired. Since the ability to absorb the damage produced by living beings is not unlimited, the exceeded limits are translated into particular behaviors in the relationship between Earth and living beings: this is to alert us when the threshold is exceeded. We must in fact assume that there is a mutual interest of human beings and nature in contributing to the human survival. Based on this concurrent interest, humanity converges towards the love (however interested) for nature, but on the other hand also the natural world is somehow showing its benevolence. In sense that also economic trends can be interpreted as messages sent by nature on the state of our relationship with the environment (Carter & Dickey, 2017).

In fact, we must admit that the anomalies affecting the economy, such as the conjuncture cycle or the monetary anomalies (Inflation and Deflation) may be signs alerting that we have diverged from the path of a correct relationship with nature. We are therefore forced to resort to control policies, in order to try to bring the economy back on the development path without alterations. In reality, these anomalies of the economic world, such as the economic cycle, can be interpreted not so much as signals of bad governance only, but rather in a double way: that is, as signals of disagreement with nature (which is obviously reacting) and therefore also as symptoms of bad management.

Nevertheless, when the signs are given by nature that is reacting to our behaviors (pollution excess), it isn't worth trying to correct the course. We are talking about the anomalies of the conjuncture cycle, which transform the straight mo-

tion of linear development into a sinusoidal trend. Well, in this case it's better to use the logic of the *laissez-faire* regarding the natural motion that we should consider as a treatment assumed by the natural system to have a pause. A pause that essentially helps the natural system to "digest" the pollution excesses (Schumpeter, 1939). The economic cycle, however, is not only a natural signal but also the result of a controversial economic management that relies on the unlikely hope of being able to force the development pace. In this second case, that is, in the event of an error in the economic management, we cannot count on the help offered by natural care and therefore on the *laissez-faire*, but we must rather rely on the good rules that govern a sound management. The danger is that the delays or mistakes we make in trying to correct the cyclical evolution of the economy, would condemn us to a long stay in a negative scenario that we call sub-world (Cossiga, 2022).

2. Some Notes on the Economic Development in Different Situation and in Time

2.1. The Development Lines of an Economy and the Assumptions on Growth Acceleration

With these few premises, we can briefly outline the development lines of an economy struggling with the favorable or adverse winds that are troubling the potential results of economic activity. We can therefore outline three possible paths that a community can take to stay on the development path. First, we must say that the economic development is evidently a normal need for a community and for the entire global economy. In the development process, humankind can achieve its goals in order to reach, with the evolution of science, a condition of greater compatibility with the natural world. The ways of economic development, however, are not traced by a single path but develop instead along at least three different, synthetic and alternative ways. One of the reasons causing these different development modes is inherent in the relationship with nature. The economic development produces a growing pollution of the environment that sooner or later will have to be solved. But how? By giving nature time to absorb and digest the waste produced by our presence on the planet. Regarding this parameter resulting from our presence on the planet, we can meanwhile indicate two potential alternatives for development.

First, we have the most virtuous path that reconnects our relationship with nature to the minimum damage and potential compatibility. In this positive and virtuous case, the development line, let's say classic, of a community is straight. This means that we follow the line of the least possible damage to nature and therefore the development can follow a straight line with a limited degree of inclination. By inclination we intend the development potential, which in an economy can be generally quite contained especially when there is no break in the development line over time. This isn't an easy path and above all it's difficult to be reached and maintained, due to the problem involved in following the re-

gime of least damage to the environment around us.

Therefore, in this first case the economic growth, which is maximum by definition, coincides with the other primary requirement of the least damage to nature. What authorizes a virtuous continuation of the process, as long as we maintain the condition of the least damage to nature.

In the second and unfortunately most common case, our relationship with nature doesn't follow the virtuous line of least damage. The development line is no longer straight but follows a sinusoidal movement with recovery phases followed by the economic recession. And these are nothing more than treatment paths that the system helps to form through the periodic economic recessions, which are to be considered as pauses to allow nature to reabsorb the pollutants created by our presence on the planet. This second possibility is perhaps the most widespread due to the difficulty of maintaining the line of least damage to the environment over time. Thus, in this second case the curved line of the economic situation is little troubled and the fall into recession is generally relatively short and shallow. The *laissez-faire* rule therefore applies, because it is advisable to follow the natural suggestion that can allow us to return after the healing break to the linear path, which is the goal of a healthy economy.

The third development line should unfortunately be defined as a regression, because the fluctuation of the conjuncture becomes unequal with short economic recoveries and long recessions, so that the economy regresses while struggling for a way out of the so-called sub-world. In this hypothesis, unfortunately quite widespread, the natural pressure, which brings the economic system to the pause of rebalancing with nature, is mixed with other modes (errors) of the economic management. In these erroneous modes we can include the attempts to force the cycle in the hope of being able to govern the economic motion: this is thus to be considered as part of an incorrect economic policy. Furthermore, these errors are reverberating on the performance of the financial sector and therefore are compromising also the real economy (monetary policy errors).

In the sub-world, the economy is affected by alterations ranging from the alternative conjuncture to the linear path, until the monetary alterations that modify the value of resources and money to the detriment of less fortunate and poorest categories. But staying on the subject, we must remember that inflation is to be considered as a message sent by nature to the community, warning that things are not going well in the troubled economic field.

However, a distinction must be made between a cascade cost increase of goods caused by the high international prices of raw materials and the increased oil cost; these increased consumer prices cannot be defined as inflation, because they can rather be the result of errors in the monetary policy management. In fact, when the speculative excitement on international prices is exhausted, the current prices of daily shopping also return to almost normal. It is quite different the inflation case, where the motion of nominal prices is at first minimal and gradual, and then accelerates and inflates the nominal prices like waves in a

pond caused by a stone thrown into the water. The movement of inflationary prices doesn't stop: it's no longer connected to some economic phenomenon, but continues to expand until monetary policy measures are adopted to slow down the price rush.

Regarding the deflation issue, it may be useful to refer to the current situation, with the prices of raw materials and oil that are also pushing up the prices of basic necessities and household primary expenses. In this case we are not experiencing an inflation episode after forty years from the great global inflation (1950-1980), but in reality, we are witnessing the strange phenomenon created by the attenuation of the deflation which affected the global economy since the beginning of the century. A phenomenon that has highlighted a cascade effect on daily prices caused by the speculative increases of raw materials and oil, so suggesting a surge of inflation. This is not the right interpretation of the phenomenon, which seems rather to depend on the transfer to everyday prices of the increasing cost of energy and more; that is, a transfer of international prices which in the past was partially absorbed by the persistent deflation.

Inflation or not, the increased prices weigh on the family budget of poorest families who rightly have little interest in the reasons behind the development process of current prices. However, we have a reasonable hope that the phenomenon of inflation caused by international prices will soon be absorbed by the mitigation of wild and rapacious speculation. Speculation has dragged up the prices of oil and other raw materials not only and not so much due to the pressure of economic factors or because of the war in Europe; we should rather believe that a further upward pressure on commodity prices was facilitated by the delay of monetary policy in managing the cost of money.

The attempt of European and US monetary policies to keep interest rates low to zero level, didn't have the effect of supporting the real economy which had instead already incorporated some acceptable reasons to continue along the line of a sustained growth. Alternatively, it has fueled the extreme speculation that used the low-cost credit channel to send energy and raw material prices soaring. Therefore, the industrialized West on the one hand is complaining about the resumption of the alleged inflation, on the other hand is fueling the push in international energy prices and stock exchanges by giving low-cost credit to speculators.

Now that monetary policy is tightening for the Fed's interest rate increases and the prospect of further hikes in autumn, we should eventually see a possible decline in speculative prices. Likewise, the European Central Bank has also decided some corrections to the rising interest rates, although the war in Europe has somewhat inhibited the size and frequency of those decisions.¹

We can therefore expect a gradual retreat of speculation, especially if interest rates in America and Europe will rise again in the coming months. Moreover, a slow and gradual retreat of speculation has already been underway for some months. First with the speculation moving from the Stock Exchanges to oil and

raw materials, then with the gradual slow decline in the oil price after the FED's decision to finally raise interest rates in USA. We will see in the coming months the real impact of monetary policy on current speculative prices. Let me add that the war in Europe wasn't the primary cause of the accelerating energy prices, but rather an almost fake motive used by speculators and obviously well welcomed by the Russian autocrats to finance their war.

Well, in general the economic goal is a relatively slow and linear growth that coincides with the maximum possible development and with the least possible damage to the environment which allows us to survive. It could be objected that in the past centuries and even more recently we have witnessed phenomena of accelerated and extended development apparently contrasting with the development line just indicated. A classic development line based on continuity and graduality. But how come?

Two episodes can help us to understand how and why the success of an accelerated and extended development has occurred in two Asian countries. Japan in 1580 waged a war against Korea, at the time a Chinese protectorate. After more than five years of war and unsuccessful negotiations, finally the Japanese withdrew, and the *ex-ante* situation was re-established. After that experience, Japan changed its behavior and the country devoted itself to a virtually absolute isolation. The country then for two long centuries excluded itself from any relationship with the Asian and European nations. In 1825, as suspicions on Western maritime powers increased, a new historical turning point was decided, also fol-

¹The invasion of Ukraine by Russia is causing tremendous human and economic hardship. The invasion and related events are creating additional upward pressure on inflation and are weighing on global economic activity. In addition, COVID-related lockdowns in China are likely to exacerbate supply chain disruptions. The Committee is highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 1-1/2 to 1-3/4 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective. *Federal Reserve issues FOMC statement. June 15, 2022.*

In May, inflation began to increase significantly again, mainly due to the rise in energy and food prices, also due to the impact of the war. But inflationary pressures have widened and intensified, leading to a sharp rise in the prices of many goods and services. Eurosystem experts have significantly revised upwards the baseline scenario of inflation projections, which will remain at an inopportune high level for some time. However, the moderation of energy costs, the easing of supply disruptions related to the pandemic and the normalization of monetary policy should lead to a decline in inflation. The new projections of the experts indicate an annual rate of increase in prices of 6.8% in 2022, which would decrease to 3.5% in 2023 and 2.1% in 2024, values higher than those reported in the forecasting exercise, March. Therefore, at the end of the projection horizon, overall inflation should be slightly above the Governing Council's target. Higher levels than the March projections are also expected for inflation net of energy and food, which would average 3.3% in 2022, 2.8% in 2023 and 2.3% in 2024. **Key ECB interest rates.** The Governing Council decided to raise the three key ECB interest rates by 50 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will be increased to 0.50%, 0.75% and 0.00% respectively, with effect from 27 July 2022, *European Central Bank, Monetary policy decisions. 9 June 2022*

lowing the presence of some US ships in the Tokyo Bay: that sort of unofficial “embassy” was asking the Emperor of Japan to cancel the old rules that prohibited foreign trade. In just over thirty years, Japan developed an advanced industry, railways were built, and the economy was oriented mainly to export. Finally, in 1890 an intense shipbuilding was started, and this would allow Japan to succeed in the war against China in 1894 and later to obtain the protectorate of Korea in 1907.

The same can be said for the exceptional progress made by China from 1890 onwards until today. Also in this case, during the Empire times China could be considered as one of the richest and most opulent countries in the world. In 1911 the last Chinese dynasty fell, and a Chinese republic was founded. Thus Japan, where the modernization policy started much earlier and was already running from 50 years, in 1931 began to try to conquer Manchuria and later also territories in Central and Eastern China. Nevertheless, at the end of the First World War, China was on the side of victorious nations, though upset by the civil revolution. In 1949, Mao Zedong announced the founding of the People’s Republic of China and imposed the doctrine of continuous revolution. But also for China the history was at a turning point. The renewal task was assumed by Mao’s successor, Deng Xiaoping, who engaged in economic reforms and was committed to opening up the Chinese society. From the 1980s to present time, the Chinese society has been engaged in a very accelerated development that has reached a level almost comparable to the first Western nation, the United States, in terms of general well-being, state of knowledge and science, industrial capacity ([The World Bank, n.d.](#)).

Two exceptional cases, we would say, but this is not quite the case. First of all, we must consider that the natural system tends to an equitable distribution of resources between the various states and continents. In this sense, phenomena of development acceleration in backward areas are not an anomaly but rather a normal reality, albeit very gradual. The case of China, which takes place before our eyes, has its roots in the Chinese imperial power over the centuries and then in the quite long stagnation period that lasted about a century with the complete inertia and consequent decline of the country, starting with the opium war. Thus, the underutilized and neglected development potential seems to be accumulated and then released at a level that otherwise would be unsustainable. The same is true for the case of Japan, which remained as frozen for about two centuries and then awakened from its long apathy, with all the energy of an incomparable dynamism. Let me repeat that at the base there is the very gradual but inexorable tension of natural system towards a development of continents and individual countries according to an order of mutual balance. It is singular that this period of exponential acceleration of the development pace is often preceded by an infighting period as in the Chinese case and as we are witnessing also in Africa. The “black continent” in fact seems destined in the coming years to a phase of accelerated development, at least regarding the Mediterranean Africa

and the sub-Saharan territories (Kissinger, 2015).

2.2. The Wide Range of Development Potential in the Endless River of Economic Time

At this point we could believe that this positive behavior that rebalances the use of resources across countries and continents is connected to a general tendency to rebalance the use of resources. In some way, the inaction of development process that can last even centuries and the following accelerated awakening of development process can be explained by this natural tendency which then should be considered as the active engine bringing the frozen trend back into a balanced state. A sort of Snow White of the economic development story that after a long sleep wakes up animated by an exceptional dynamism that continues for decades. These long-standing episodes could also find some explanation by looking at the pollution level, which certainly increases with the advancement of a nation's economic progress. Therefore, the savings in the use of resources deriving from the long freeze of development could be rewarded on the natural level with a resumption possibility, which in any case means an environmental cost, which is greater the stronger the development acceleration will be. Therefore, the phenomenon of accelerated recovery of past inertia finds a limit in the lower capacity of the environment to absorb the waste massively produced during this accelerated phase. As saying that in the future we could witness a 'resizing' of the Chinese phenomenon and its return to the normality of a slow growth.

To be able to witness this eventuality, perhaps we could have a good opportunity, let's see how and why! China is fighting COVID infections with massive lockdown series (i.e. millions of people literally locked in their homes). Apart from the advantages or disadvantages of this antivirus strategy, it must be said that this choice produces the blocking of industrial and production activities in large areas of controlled field trials, with the unavoidable decline in production and exports. In the first months of the year the Chinese GDP was expected to be lower, with the prospect of a mini recession in the next year. As we have seen, a block of activities, even if relatively short, can be a reason for the cycle resumption at the end of the slowdown phase. *Ergo* there are two possible hypotheses. If the long acceleration phase of the economic cycle has now been interrupted, it would no longer be possible to repeat the past high performances in the future. Otherwise, we may witness a cycle strong revival to previous levels, also due to the short period of blocked activities imposed by COVID. But the most likely hypothesis is that the rebound after the battle against virus would be mild because the accelerated development phase is ending. We have already explained the reason. That is, the long recovery phase of the Chinese economy is ending because the potential for accelerated development is dissipating, after the long stagnation during much of the past century.

The rule that we have just outlined obviously cannot be limited to historical

cases of development acceleration but should generally concern all the economies. It's a sort of peculiar thanks coming from nature, in the case of development blocked for years and sometimes even centuries, a rule that follows the principle of optimal development which includes both the linear economic growth and the least damage to the natural world. In the sense that regarding the damage to the environment caused by our presence on the planet, we are somehow rewarded with a bonus for the minimum level of damage caused. It should be noted that this principle is not inconsistent with optimal development (linear growth and prices around 2%), because it's compatible with the reason for our presence as intelligent beings on the planet. In fact, the optimal development or the least damage to the environment are based on the central point that science and research are the ultimate goal of our presence on the Earth. Therefore, the optimal development is what allows the maximum development possible with a damage compatible (that is, contained) with the natural needs. All this until science has found the way to a total compatibility with the environment: the ultimate achievement, a milestone that would allow an unlimited acceleration of our capacity as intelligent beings.

Notwithstanding the foregoing, the maximum (optimal) development today possible with the current natural limitations should always be available and could be activated even if we decide to freeze development. How else to explain the impressive push for an accelerated development that many European countries have registered since the end of the Second World War. Starting from a context full of death and destruction, Europe and first of all Germany have accumulated for about a decade a development pace that was certainly unimaginable at the end of the conflict. The American decision to help the European countries in the post-war period (the great Marshall Plan) certainly facilitated the momentum for an accelerated recovery but certainly cannot justify the unexpected potential shown despite the destruction of the World War. It is therefore reasonable to assume that the World War has essentially caused a huge block of the potential development in the Old Continent and that the accumulated reserve of potential was essentially the strength activated at the end of conflict.

Following this point of view, we can say that the inflation that is taking shape in Europe and in the United States, after the exploit of post-war accelerated development, must be considered precisely as a signal of the exhaustion of the development reserve deployed in the post-war period. Our "admirable" rulers, when the potential slowed down, presumed that it was possible to maintain the sustained pace of the post-war decade for a long time and therefore tried to force the conjuncture cycle that was just appearing. The response of the economic systems was twenty years of double-digit inflation, after a five-year period of relatively positive rise of nominal prices. *Ergo*, forcing the development mechanism is not really worth it. We should also consider that the long-standing fear of a double-digit inflation also meant an overall decline in the development possibilities of the global economy and of the individual States, affected by the convul-

sions of the economic cycle and by the long unsuccessful struggle against the nominal price increases.

However, the solution was finally emerging. In 1979 the Federal Reserve president Paul Volcker decided to bring down US inflation. With the support of US President Ronald Reagan, interest rates were raised far beyond inflation, which was around 15%. The US economy went into recession for two consecutive years, only partially mitigated by a deficit budget policy meanwhile launched by President Reagan. In 1982 inflation collapsed to 5% and then dropped to 2% and remained at these optimal levels for twenty years. It was the turning point that was beating a twenty-year inflation. Most countries followed this path with emulative policies. But there was a significant difference between behaviors: those who followed the footsteps of the US FED could count on the same results, while those who had chosen the cautious path, including Italy, didn't obtain the hoped-for advantages,

The inflation and deflation topic deserves a separate discussion. It was recalled for the link with the previous topic: that is, the potential of economic systems is not lost but is accumulated to be unleashed later, when perhaps it's unexpected. In the case we are examining, after the hard battle against inflation, the price rush stopped at 2% for many years. With a great advantage, because the US GDP remained sustained throughout the nineties and in any case higher than in the previous decades. Again, the economic recovery was repeated over the same period in some European countries, including France and Germany. Thus, the long-term inflation had blocked or slowed the development process, so that when inflation was tamed and brought back within normal limits, the compressed potentials enabled a rebound and a period of orderly growth.

I would like to repeat that it wasn't the correction of the phenomenon of a tamed inflation to produce the new productivity leap in the USA and in various European countries. But it was rather the accumulated reserve of potential during the twenty-year global inflation that ensured an exceptional development for some of the following years, to extend then globally. We have to recall in fact that linear growth has a quite limited inclination, due to the necessary sobriety that human beings must have towards mother nature. This standard, however, is a treasure that accumulates and then is never lost. This must also mean that the development limit affecting humankind is linked to the current weak compatibility of our presence on the planet. Therefore, when we will achieve, with the mediation of research and science, a complete neutrality with nature, then we should expect a sudden acceleration of our potential. At the time, there will be the dissolution of all limits that now hinder us due to the respect towards the environment that allows the survival of all living beings.

On the other hand, this perspective is consistent with the human goal to know Mother Earth and the Universe around us for purposes that are not yet fully clear, but which are part of our presence in this world as intelligent beings. This perspective conflicts with the concepts of nationality and territoriality that still

permeate human coexistence and are part of our mentality, while we should all be driven to think in terms of a general and global community. This suggests that the response given by NATO and European countries for financial and military support to the brave Ukrainian people seems to be somewhat weak. Above all because this response doesn't seem to be consistent with a prospect opened to a kind of world not very far by now, from a position of global neutrality with the planet, which is the home of all of us. The ongoing change *in fieri* of relations between human communities is irremediably linked to this perspective. That is, linked to an extraordinary turning point for science and research, to the possibility of economic growth no longer blocked, to the fair and equal redistribution of resources that once were abundant, to the value loss of money in favor of knowledge and mutual solidarity and finally to the definitive removal of war as a mediation instrument of relations between communities.

3. Method

3.1. The Magic Balance That Brings the Optimal Development and the Cost-Of-Living Values Closer to 2%

The past history that we have just recalled, and particularly the economic history, offers several ideas to develop a short/medium term perspective for economic matters. Therefore, following the path just outlined, we can say that the inflation worrying everyone is not the old inflation of the seventies and eighties but rather the pervasive impact on prices of daily goods, caused by the speculative price increase of oil and raw materials. This transfer to daily prices is a fact relatively new, because during deflation years the nominal prices were stable or falling despite the volatility of the usual speculative products. In the current situation, on the other hand, we are witnessing a transfer of international prices driven by speculation. It means that the condition of the economy is clearly deteriorating, because when deflation looms, things go wrong; conversely, when deflation loosens its links, things are better.

The problem therefore is not the inflation affecting daily prices but rather the speculation that widely excites these sensitive prices. That is, it's good to say that the real enemy is the speculation together with the causes making it virulent. The war in Europe could certainly be included among the reasons for the rising cost of oil and raw materials. Nevertheless, this seems rather an explanation to dissimulate the real reason for the unjustified increases in international prices. In fact, it seems rather an easy justification for the guilty speculation which doesn't have the media support. It seems instead quite realistic to state that the reason allowing the speculation sharks to multiply, was rather the low or almost zero-cost credit, because they see the possibility of a very easy earning just by taking advantage of the increasing differential of speculative prices.

Therefore, we must look favorably on the recent FED initiative affirming the will "...to raise the target range for the federal funds rate to 1-1/2 to 1-3/4 percent and anticipates that ongoing increases in the target range will be appropri-

ate". At its meeting on 27th July the Fed then further adjusted the cost of borrowing to 2.25% - 2.50%.² At its September meeting, the US Central Bank raised the interest rates by 0.75 points. At the end of summer, therefore, the cost of money in the USA rise to 3% - 3.25%, given that the unemployment rate fell to 3.25%, that is, the lowest level in the last 50 years³

A choice that dragged also the European Central Bank to follow the same path, albeit more cautiously due to the war in Europe. The decision of the US Central Bank seems to be linked to the traditional policy to control inflation, which in the USA has exceeded 8% like in Europe (see **Figure 1**, *Inflation in European Union*) (**Figure 2**) *Us annual inflation rate in years 2006-2022*). An upward adjustment that is generally aimed at controlling the upturn through the rising cost of money. The situation is somewhat embarrassing, because the Fed's decision comes too late, with the constant worry of curbing the "lucky star" of the economy. However, there are some good reasons to believe that the US Central Bank and later also the ECB not only acted late, but also with a somewhat held decision. Why?

In the meantime, there is no doubt that the American economy is sailing with a tailwind and that the push in consumption is favoring speculation made on primary goods. A condition that alone would have justified the early control on the cost of credit to avoid the economic overheating that worsens the push to increase consumer prices. Having said that, it must be added that the increase in the cost of money must perform in the current situation the primary task of containing the granting of low-cost credit, which is the main reason causing the

²Recent indicators of spending and production have softened. Nonetheless, job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures.

Russia's war against Ukraine is causing tremendous human and economic hardship. The war and related events are creating additional upward pressure on inflation and are weighing on global economic activity. The Committee is highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 2-1/4 to 2-1/2 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective. Federal Reserve issues FOMC statement July 27, 2022.

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The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 3 to 3-1/4 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective. Federal Reserve issues FOMC statement, September 21, 2022

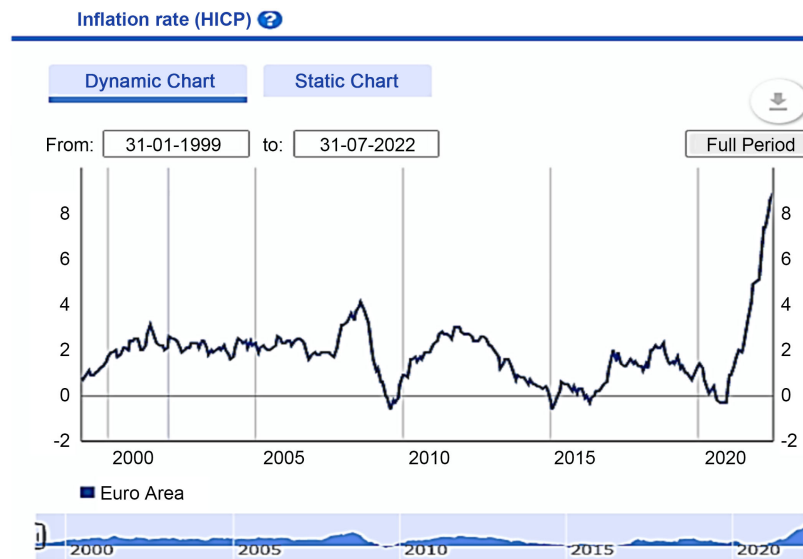


Figure 1. Inflation in european union: Harmonized Index of Consumer Prices (HICP). Source: ECB Statistics.

Peak Risk

Markets priced for inflation too come back down very fast

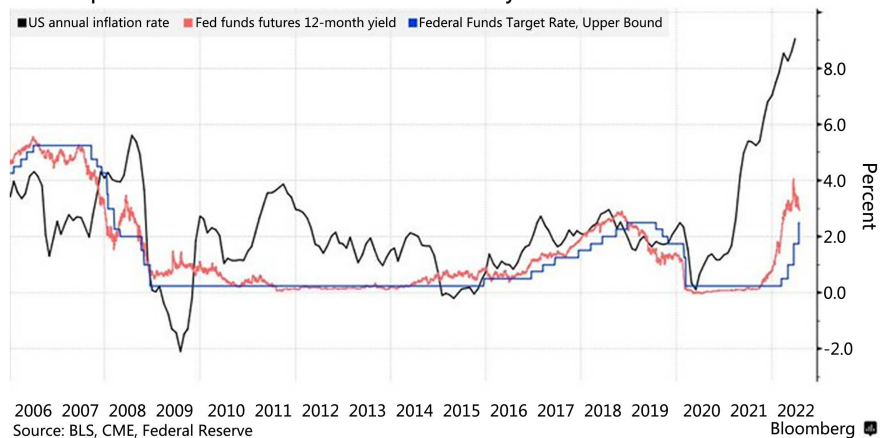


Figure 2. Us annual inflation rate in years 2006-2022 compared to Fed Funds 12-month yield. Source: Federal Reserve.

rush in prices of oil and raw materials. Pressures pushed upwards that are not caused by objective reasons or even by the war in Europe but rather by the virulence of a speculation that arises in Western countries and discharges over them the greater burdens caused by the transfer of surplus money in favor of privileged people.

Rather, it's the Russia of autocrats that takes advantage of the rising prices of oil and gas, also by cutting the quantities destined for Europe: therefore, in this way the profit coming from black gold remains unchanged. So the result is: privileges for those who promoted the war in Europe and penalties for all citizens in America and Europe for the higher cost of their whole daily shopping. Obviously, this is not enough, because it's the speculation, daughter of low-cost

credit, one of the prevalent reasons in Western Countries of the wealth transfer from the popular classes to the privileged classes. With the result of troubled political and social conditions caused by the purchasing capacity reduction of the classes at the bottom of the social ladder.

To re-establish a social peace in a situation of unfair distribution of wealth and incomes, it's necessary that the economic policy of governments is oriented to rebalance, as far as possible, the average of differences, by providing support to poor or impoverished families and unemployed people. In some way, therefore, the economic policy is called upon to reshape the rule that drags income always in favor of the privileged classes. Now it is likely that the credit increased cost would lead to an attenuation of the speculation strength. With the result that we can presume that already within the coming months the tensions that dragged up the cost of oil and other raw materials, would be partially attenuated.

Therefore, the prices of energy and gas should be gradually contained compared to maximum current values. The return to more correct quotations of international prices could also influence the war, due to the reduced value of Russian exports, and therefore could also affect the possibility for the attackers to continue the conflict and the invasion of Ukrainian territory. Or at least, that's the hope...In **Figure 3** we can observe the trend of the oil price on the NY market from May to August 2022 and the declining trend that has manifested itself in recent months.

Apart from this prediction perhaps a bit risky, it's anyway reasonable to believe that the hated inflation that pushes our daily spending upwards can return to acceptable values and in any case not beyond 4% or less, as consequence of a tightening of the over-accommodative monetary policy. Already at the end of July 2022 we witnessed a regression in oil costs, as well as a slow decline of stock market values. A reversal that is still slow and gradual but should accelerate after the last meeting of the FED. Both the Central Banks, ECB and FED, have clearly outlined the path to be followed by the 2022 hikes.

Following the rise in interest rates made by Central Banks, some operators believe that the US economy may undergo a mini recession, which then in 2023 would led to an interest rate cut, unfortunately in line with the expectations of great speculation which is already preparing to take advantage of the situation (Conerly, 2021). Nevertheless, I don't think this prediction is correct. It must be said that the very low interest rates didn't help the economy that is struggling with deflation. On the contrary, the very low interest rates are nothing more than a powerful stimulus to speculation. The economy, on the other hand, must do its own accounts with regard to the interest rates set by central banks, which on average are around 2% - 3%. These are values that are well combined with a continued growth, therefore following a linear path which also involves less damage to the environment. Therefore, the stop imposed by the economic cycle to absorb the waste produced by our presence on the planet, in this case is unnecessary.



Figure 3. Crude Oil WTI (NYM \$/bbl) Front Month. Source: Market Watch.

Believing that rates returning to the normal course of 2% - 3% e beyond can be a potential reason for a mini-recession, and obviously not only in America, overlooks the fact that too low rates are the discrimination reason of real economy against financial assets. We have already said on other occasion that the policy of very low rates brings with it the creation of a gap between the performance of the real economy, weak under the deflation blows, and the financial markets that instead accelerate independently of the real economy. Let say that we had a classic example of this diverging trend of the accelerating financial markets, during the 2020 spring, while the whole world was experiencing the lockdown to reduce infections due to COVID-19. An anomaly crossed by sudden cuts in stock market values which in turn were discharged on the real economy for the unpaid debts of speculators.

In Figure 4 it's possible to observe the peregrination of the Dow Jones in the mentioned period of 2020 spring, when the values increased at historical highs, then underwent a sharp turnaround, and then quickly recovered despite the difficulties caused to the real economy by the virus attack. This anomaly of the gap between the real economy and the financial situation can provide some explanations on the delicate issue considering the linear development within the limits of 2% - 2.5% as optimal. Moreover, it's consistent with a growth minimizing the damage to the natural world. In this regard, it should be considered that at these development levels, the price index should stabilize at a similar value. It would therefore be a value that approximates the constant number close to 2% which,

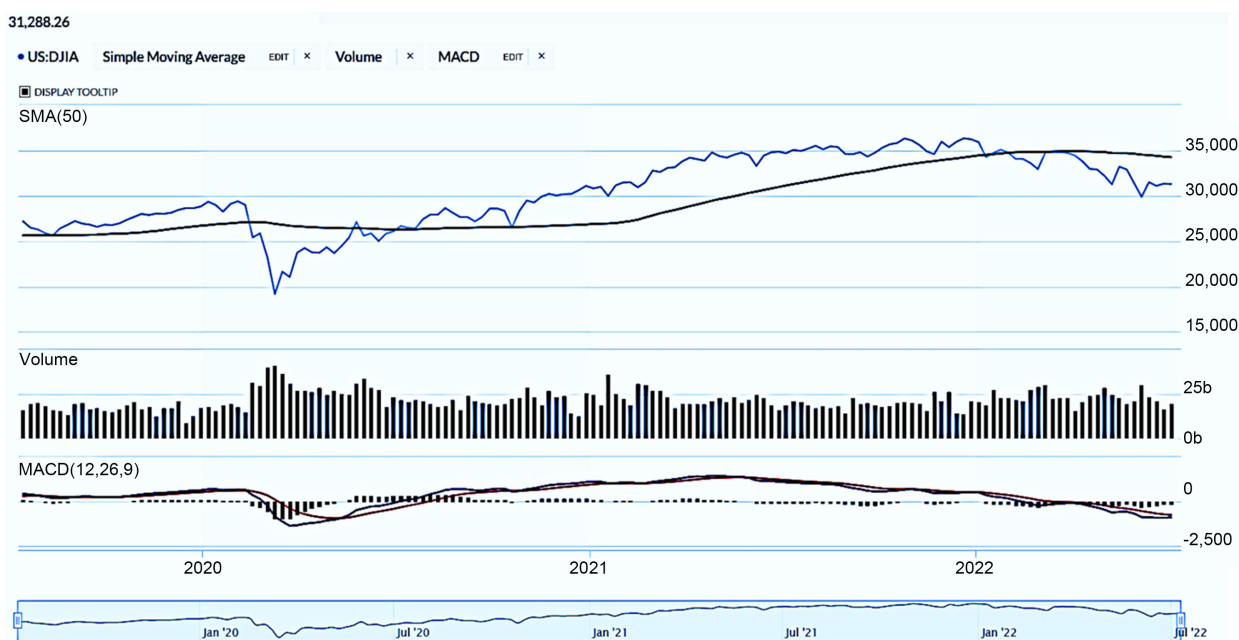


Figure 4. Trend of the Dow Jones in the period from July 2020 to July 2022. (In the graph high wavy line (Dow Jones) and next to the “average of values” line). Source: Market Watch.

according to Central Banks, represents the value of a balanced and stable economy.

As I have already had the opportunity to explain (Cossiga, 2018a), this constant number would be the base value on which the global economy should be stabilized when we will reach the complete and absolute neutrality of our presence on the planet. Therefore, a value that in that time will be immutable and which now represents an ideal value, a sort of universal constant, like the great constants of the Universe.

If we move away from that value, a price index reaching and exceeding the base values could indicate that we have taken the path that leads to inflation, while if the values fall below the constant value close to 2% we could enter into a deflation difficult to control. As saying that the magical balance that brings the values of optimal development and those of the cost of living closer to 2% is a weak approximation of the lasting and constant balance that the economy would achieve in the event of a realized neutrality of our presence on the planet. A turning point in the global balance that will free humanity from the constraints of a development, inevitably limited, in order not to force the stability of the planet. We can therefore maintain, even while waiting to achieve the stability of our relationship with nature, a condition of relative stability which, as mentioned, consists of a linear growth limited to 2% - 2.50% on annual basis, with a long-lasting feature if at the same time the principle of the least possible damage to the environment is respected. A magic combination that contextually may see the convergence with the constant value close to 2%, which ensures the potential stability of the relationship with the natural world.

3.2. The Global Economy Was Facing a New Period of Limited and Linear Growth, That Is, Also Respectful of Nature as Much as Possible in the Current State of Science

Therefore, the thesis that the conditions for a mini-recession can be created by the interest rate increases from the historic lows that for a long time allowed the economy in crisis during COVID-19 to partially reduce the damage of lockdowns, doesn't seem justified. First, because interest rates in general shouldn't fall below 2% for the reasons stated above. Moreover, because the price index value close to 2% is an indeclinable and unalterable value due to its character as a universal constant valid for a future of total neutrality of humankind towards the planet. In this hypothesis, that is, the approaching to a full neutrality, the fact that the constant value is not yet zero but close to 2% must mean that the interval between zero and this constant is a null value. And this for the simple reason that in the case of absolute neutrality with the environment, the constant doesn't admit any increase or decrease in this standard. As a result, the values between zero and the constant are null and indicate just the "background noise" of the constantly moving economic system (Cossiga, 2018b). And if it's not, hypothetically the universal constant close to 2% would be squashed to zero in order to decree the ideal condition of an economic system balanced with the environment. But this is not the case. Therefore, the interval between zero and the constant value must be the numerical value expressed by the background noise of the economic system. In other words, a value range that doesn't exist as a value but just as a symbol.

It follows that the interval comprised between zero and the constant value always remains a "non-value", mere expression of the background noise of the economic system. Even when, as in the present condition, we are still looking for the total neutrality with nature. Therefore, an interval that should not be characterized, so that between the two terms can be fixed the interest rate by the central banks. This brief reasoning brings us back to the tendential symmetry between the linear growth rate of an economy and the interest rate decided by the Central Banks which could be the equilibrium point of an economic system that grows linearly and produces as little damage as possible to the environment. A linear path with the least possible damage, which is difficult to reach and to keep but which offers the greatest possible advantages (Cossiga, 2017).

Speaking of potential advantages, we cannot forget that the long stagnation of the global economy caused by the virus has largely been overcome with the distribution of vaccines which in Western countries have reached almost the entire population. Well, the long and widespread lockdown for people blocked in their homes and the corresponding block of economic activities can be considered as a deep recession for the economy. From the environmental point of view, the global shutdown of almost all economic activities certainly represented a pause also in the production of waste and a marked improvement in air quality. In other words, this cursed virus has forcibly led to a pause which was very positive

for the natural world, and which however didn't generate, as we have seen, a definitive loss of the economic potential, which instead rest just set aside to re-emerge as soon as possible.

In this way we can explain the pace of post-COVID economic recovery, although the virus continues to be among us albeit apparently transmitting a more attenuated disease. There are two connected causes, the lower pollution of nature during the relative block of economic activity and then the almost global stop of the economy for a few months, due to the lockdown decided to reduce the contagion. Both these negative causes are attenuated in the post-virus or when the virus allowed a mild remission for the hot season, which usually marks a decrease of infections. Nevertheless, the economic situation in early summer wouldn't seem to favor the re-emergence of potential set aside during the pandemic, as well as the re-emergence of possible improvements resulting from the sudden reduction of damage to the nature. A situation that is due to the virus infection resumption, although less dangerous, and to the war in Europe. In fact, a new and not unexpected difficulty is emerging, deriving from the partial reduction and then the block of gas supply from Russia.

At the beginning of 2022, when the war in Europe was only hypothetical and the virus infections were finally decreasing, the economic growth prospects were really consistent; especially in USA, where an overheating could be seen: an excitement that has further fueled the inflation pressure, driven by the rising price of oil and raw materials as well as by the high values of Stock Exchanges. Well, an overheated economy can be a valid reason for the pressure on prices of primary products but usually it's a phenomenon of limited duration. On the other hand, the pressure exerted by the prices of raw materials and oil is more lasting and then is widely extended on all productions. This level of prices was caused by the speculation that was able to benefit from low-cost credit, but also from the tensions generated by the war in Europe.

It's singular that the strong economic recovery did not convince the Central Banks to raise interest rates from their minimum positions, perhaps concerned by the possible slowdown of real economy, which however had other good reasons for a strong recovery. Instead, there were rather good reasons to raise interest rates early in the year to tame the speculation on international products, which caused a strong pressure on daily spending, thus generally worsening the economic and social relations. However, the gradual rise in interest rates couldn't stop the strong recovery underway, which anyway to recover its strength didn't rely on the cost of money at historic lows.

That being said, it doesn't seem that especially in America, less involved in the war in Europe, the feared consumption decline is taking place, as shown by the US inflation trend, which runs at a rate of 8%. In this context, the decision of Fed which in the meeting of July 21st, 2023, raised the interest rate to 2.5% and in September to 3% - 3.25% doesn't seem a possible cause of a mini recession expected by the year-end. In fact, it's the value of the cost of money that is com-

bined, roughly, with the ideal price index, equal to the constant value close to 2%. It could then be deduced that the cost of money increase will act as an attraction point for the descent of prices towards the optimal value close to 2%. Obviously, these are potential trends that require a gradual coordinated movement and the support given by a declining trend in commodities and oil that are no longer supported by the regressing speculation. We will see how it goes in the coming months...

Now we can say that the high inflation recorded in the USA but also in Europe isn't a sign of serious dangers to the economic situation but rather the opposite. That is, the pressure on prices indicates that consumption and activities are still robust. And on the other hand, the change in interest rates and cost of money, rather than having an effect on the ongoing recovery, will cause a price reduction of raw materials. Let me remind in this regard that the cost of money dropped to zero had little effect on the real economy, while the speculation presence was made effervescent. Now, as the interest rates are slowly rising from their lows, we will see instead a low interest of the real economy towards the rising cost of money and we will also see a gradual decrease of the speculation impact on international prices,

All this to say that in the coming months we should see, in the better hypothesis, a recovery that strengthens without overheating the context, also because it may be accompanied by a slow but appreciable decline in the Stock Exchanges and primary commodities. There are no worrying reasons, for now, that push Central Banks to raise interest rates above the mentioned limit of 3% - 3.25% which is accompanied by a cost-of-living index that in the coming months will approach a constant value close to 2%. A possible hypothesis then, despite the fact that the war in Europe probably wouldn't end soon and will continue at least until winter. In any case, a substantial drop in oil and gas price might be reason enough for a renewed willingness of Russian autocrats to negotiate. This will to reach an agreement of course wouldn't be a simple good will gesture, but rather a consequence of the reduction of resources derived to Russia from the sale of raw materials, gas and oil. Another reason of deep concern for Russian leadership is the heavy increase in the cost of living that is affecting all families living in the rural areas of the immense Eurasian territory called Russia (let's remember it, the largest country in the world).

Without the severe perturbations caused by the war in Europe, it could be assumed that the Western countries and the global economy were facing a new period of limited and linear growth, that is, also respectful towards nature as much as possible, considering the current state of science. In the meantime, let's think about the assumption that in the coming months and years there would be an appreciable progress in the field of renewable energies, in particular regarding hydrogen and biofuels. This would give a powerful push to reduce the use of fossil fuels with an immediate relief for nature; the resulting benefits could give the impetus for new global geopolitics. In fact, let's not forget that many of the most

controversial areas globally are encouraged precisely by the presence of raw materials and oil in particular, or by the rich deposits that promote a feeling of superiority over neighboring territories.

In the current difficult situation, however, there are no hypotheses different from a possible slowdown in recovery, especially in Europe due to the influence exerted by the Russian aggression war and by the global warming problems. (Papa Francesco, 2022) The ECB decision on July 21st, 2022,⁴ moves in the wake of the more restrictive policy already adopted by the FED and in addition raises the interest rates by 0.50%, that is, still at very low level and close to zero. The immediate effect was, as expected, a cut in the prices of main raw materials. No news, moreover, on the limited tightening of monetary policy in Europe which, however, is bringing the expected consequences on speculative rush, which anyway seem already calming down. Not only that, because the drop in the cost of living, resulting from the falling prices of oil and more, will lead in time to an improvement in social relations, especially if the economic policy of governments will give due attention to the need of supporting with a subsistence income the families who lost their jobs and are reduced in poverty.

So, despite the war and the uncertainty about the timing of peace negotiations (Roosevelt, 1999), the current year, although slowed down compared to its original pace, should end with a growth not far from 2.5% in Europe and perhaps even a point above, more probably in the USA and Italy. But apart from that difficult-to-achieve result (i.e., the peace negotiations), the fact remains that the good recovery during the post-COVID should open a considerable season of linear growth for a few years, due to various reasons. First, and this is essential, the potential accumulated during the long period of lockdown for almost all activities has not been exhausted. Furthermore, we must believe that the commitment made in main countries to reduce greenhouse gas emissions, in order to mitigate the planet's fever is essential for our survival, but not only. In fact, the new behavior is also a driving force for a paradigm shift, so that the development path in industrial areas, which are the major responsible for the degradation of nature, can progress along the path of the least possible damage. A path that also may involve a linear economic growth and an overall advantage. As saying that the commitment made to accelerate the CO₂ containment measures, also in terms of research and science, and the development of renewable energies, are on track to finally get closer to the stage of least damage to the environment. A process that, if implemented with energy and real commitment over time, is consistent with the linear development of economy which, at present, represents our best possible target.

At the same time, we could witness a slow decline in asset values and Stock Exchanges, together with an equally gradual decline in the price of oil and similar products, which would move in slow regression due to the withdrawal of great speculation. There is no doubt that in the years of the fight against pan-

⁴See note 1.

demic, the combined deflation and low cost of money have caused a gap between the declining real economy and the fluctuating increase of asset values, Stock Exchanges, and commodity prices. An alteration of the common path of finance and economics, which we could hope is now in the process of being overcome.

We should consider that when financial values tend to move upwards for no valid reason, this trouble doesn't affect in any way the performance of real economy, which is struggling with deflation, and therefore is at a standstill or in recession. It follows that when the deflation grip is easing, we are witnessing a new concerted endeavor between economics and finance, which is reflected both on the development limits that tend to approach the standard of linear growth and on the relationship with nature that is approaching the least possible damage. Let's recall that with the convergence of finance and real economy, an inflation coming from slowly declining international prices can occur, with a cascade effect on our daily spending, also due to the easing of deflation grip. At this point, there will probably be a social resentment for the rising prices, despite the slow improvement of the economic situation. Therefore, it would be helpful and useful for the economic policy to support the less fortunate sections of the population through aid measures in favor of family incomes.

Looking at the current situation, we can say that rising inflation has restored tone to monetary policy, which is therefore rising from its lows, unlike what happened in the second half of the first decade, when the FED president decided to maintain monetary policy on minimum rates, despite the substantial deflation of the US economy. So, at the time, deflation hid, so to speak, the increase or inflation of prices due, as at the time, to speculation on oil prices (which rose to \$110 per barrel and more) and raw materials. But despite the boil of inflated prices, consumer prices showed no signs of acceleration, so much so that, at the start of speculation, the price index was a little above 3%. In the absence of a warning of danger from the prices, which at the time remained low and today instead have done the work of the "geese of the Capitol"⁵ by virtue of the growing criticism of the increase in the cost of living, the process of the endless growth of speculation continued until the final explosion and the financial crisis of 2007-2008. Even at the time, therefore, the phenomenon took into account

⁵The legend of the Capitol geese is part of Rome's history.

Tradition says that everything happened around 390 BC. At that time, the hill of the Capitol was occupied by a temple dedicated to the goddess Juno, which housed a series of geese. The geese were sacred animals to the goddess and for this reason considered untouchable.

The Gauls of the leader Brenno besieged Rome and sought a way to penetrate the hill. Here the Romans who had not fled to the cities of Veio and Caere when the attackers arrived had taken refuge. Their only hope was the Roman general Marcus Furius Camillus, who, however, was in exile in Ardea because of his anti-plebeian positions.

A messenger, who was sent by the Romans to Ardea to recall the general, managed to access the Capitol despite the siege. The Gauls then took the opportunity, followed him and at night they entered too.

Legend has it that the geese, the only animals surviving the hunger of the besieged because sacred to Juno, began to squawk noisily. By doing so, they warned of the danger the former consul Marcus Manlius and the besieged Romans, who repelled the enemy. For his heroic action, Marcus Manlius was later named Capitoline.

deflation, the very low cost of money and the limitless gap between the financial situation and the weak real economy, to lead the economy up to the explosive financial crisis and a long path to find the way of balance between nature and the economy (Roubini & Mihm, 2011).

The evident message coming from the experience of the end of the first decade is about the need to control speculation through a prudent monetary policy, using where possible, as in the current case, the rebound of consumer prices dragged by the speculative prices of oil and other products. Just to say that the need for an economic bailout plan after another terrible experience like the 2008-2009 crisis, which was approaching also in recent days due to the existence of the same negative facts (i.e. financial situation out of control and weak economy), has been avoided or at least removed thanks to the so much criticized cost of living increase. High cost of living bad for our pockets, but positive for the role played as a warning to monetary policy that very low rates aren't a positive option for the economy, even in the case of deflation (Shilling, 2001).

Now, why do these anomalies occur with unexpected frequency in the behavior of the economy and finance that spread apart, of the unequal distribution of income linked in part at least to the abuses of speculation? Maybe because they are linked to the deflationary state of the global economy and in the past to the global inflation that hit the global economy in the 60s and 70s of the last centuries? Well, as we said, there are only a few ways on the way to the development of economic systems. The optimal system is linear growth which also ensures sustainable damage to the planet that hosts us. The worst system, on the other hand, is what we have called underworld, in which anomalies occur ranging from the economic cycle to inflation and deflation, etc. in the sub-world. These broad schemes of the scenarios in the underworld are intertwined with other penalties, including precisely the unequal distribution of income to the detriment of the most exposed categories and the alterations in the prices of products relating to energy and raw materials that can lead to the development of financial crises as well as a growing imbalance in the values of beautiful assets (Reinhart & Rogoff, 2009).

We should never, ever allow the *laissez-faire* when adversities come from the sub-world of an unbalanced economy. While instead the *laissez-faire* must be allowed to act when the linear growth is almost achieved and therefore also the path of the least possible damage to the environment.

4. Brief Conclusion

In this analysis we have indicated a number of results that sometimes conflict with common opinion, and these results can be summarized in entrusting inflation, which is afflicting most communities – with the role and the task of “Capitoline geese” (See note 5) regarding the dangers for progress speculative in financial markets. On the other hand, precisely to counter these dangers, as novelties come to the decisions of Central Banks that have increased interest rates,

which are therefore rising from positions near to zero. In particular, the Federal Reserve in its meeting on 21 September, raised rates up to 3% - 3.25%, in clear contrast to the expectations of real economy and financial markets. Now, the apparent dissymmetry of these positions shouldn't be surprising, because the point of view we have chosen is based on a relatively contained linear development, which in turn is based on the principle of the least damage compatible with the environment.

Although it may seem unlikely, the choice of linear growth with a moderate inclination would allow a gain of development potential that is by far optimal. Moreover, in this way, we could follow the quickest path to achieve the goal of absolute neutrality of living beings with the planet. An achievement that not only is fully respectful towards the environment but can also allow an acceleration in development and science to levels never seen before. Our current limit is precisely the incompatibility towards a good relationship with nature, when the development pace is pushed to the maximum. Hypothesis that unfortunately doesn't lead us to positive things but rather to the mysterious sub-world that prevents any acceleration of the development process regarding the human community.

As saying that if you want to run on the path of science and widespread well-being, the only appropriate path without alternatives is to follow as far as possible, despite the usual arrogance of human beings, the moderation line of magical numbers included between the economic growth of 2% per annum and a price index around 2.5% - 3% at most. These are values that are self-adjusting or nearly, if prices move within the magic threshold close to 2%, because they are the only ones that can allow the balance between development and compatible protection of nature. The other values of the price index can only bring us into the dangerous zones of inflation or deflation. The constant value of the price index close to 2%, if and when it remains completely motionless and unchangeable over time, indicates that we have reached the goal of total neutrality with the environment. This value at the current state of science it's not yet achievable. And this is a certainty. Nevertheless, this certainty doesn't remove the possibility that while waiting the final goal, we can get as close as possible to the ideal value, with the result of being able to travel near the growth limit of linear economy, so minimizing the damage we cause to the environment around us.

A combination that is not easy to achieve, but which guarantees the highest possible development to a community over time. In this case it wouldn't be necessary or at least recurrent the periodic pause of the economic system, needed for the "digestion" of the waste produced by our presence on the planet. As long as we produce waste, this must be periodically removed through what we call a corrective pause. However, this need wouldn't be necessary, at least in principle, when the economic system is following a linear path of the least damage to the environment.

The choice of the least damage is not only propitious for a continuous, extended and linear development, but it's also the shortest way, and I would say the only way, to get closer to the goal of absolute neutrality of our presence on

the planet. This final goal can discover unknown levels of well-being for human-kind and also a leap forward for science and its observations and studies about Mother Nature. Because the scientific research in this way will finally be able to fully follow a project that probably is basic to understand the final role of our presence as intelligent beings in this remote corner of our Galaxy.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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