

Conjuncture Cycles and Monetary Anomalies Are Unwelcome Guests for Sustainability

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Economic cycles are not economic evils but rather healing agents for returning to equilibrium, just as inflation and deflation are not economic misfortunes but the sign of bad governance and a bitter medicine for returning to calm monetary. Unfortunately, signs of poor governance are mistaken for unfortunate events, but are instead tools offered to restore economic systems. Politics seeks consensus and does not accept the bitter cure of recession. Monetary policy is therefore called into question even if monetary anomalies also depend on errors in the management of the economy; the result is the gradual increase in interest rates. Is the idea that we can achieve the goal of complete neutrality with nature acceptable in a global economic framework pervaded by inflation and denunciation? Can we similarly argue that economic problems can coexist once the goal of neutrality has been achieved? The answer is negative. We must correct these anomalies and dysfunctions of the economy, which cannot coexist in the new context of complete and indefinite equilibrium of tomorrow. And not even the idea that conflicts can be resolved with war seems to find a place in the renewed scenario of neutrality. In this regard we can remember that, when we have reached the economic optimum of complete neutrality, or at least we are close to it, the most socially and economically advanced territories and continents will benefit from an acceleration of productivity and development. Scarcity itself will give way to the new, long-awaited reality. A condition that approaches the state of abundance and which will produce surpluses to be allocated to countries and territories that are struggling towards the condition of neutrality. The acceleration of lagging continents and the recovery of altered economic systems are therefore preconditions that can allow us to access the state of global neutrality. As we get closer to the great objective, it is to be believed that the pretense of regulating conflicts through war will also disappear. With the new reality of abundance, the economic reason for war disappears, while the aspiration of peoples—inscribed in their DNA—for solidarity and peaceful aggregation towards substantial unity becomes clear.

Keywords: monetary policy, conjunctural cycles, economic sustainability, neutrality as goal, continental aggregation

Introduction

The balance of the economy at a global level is essential to reduce the time between the current era of global warming and the goal of full neutrality of human activity with the environment around us. That is, the path to good governance of the economy goes hand in hand with the times required to achieve stability between humanity and nature. This means that the anomalies that infest global economies, which are clearly increasing, are an

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obstacle to be eliminated or contained for collective well-being and the opening to a new phase for humanity. Yet, some doubts about the feasibility of the objective remain. We can argue that the monetary anomalies (inflation and deflation) as well as the serious alterations of the economic cycles are certainly promoted by the state of war in Europe, the aggression of 7 October in Israel, the tensions in the Middle East, in the Indo-Pacific, in Africa. Well, are these calamities also a disincentive to the global issue of healthcare in our world? The same could be said of the monetary anomalies that in different ways threaten, in different ways, the West and the East, the countries of Latin America and Africa. That is, are they signs of the geothermal and geopolitical effects of the big sick man, our Earth in the times of the Anthropocene? Or on the contrary are they just late effects on our journey towards returning to the healthiness of our natural environment?

The revealing prism is certainly the economic balance of global systems, which represents not only the primitive expression of our future of total neutrality, but in the meantime the most direct path that can lead to the necessary balance between humanity and nature. There are no doubts. Yet, some sentiment tells us that geothermal change and the green transition itself may have some negative impact on the necessary search for global economic balance. Let us not forget that monetary anomalies require a recession in the economy to find the path to stability of prices (Milanović, & Lakner, 2013). And at present we are faced with wars which are the alarm and the signal for speculation on international prices for fossil energy, primarily responsible for the serious overheating of the planet. On the other hand, the strategy of natural forces to stem environmental problems has always been economic imbalance (Recession). Could we think that economic and geopolitical disruptions are part of the natural strategy that pauses the economy to reduce the environmental degradation that humanity produces? Or better, we can think that the poor governance of the economy and the presence of inflation at the same time as deflation lead to a decline in development and environmental pollution at the same time. Positive on the one hand but it increases social tensions and undermines the coherence of communities on the topic of the green transition, which instead requires the path of economic balance (Cossiga, 2018a).

Despite this tangle, the direction of the economy towards balanced development, good economic governance, price control and an anti-inflation and anti-deflation strategy appears undoubted. Although some of these actions may be contradictory because they essentially distance us from the goal of neutrality. This could say that we have to go through a period of contradictions. In the sense that economic decisions could perhaps go against the grain. That is, to return to good governance and economic balance, it is first necessary to resolve the anomalies of the economic systems, thus hindering interventions on the path to the green transition. To think otherwise would be wrong. Why? First of all because the only and correct way to achieve complete neutrality is to achieve a global balance of economic systems.

On the other hand, it would be contradictory to achieve neutrality with a global economic condition grappling with the worst adversaries of equilibrium, i.e. monetary and cyclical anomalies. Paradoxical because neutrality with nature means that we have reached the ideal condition of the stability of the endless economy. Let us not forget that neutrality in the post-neutrality scenario brings with it an accelerated balanced development, the gradual transition to the economy of abundance after the centuries of scarcity, the non-transitory equilibrium that excludes any monetary or cyclical anomaly.

All this suggests that the transition to neutrality is not an instantaneous one but rather a gradual transition with the eventual abandonment of the disvalues of the economy (economic cycles, inflation and deflation) which are incompatible with the condition of lasting equilibrium of the economy. From this point of view, the planned neutrality will ultimately be the lasting peace between humanity and nature.

According to this approach, the goal of economic stability and endless friendship with nature is not just a matter of turning off the sources of greenhouse gases and reducing their presence in the Earth's atmosphere. This goal is conditioned by other issues. The anomalies of the economy, the geopolitical tensions, the alterations at a social level and between communities could not survive in a world which at the time would have achieved a complete and unassailable balance in the economy, in the social field, in the relations between communities, territories and continents.

On what is this assumption based that sees in the relationship between humanity and nature the passage from the era of scarcity to that of abundance? We start from the idea that the condition of absolute harmony with nature is not just a problem of global warming typical of the Anthropocene, but a more general evolution that also contributes to intimately modifying the models on which human society is built (Fagan, 2017). It is certainly unacceptable that the stability of the relationship with nature can coexist together with the anomalies that today alter the prospects of humanity on the economic level. The world that we glimpse in the new era of peace with nature does not allow the existence of anomalies on both a cyclical and monetary level; both are treatments, proposed by natural laws, for the protection of life on Earth. But in a world in which stability and balance with nature postulate the obligation of development without obstacles and in complete and lasting equilibrium, we must also admit that the rules that today underpin the economy and the same care to avoid an irresistible disaster economic, become *superfluous*.

Stability and balance of the economy cannot coexist with the anomalies of the economic climate and with the links imposed by monetary alterations (deflation and inflation). In other words, economic anomalies are nothing more than the implication of our difficult relationship with the planet. Once we had mitigated or eliminated disagreements with the environment, there would no longer be any reason for the "cure" to return to manifest itself again. We can certainly admit that in that new era for humanity the current problems of the economy would be outdated.

We are essentially saying that to arrive at the era of complete equilibrium with nature we must also eliminate from our global scenario the anomalies that still affect, with a range of varieties, the economy around the world. That is, we cannot achieve the lasting balance of collective development if we do not arrive at the historic date after having healed the economies of all countries globally. Now it is clear that this demanding objective can be achieved on the condition that relations between territories and continents move from the current condition of indifference or tension if not conflict and war to a new, more supportive reality also because the issue of the environment does not concern individuals but all of humanity (Cossiga, 2022).

Utopia. Yes, utopia is thinking that our reality is eternal and continues without profound modifications. Now there is no doubt that the world wars have already represented a limit not to be crossed, in the sense that the very hypothesis of a new conflict on a global level is excluded everywhere. This must also mean that we are on the frontier of a new reality that repudiates war. Optimism? Yes! But some current factors contribute to the idea of humanity's progressive step back from war; the establishment at global level of a global entity, the UN, which was born as a center for mediation and conflict control. There are no doubts about the limitations found in its function, which are unfortunately affected by the power that the countries that emerged victorious from the Second World War wanted to attribute to themselves (veto power). Inadmissible faculty because a hierarchy between peoples is not admissible. Furthermore, still on the topic of the rejection of war as a solution to disputes between peoples, we can mention the greater importance that the community is assuming in the management of relations with foreign countries. Which dictator could start war if he didn't have the consent of the people? But

it is an impossible consensus because communities are the champions of life, the stand-in for the universal laws that govern life on the planet. It is therefore impossible that the guardians of life are also the executioners of life itself.

Conflict as a Method Cannot Resist and Must Be Excluded—Therefore Voluntary Unions of States and Territories, with the Historical and Instinctive Availability of the Community

Certainly, the majority of a community that is to be considered the guardian of the life of human beings. It cannot therefore be ruled out that altered minorities grappling with historical hatred could plan revenge for years. Thus, we witness the war in Palestine, with its procession of civilians killed, and the response (revenge), which does not go in the right direction but contradicts the principles of international law. Pope Francis speaks of World War III. observing the ongoing conflicts in Europe, the Middle East, Africa, the Caucasian republics (Pope, 2014). We can only confirm. But we can also admit that this new model of widespread war may be the expression of the total dissent of the majorities from any type of war and that the dissemination is instead the result of violent minorities, to be controlled by the same majorities of which they are part.

It is not enough. Because the theme remains: Are conflict and war permissible in a world that has reached the stage of balance with nature and consequently greater autonomy and potential for common development? It is difficult to say right now that human events that result in conflicts could not survive. In the meantime, we can note that the “economy” ingredient is certainly a substantial factor in the decision of dictators and autocrats to take up arms. But we certainly cannot ignore, next to the economic motivation, that of power. Above all, power understood according to the great dreams of humanity carried forward by giants of history, despite the sacrifice of thousands and millions of human beings. The dreams of power that have dragged men and empires such as Genghis Khan, the Roman Empire, the English Empire, Napoleon, the Chinese Empire, have the common objective of creating large territories where different experiences and neighboring civilizations can be united in a common Union (Huntington, 1996).

Why is the unexpected eruption of continuous conflicts recurring in our ancient and recent history to extend common levels of civilization to enormous territories? Significantly, the great conquerors have aroused the interest of communities who often seem to share these extraordinary feats. Only, for example, can we remember that Napoleon’s desire to unify the European continent attracted the interest of communities from the invaded and conquered countries who unexpectedly mixed into a multilingual army, (including Italians, French, Austrians, Polish Dutch, Spanish, Portuguese, etc.) in the Russian campaign, which then marked the beginning of the end of the epic. This is why communities, guardians of life and descendants, have bowed to a plan that at first sight seems at odds with reason itself (Roberts, 2023).

We have no other explanation than that there was an intimate conviction in the mosaic of European peoples behind the grandiose plan of uniting Europe, the old continent, into a single people. Now we can draw inspiration from that and other moments in history that the dream of the unification of the continents and in particular of the European continent is in the DNA of the communities. It is certainly no small thing to say that this tension, written deep in the will of the people, is ready to emerge when the conditions have been created for this collective mission to be achieved (Gordon, 2016). At this point we can ask ourselves: When and if will the conditions to encourage this evolution be achieved?

The future is hidden from men. But we can see if there are any useful traces. The first fact that we can affirm is certainly the economic condition which is decisive for the success and failure of the initiatives. We have already

said that our era of scarcity has ended up shaping society and the current social fabric. Money and wealth are still a source of primacy today, even if they do not contribute in any way to social well-being through businesses and activities (Smith, 1922). Well, we can imagine that the condition of scarcity that guarantees the privileged status of wealth and the possession of goods could change in the future. That is, moving from scarcity to a state of relative abundance, therefore of availability for all the essential goods and options of life. Well, there would certainly be variations in the current hierarchy of social classes. With what perspective? (Diamandis, & Kotler, 2014).

Let us now try to understand on what basis—not optimistic but realistic—we can argue that in the future of complete neutrality with nature we could have an increase in productivity driven both by science and technology and by increasing productivity (Cossiga, 2021). Well, it is worth taking a small leap into Roman history, during the so-called “Climate Optimum in the Roman Empire” period which lasted over 150 years, from the 50s B.C. to 150 A.C. (Harper, 2017). Well, during this favorable season, with greater sunshine and increased rainfall in the Mediterranean area, the Empire reached its maximum extension, productivity increased to feed a constantly increasing population in the territories of Rome. In the following century, fortune turned away from the Empire, which was subject to epidemics that abruptly reduced the population (Cyprian’s disease, Constantinian plague), while there was a decisive secular worsening of the climate, with a reduction in sunlight and extensive droughts, which they also involved the breadbasket of the Empire (Egypt).

A nod to the past, to emphasize the objective of neutrality that awaits us, in a still undetermined time. The prospect of a constant increase in productivity seems inevitable, both due to the push exerted by science and research and due to the condition of stable and constant equilibrium of the economy in relation to Nature (invariable climatic optimum). The current picture of the global economy with large differences in the path of development between continents and, in this context, widespread cases of inflation and deflation, as well as economic changes, make us despair that the desired goal of neutrality with the nature around us can be achieved in a single block. We will therefore have a more advanced part on a cultural and productive level, at the forefront both in the West and in the East, and a following of territories still searching for a state of constant economic and social balance (Dozon, 2008).

We can therefore believe that the most advanced countries are close to reaching the neutrality threshold while the others lag behind. At this point in the area, ahead of neutrality, positive conditions could be created thanks to the climatic optimum and the progress of science and research (Cossiga, 2021). The result will be a constant increase in productivity in many production sectors, especially in agriculture. Under the new conditions the scarcity of the past would gradually dissolve. At this point, productive surpluses will find their way to the areas and continents lagging behind on the path of development moving towards neutrality. Paradoxically, a broad willingness will be created in the more fortunate areas to grant excess production to the less fortunate areas. It will be the same tendencies to preserve the social structure—based on wealth and the power of money—that will allow its transfer, for maintaining privileges for as long as possible. At this point it will be possible to accelerate the development of the territories and continents left behind on the path towards neutrality. A virtuous process for an incisive reduction of distances in development between territories, but also—and I would say above all—in view of the goal of complete neutrality with nature, which will affect all of humanity.

These brief considerations confirm that the current scenario of the global economy does not lend itself to being the right platform for the realization of neutrality. The current condition sees the West grappling with inflation, falling due to fluctuations in fossil energy prices. In the Far East, China is struggling with deflation. A

varied picture then extends to Africa and South America, continents in which classical inflation moves like a leopard. A picture that overall, certainly does not bode well for the complicated road that humanity must take to reach the goal.

Neutrality, with the nature that welcomes us, means that the constant equilibrium thus achievable does not tolerate monetary anomalies or disrupted rhythms of the economic cycle (Cossiga, 2018b). Humanity must take responsibility in this long eve to remedy the monetary and cyclical difficulties of the economy. From this point of view, the signs that individual territories encounter in managing the economy are not local problems, but rather burdens for all humanity. Which is to say that, alongside the hard commitment to curb global warming and control greenhouse gases in the atmosphere, we must also deploy a common strategy to reabsorb and defeat monetary anomalies in large and small nations. As well as the cyclical economic anomalies, which represent a phenomenon destined to disappear in the context of a constant and lasting balance in the future goal (Cossiga, 2018a).

It is therefore necessary to deal with these aspects which remain outside the discussions in the recent COP28, the annual UN climate conference, Dubai—autumn 2023. Let us overlook the hopes expected from the meeting of delegates from almost 200 countries, members of the UN, to concentrate the attention on the issues of monetary and cyclical anomalies in the economy, still present among most of the participants in the great event.

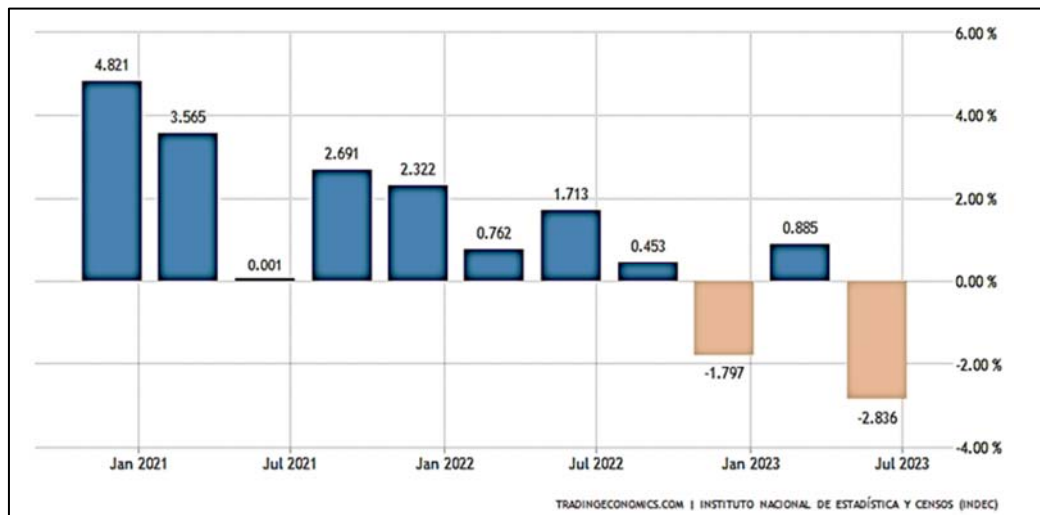


Figure 1. GDP growth rates Jan. 2021-July 2023 in Argentina.

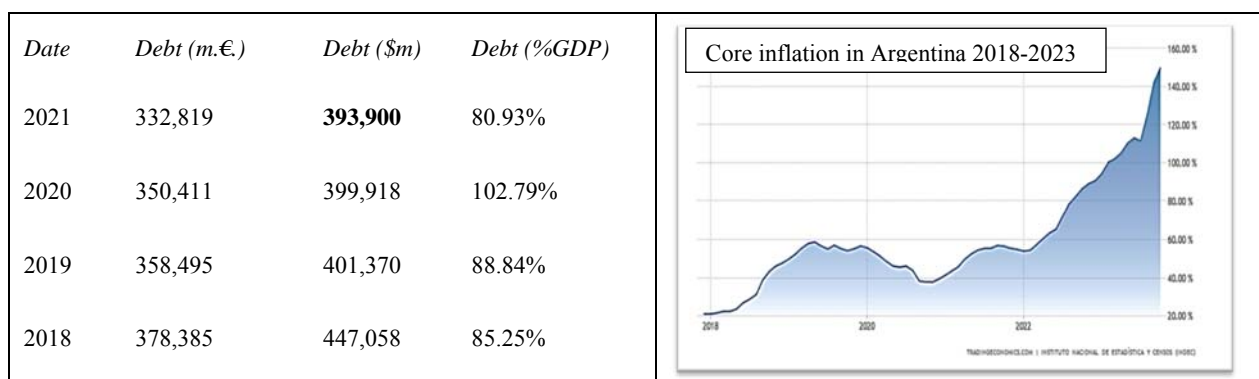


Figure 2. Public debt in Argentina goes down.

Source: Trading Economics.

Well, inflation in the West seems to be running out. On the other hand, it is a transitory factor that derives from tensions in the international prices of fossil energy. Therefore, the monetary phenomenon in the West cannot be subject either to the wage-price spiral or to the automatic acceleration of inflation rates. The case of deflation in China is different, as is the case of recurring inflation in Argentina and some African countries.

Argentina, despite the great potential of the economy, continues to be faced with recurring inflation, which emerges periodically with a strong acceleration destined to exceed the rate of 100% within the current year. This is “classic” inflation which—like a wave created in a pond by the throwing of a stone—proceeds to expand according to a constant acceleration, depending on the deterioration of the economy at the onset of the phenomenon. A worrying factor because, like Penelope’s canvas, the cuts imposed by the restrictive monetary policy on the rise of inflation are recomposed by the same basic acceleration. Furthermore, measures to support the economy in crisis can also be a contributing cause of the acceleration of the interest rate inflation itself.

We can find a similar condition in African countries facing constantly accelerating inflation. This is the case of Ethiopia, Burundi, Egypt, Sudan, Zimbabwe, Ghana, and others. Many episodes of inflation in Africa are also residues of monetary alterations connected to attempts to force the development of the respective economies. Adding to the complexity of the picture is financial fragility due to the complex debt situation. A general picture that assimilates inflation in the countries of Africa and Argentina to classic monetary alterations, which are difficult to control due to the presence of an acceleration factor that depends on the weakness of the economy itself. Financial weakness and inflation in these cases are linked to each other, so any attempt to force on the level of debt translates into a push towards the acceleration of inflation.

The trap of “classic” inflation, that is, subject to a constant acceleration that absorbs monetary policy corrective measures and keeps inflation in check in countries besieged by high debt, requires interventions by the G20 to ease the grip. Above all, Europe is called to play a supporting role in the development of countries blocked by the wall of growing inflation and declining development. An intervention which in the meantime should be aimed at supporting the investments of African countries caught in the tangle of speculative and international debt. Since indebtedness is representing an obstacle to the development of the continent, which has enormous possibilities, the joint action of the IMF and the European Central Bank seems indispensable for agreements with the most indebted African countries for a debt cut; with the guarantee of curbing the resort to debt by debtors. It must be recalled here. The need for the African Union to move with the active presence of the old continent so that the embryo of the AU evolves following the pattern of the European Union. To speed up the evolution towards a new Union between continents, the hypothesis can be put forward that the rapprochement process is promoted by periodic meetings between two Unions (AU and EU) with progressive cultural, economic, social and political rapprochement of Africa and Europe (Cossiga, 2023). It is stated that the EU must also take steps forward in the process of establishing the federation of Europe states. In this regard, we recall the observations of Henry Kissinger in a letter to Giorgetti, Italian Minister of Economy: “To function, the Union must violate the Treaties on which it is based”, “Every time deciding by 27 (States) is like participating in a condominium meeting”.

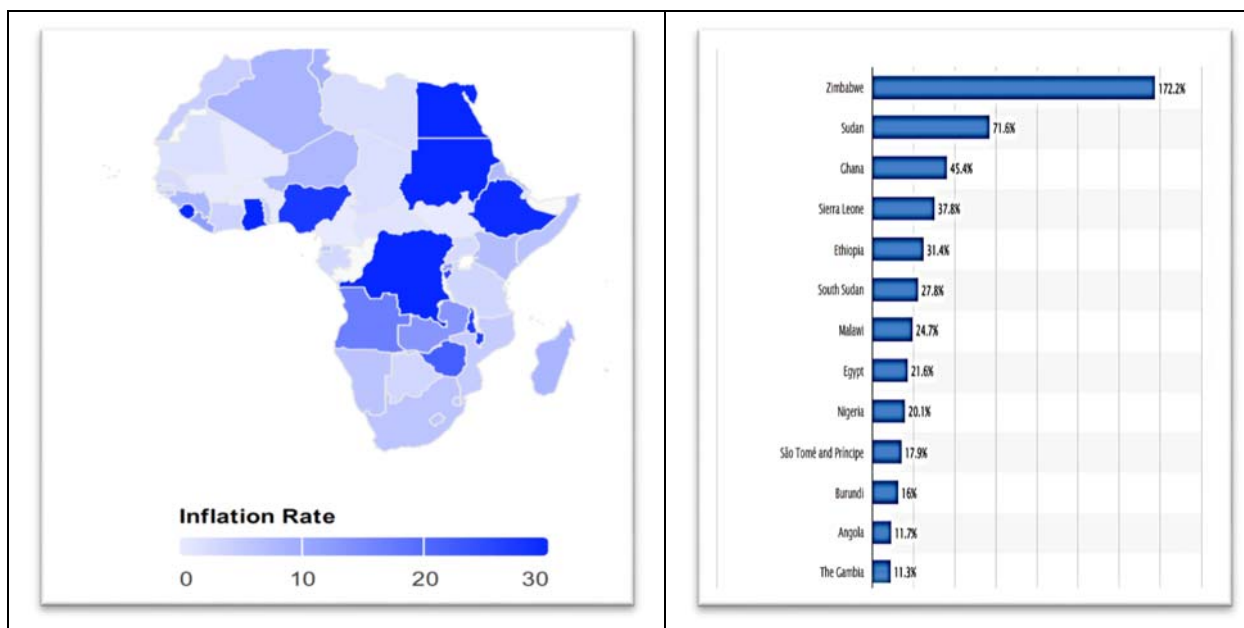


Figure 3. Inflation rate | Africa—projected inflation rate in Africa as of 2023, by country (compared to the previous year).

Source: Trading Economics, <https://www.statista.com/statistics/1220801/inflation-rate-in-africa-by-country/>

Old Europe has a historical responsibility towards African countries for the nineteenth-century colonization of all Africa and the plundering of the riches of the large country. The populations of the former colonies fear a new form of presence of countries like France and England as a return to the past (neo-colonization). It is more appropriate than ever for the old continent to present itself with the new face of the EU, which has never been involved in past phenomena, to alleviate the discomfort of local populations. A message that concerns the African continent, but it can also represent an achievable objective for the Americas. In North America the economies of the USA and Canada have been integrated for some time (NAFTA), although there are disputes between the USA and Mexico on theme of immigration from the Latin country. There is no news that from the economic free trade agreement we can move on to integration on the EU model, with the creation of a single currency. Following the gradual scheme that led to the 1992 Maastricht Treaty in Europe, precautions and temporal progress can be implemented to protect the global currency character of the US dollar. The most used currency in international trading and the main reserve currency, whose characteristics of acceptability and universal value of the US must be maintained. In a global context also marked by episodes of dollarization (the US dollar as the official currency) and even de-dollarization (Over the last few years, several nations are starting to trade with China with their respective national currencies or with the Renminbi: Russia and Japan since 2011, Iran and Venezuela since 2018).

The theme of the formation of Unions of states—we could say—was born in the United States, according to the thoughts of Jedidiah Morse. A pastor and geographer who in 1792, in Massachusetts, preached “that the new country would expand westward, would propagate principles of freedom throughout the Americas and would become the supreme crowning achievement of human civilization throughout that period and beyond”, “In that period America passionately argued that the challenge was not territorial expansion in the traditional sense, but the divinity-preordained diffusion of the principles of freedom” (Kissinger, 2022). And, essentially, the Unions that we are experimenting with in Europe, and in essence, in Africa and Latin America, are an aggregation with

social, economic and political purposes that follow the atavistic instinct in every human being towards integration of territories as a choice of opportunity and necessity (Jefferson, 1787). The great conquerors of history, from Genghis Khan to Ogoidei, his third son, from Caesar and Trajan to Justinian, from Catherine the Great to her successor Peter I the Great, from Napoleon to Wellington they are all devoured by the idea of large territories and of a humanity in which uniformity and common rules apply (Gordon, 2016). Conflict as a method cannot resist and must be excluded—therefore voluntary unions of states and territories, in according with the historical and instinctive availability of the community. In the same way, at the current moment, all communities must decide on the scientific, technological and economic tools to mitigate the danger of global warming (Morse, 1783).

Could Xi-Ping's China Follow the Same Fate of Japanese Economy?

In the wake of the EU, the Latin countries of South America can move which have already forged the foundations through the constitution Union of South American Nations (USAN), the Southern Common Market, commonly known by Spanish abbreviation Mercosur, the Forum for the Progress and Integration of South America (PROSUR) There is no doubt in believing that the various acronyms will come together in the future to form a South American Union, with an orientation not dissimilar to those that have governed and will sanction the progress of the African and European Unions. Conflict and war are instruments of the past that had also had the support of communities, somehow disoriented by the primordial impulse for the uniformity of territories and populations. But the discrepancy between the protection of life and the vision of the unity of peoples (with conflict) currently appears to be an irremediable contrast, even in the face of today's risk that overwhelms humanity. On the other hand, the conditions in the main more advanced countries would already be able to offer a satisfactory living condition to families without distinction, however on the condition of a more equitable distribution of wealth and purchasing power (Gittleman, & Wolff, 2004). We must say that as we approach the state of total neutrality with nature, a large part of humanity may be on the eve of the era of abundance, due to the disappearance of the limits to development (economic conjuncture and anomaly) which are a reason for economic and social divergences between continents, states, families. It follows that the great wealth of a fortunate few remains a reason for social distinction because the specter of poverty exists, especially in countries that are lagging on the path to development (Milanovich, 1998). But the prospect—not so remote—of a more homogeneous development of the continents could be the driving force of a new social order, no longer based only on wealth and the possession of goods (Oliver, & Shapiro, 2006).

As we have said, complete neutrality with nature entails a new constant and definitive balance of humanity on the path of development. On the assumption that the anomalies we encounter in the management of the economy (inflation, deflation, and the economic cycle) are not a source of damage but cures to avoid the irreversible fall of activities. So, fighting them as enemies is a serious mistake. Which is the cause, among other things, of the prolonged presence of inflation and deflation on the markets (Kose, Otrok, & Whiteman, 2019).

According to this point of view, deflation appears on the scene due to an excess of debt and the after-effects of a long speculative affair. With these notes we find ourselves talking about China. Country with a great imperial history, starting from the Yuan dynasty (Kublai Khan in 1271) which ended in 1912 with the Manchu-Qing dynasty, with a populous community that nourishes feelings of exceptionality, a recent past of accelerated development, which lasted half a century and perhaps now concluded (Haw, 2006). China, with a communist-style democracy, is currently experiencing the conclusion of a vast speculative process in the real estate sector,

which seems to follow the fate of the Japanese economy. In 1990, the economy of the Rising Sun emerged from a long period of speculation in the real estate sector, which put a brake on the parable of accelerated development with the legacy of a long deflation that still afflicts the country with the blockage of development. But let's go back to China, which shows it has the stigmata of Japan's economy, since the bursting of the speculative bubble in 1990. It has been stated that there are differences between the two realities. In Japan, real estate prices skyrocketed under speculative pressure, while in China a parallel phenomenon did not occur. Real. However, in China we are witnessing an enormous development in the unsold real estate offering and the simultaneous exorbitant increase in the indebtedness of the large construction groups Evergrande, Country Garden and Sino-Ocean and of banks that invest in real estate projects (Zhongzhi Enterprise Group bank based in Beijing).

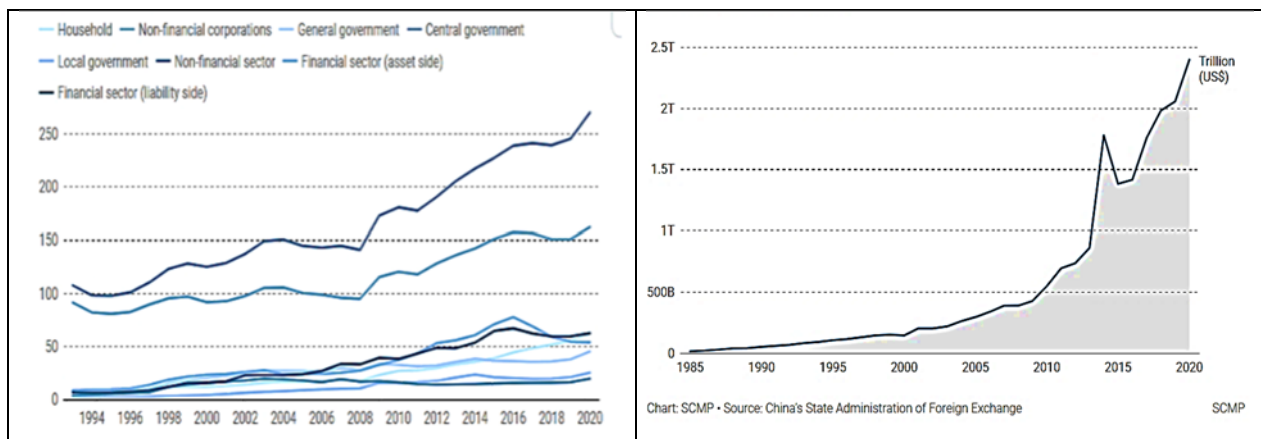


Figure 4a. China's internal debt (Debt to GDP ratio) from 1994 to 2020;

4b. China's external debt (Trillion USD) from 1985 to 2020.

Source: 4a. National institution for finance and development; 4b. China state administration of foreign exchange.

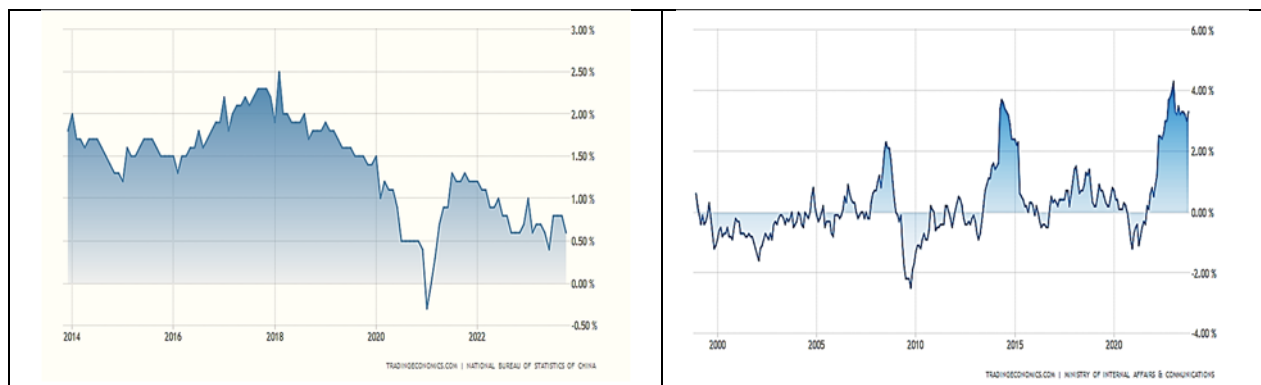


Figure 5a. China—Core inflation from 2014 to 2023; 5b. Japan—Core inflation from 2000 to 2023.

Source: Trading Economics.

It is also stated that the hypothesis of a repetition of the Japanese syndrome would be averted because in China public spending maintains an active possibility of intervention on the economy. It seems useful to remember that, even in the case of Japanese deflation, the active intervention of public spending in the early years post speculative bubble, had the advantage of easing the fall in growth rates, which however have almost dropped to zero since the 2000s. Will this be China's parallel destiny? For now, there are many coincidences. Not so much about the next expected GDP values, but rather about the evolution of deflation. A companion who does not leave you easily, coexists with the degrowth of the economy, which if it continues, as seems inevitable, brings with it

a gray economy, which sooner or later will stall or decline. Let's not forget that after half a century of unparalleled growth, nature demands a pledge, for the enormous quantity of gases and indigestible materials produced to maintain the accelerated pace. The legacy is precisely deflation, which is an undoubted sign of exhaustion and the end of the race.

For Japan, the long season of deflation was prolonged due to the renewed attempts to improve the fortunes of the Japanese economy with powerful injections of public spending, which prolonged the persistence of the monetary anomaly for twenty years, as can be seen in Figure 4b. The presence of the odious deflation has essentially blocked the development of the Japanese economy (see Figure 6a). Could Xi-Ping's China follow the same fate? In my opinion, unfortunately the conditions are there. The long-accelerated growth of the Chinese economy followed by the strong speculative growth of the real estate sector and finally the difficult to chase away ghost of deflation. These are factors that characterized the Nineties in Japan, which after an abnormal acceleration of development, experienced reckless speculation in the real estate sector only to then fall back into deflation, which still hinders its development.

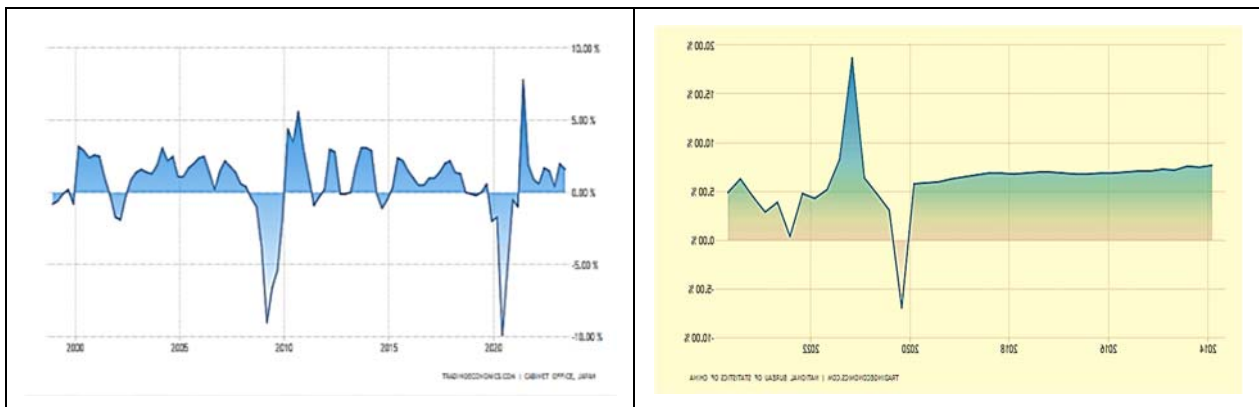


Figure 6a. Japan GDP annual growth rate from 2000 to 2023; 6b. China GDP annual growth rate from 2014 to 2023.

Source: Trading Economics.

Is it difficult to escape the bite of deflation? Painful not difficult. Because we must resort to the strategy of the president of the FED, Paul Volcker, at the end of the 1980s to fight US inflation. He had the courage, in agreement with US President Ronald Reagan, to raise interest rates a few points above the inflation rate, which at the time in the United States was above 15%. A courageous operation marked by remarkable success. Inflation fell to 5% in the early 1980s and then to 2% and remained stuck at the goal of equilibrium through out the 1990s. Inflation and deflation are twins, even if they move in opposite signs. They are both natural efforts that intervene in altered economic systems to push the communities and government leadership to change the economy direction. Even in case of deflation, it can be defeated by keeping the interest rate a few points above the rate of falling prices. The decision will cause a not short-lived recession, which will ultimately bring the now healed economy back to growth, as happened throughout the 1990s in America after the Volcker cure.

Economic Anomalies and Dissymmetry in the Development of the Continents are Therefore Prerequisites for the Objective of Neutrality with Nature

The thesis according to which the examination of the complex picture of the world economy constitutes a preliminary work in the race towards achieving the global balance of life on the planet is certainly convincing. It

would not be possible to achieve a constant and indefinite balance in the new world completely neutral with nature if we had not first absorbed the anomalies that we carry with us and which have always constituted an obstacle to the balance of economic systems. Continuing on this topic we must ask ourselves the question relating to the relationships between continents and territories. That is, whether, in the new scenario of harmony between life and nature, it is possible to regulate relations between states through conflict and war. If the answer is no, we must agree that this need has been felt for some time, as demonstrated by the constitution of the Union, Forum. Economic cooperation organizations scattered everywhere and in different continental areas. APEC, Asia-Pacific Economic Cooperation, has been operating in the Pacific area since 1993. 21 nations are part of the Organization, from the United States to China, from Russia to Australia, Mexico and Vietnam and so on. “In 1993 the then President of the United States, Bill Clinton, invited the other political leaders of the APEC economies to Blake Island, in Puget Sound, on the Pacific coast of the United States (not far from Seattle), thus raising the first time the rank of APEC meetings at the level of heads of government. Since then, APEC meetings between heads of government have been repeated on an annual basis.”



Figure 7. Asia-Pacific Economic Cooperation (APEC).

Source: https://it.wikipedia.org/wiki/Asia-Pacific_Economic_Cooperation

The supranational bodies emerging on the world scene can be interpreted as substitute tools in the new millennium to contain people's tensions; tensions, which since ancient times have manifested themselves in the name of the unity of the territories but with weapons. A continuous evolution that tends towards the definitive abandonment of weapons and war. The serious inconsistency—which in the past saw communities led by great leaders animated by the desire to unite people but with wars—could now be resolved. Because peoples, who represent the emblem of the survival of life, share and participate in the formation of great Unions at a continental level and between continents; like what emerges between Africa and Europe. Finally, the agreement currently being signed between the EU and Mercosur, which is important not only from the point of view of risk reduction, but above all, on a methodological level, for relations between continents and not just individual states.

Let's go back to the question: Why in the future, perhaps in a few generations, will the theme of conflict and war disappear and remain only in history texts? Well, we mention the evolution in geopolitical relations

which in the space of twenty years or so will be revolutionized by the global decline in demand for black gold. With the prospect that the gradual decline of oil demand will continue and accentuate before 2050. The progressive change in financial flows linked to oil, although not predictable, will create return flows to be allocated to investments in the renewable energy sector. It could therefore alter the map of global wealth that today rewards fossil energy. With a singular effect, large users of fossil energy will be favored, i.e. the most advanced countries in general, to the detriment, however, of large producing countries, in particular the Middle East and Russia itself. There is no shortage of dissenting voices. The president of the Climate Conference Al Jaber defends fossil fuels. “There is no science” that indicates “the necessary phase-out of fossil fuels to limit global warming to 1.5.” And he continues: “Goodbye to coal, oil and gas would take the world back to the caves.”

The inevitable progress of new energy technologies will certainly not be stopped by the status quo of fossil energy producing countries, due to the lack of alternatives to combat global warming. The oil substitution process may accelerate in the coming years, with dislocation effects on financial flows. Surprisingly, we can see that the sources of the ongoing wars are originate from or connected to the large oil-producing countries. As if to signal that the expected outflow of capital (petrodollars) from these areas induce autocrats to spend options (war) that would not be possible afterwards. Can we therefore hypothesize with a pinch of salt that the radical change in financial flows at a global level, for now driven by fossil energy, could constitute a powerful deterrent to the use of conflicts and wars?

To make sense of the question posed and its feasibility (i.e. to exclude war) it must be argued that the financial resources made available first by the drop in the price of oil—and then by its disuse—can be directed towards different areas and continents. Essentially to those who strive towards the goal of neutrality and are lagging behind on the path of development compared to the countries of the West and the Far East, such as China and India. The misalignment of the continents does not correspond to natural trends and postulates that an acceleration of the development of areas still lagging behind on a cultural, scientific, social and economic level is encouraged. As if to say that starting from the turning point with the decline in oil demand (presumably from 2030) an adequate aid and investment program should be launched in the lagging areas, to rebalance the unsustainable difference (Yogini, 2022).

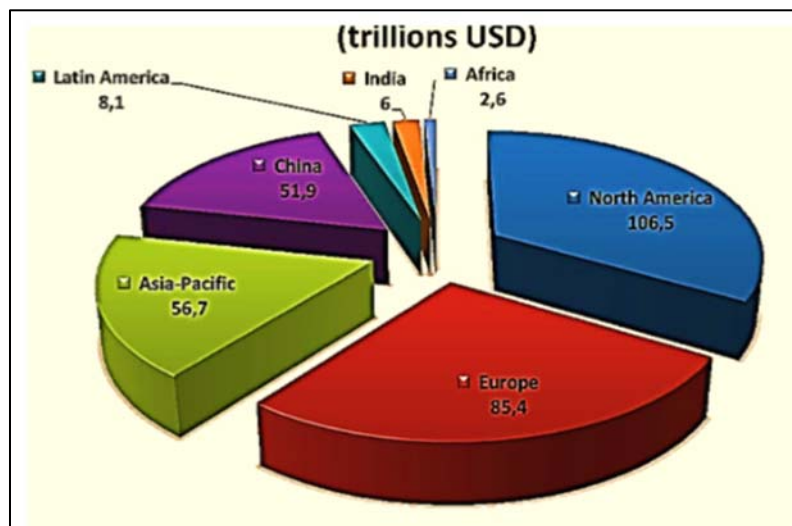


Figure 8. World regions by total wealth (trillions USD).

Source: [https://en.wikipedia.org/wiki/File:Worlds_regions_by_total_wealth\(in_trillions_USD\),_2018.jpg](https://en.wikipedia.org/wiki/File:Worlds_regions_by_total_wealth(in_trillions_USD),_2018.jpg)

They are not working of well, but necessity because it is the entire system of the world economy that must reach the ideal state of total neutrality. This would not be the case if only a portion, the most advanced countries, were able to reach the coveted threshold. Therefore, if only a sizeable portion of territories on all continents are able to come close to a peaceful relationship with nature, the delay of others prevents everyone from reaching the desired goal. How to interpret this need for unity in relation to the relationship with nature, if not as a further addition on the path to the necessary symmetry of the cultural, social, and economic state of the continents. What does all this lead to? I believe that the state of conflict that is still present in the world today must necessarily give way to solidarity, as a tool to systematically and insistently recompose the unitary tension that can lead us to the threshold of total neutrality.

Simply put, the problem of the unity of our approach to nature means that we are moving towards the dissolution of the spirit of war that still hovers over our world. Starting from the assumption that the call to communities to move towards the direct management of essential issues of life and death is an inevitable step towards a new era of pacification with nature. As a tool for the life of future generations, the economy requires equal attention, since we assume—as a prerequisite for a realistic approach to the objective of complete neutrality—the correction of development anomalies (economic situation and inflation-deflation).

The two characteristics mentioned (anomalies in the economy and dissymmetry in the development of the continents) are therefore prerequisites for truly approaching the objective of neutrality with nature. They are important causes of tensions globally. These anomalies are affected by the political delay of communities still far from the indirect or direct democratic management of issues fatal to the survival of life. Meanwhile, it can be suggested that the issue of democratically based political management, whether direct or indirect, of states and large territories is the primary objective of the United Nations. War as a means of conflict resolution is currently supported by non-democratic countries. Why?

In the assumption no people, called to decide, would be inclined to throw the lives of their children into war, we may affirm that the fatal questions relating to life and death should be a matter entrusted to the people. Looking ahead, we could propose the establishment, within the UN general secretariat, of a specific agency aimed at defining an ideal profile in the establishment and management of the member states. An argument that in any case requires the reform of the right of veto, reasonable at the end of the Second World War, but unacceptable today.

Conclusion

To simplify, we can say that the objective of total neutrality with the planet brings with it, in order to really bring the great goal closer, the task of calming the disturbances in the world economy (inflation-deflation, economic cycle) and containing the gap in development of the continents. In fact, it is not desirable that we reach the finish line with the economy dealing with the usual anomalies nor that economic conditions diverge as in today's scenario. It is inconceivable on the level of logic and universal laws that the constant and indefinite balance of total neutrality can be achieved if the world of economics is still struggling with the signs of diseconomies. Or with continental drift, which still trudges along the path of dissymmetry of economic development (Brendan, 2022).

Even more conflicting with the condition of indefinite equilibrium of the economy is that peace with nature is achieved with the primordial idea of resolving conflicts with war. If the spirit of revenge remains in human

relationships and between communities, it means that we are still far from the goal of post-neutrality equilibrium. This presumption is supported by the corrective effects that the global economy and individual territories would suffer along the path to the expected goal of neutrality. The absence of imbalances in the economic field is a first objective that will induce a clear improvement in development potential and a lively acceleration in the technological and scientific fields. A double base that can ease the tensions of scarcity and instead favors a climate of increased availability of resources for life (Soroka, & Wlezien, 2010). A state of relative general prosperity which certainly favors and effectively attenuates the dissymmetry underway in the development of the continents. In the near future, an environment will therefore emerge that undermines human greed in terms of money wealth, which may lose value in the social sphere over time. These are conditions that can modify not only the social scale, now based on the value of wealth in a context of scarcity, but I would say above all the geopolitical contexts. The impulses of communities in favor of voluntary aggregations would become stronger, with the establishment of Unions over increasingly vast territories. Supporting the profound aspiration of peoples for aggregation with consensus; a primordial drive present in every person, group or community. The productivity of the earth and its resources can now be, in this march of humanity towards neutrality, the true pedestals that can make the conflict and war obsolete, also due to the consequent greater symmetry, cultural, economic and social, of the continents.

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