Annual meeting with the financial market

Speech by the Chairman Professor Paolo Savona

Milan, June 14, 2019

CONSOB

COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA

Speech by the Chairman to the financial market

Authorities, Ladies and Gentlemen,

the Annual Report that we are presenting today provides a detailed account of the activities carried out by Consob in 2018 and represents the legacy on which to build the added value of our future activity. The content of this "speech to the market" mainly concerns the programmatic framework of our commitment, reports on the origin of some shocks and indicates the urgent constraints to be dealt with.

Introduction

The existence of clear, coherent and easy to implement rules is necessary for carrying out the tasks assigned to Consob, but this is not sufficient to ensure the proper functioning of the financial market and effective saving protection. These are also affected by the business cycle and by the domestic and global political framework.

The search for a balance between stability and growth in the European Union is inherent in the Treaties. However, there are aspects that differ amongst the two tasks: whilst the first is achievable through supranational instruments, the second is entrusted to Member States and is closely related to inflation trends. Financial stability, for which Consob is called upon to collaborate, plays an equally important role in the transmission mechanism of the monetary policy to the productive sector through the link between savings and investments, the beating heart of the economy.

In order to pursue this task, Consob will undertake a parallel action alongside its main activity in order to strengthen the objectivity of its decision-making processes and guarantee the full transparency of its choices. We will therefore turn our attention to how to collect and process information through the most advanced tools provided by modern data science based on artificial intelligence and how to store it in decentralised, non-modifiable registers using modern crypto-digital techniques. In doing so, we will benefit from the progress achieved by other domestic and supranational institutions that pursue the same goals as we do and by research centres engaged in the field.

The timing of this convergence depends on the necessary adaptations of existing rules and practices, as well as on the flexible response that will come from Consob's current operational structures. Professional staff training is an indispensable part of reaching this new operational frontier.

1 Saving as a foundation of economic and social stability

The most recent statistical data confirms that exports remain the driving force behind our economy and characterise its development model. However, exports do not depend solely on domestic entrepreneurial skills, but also on the trend of global demand constantly exposed to geopolitical changes, as has been changes happening in recent months.

Savings, on the other hand, remain the determinant of Italian development under the country's own direct and prevailing influence. It is the strength of Italian society, which has been elevated to a constitutional value. The proportion held in financial assets is significant and almost equal to the real estate component. Investments in construction have always been the second driver of our growth and replaced exports at critical moments. Ensuring the proper functioning of the two drivers requires an equal commitment from the public institutions.

Important productive sectors of our economy have shown excellent ability to react to the difficulties created by a process of globalisation which lacks adequate international coordination. This is clearly shown by the persistent surplus of our current foreign balance, achieved despite the strong economic adjustment arising from the change in the terms of trade - the key variable of our development - caused by external shocks. This has not prevented our Country from experiencing low growth, underemployment and the social and political consequences we are currently struggling with.

Without denying the existence of problems within the Country - effectively analysed in the recent *Final Considerations* of the Governor of Banca d'Italia - the negative judgements often expressed by supranational institutions, national bodies and private centres seem almost prejudices, because they refer to conventional parametric financial bases that do not take into account the two pillars of our economy and society: the competitive strength of our companies on the global market and our good level of savings.

It is as if Italy were inside "Socrates' cave" where the dim lights of knowledge enter and project a distorted image of reality on the walls. In addition, a continuous one-way clamour stuns. Those holding top positions in politics, the economy and the media have the task to strengthen the light and lower the shadows in order to restore confidence in the country's future. There is no insurmountable objective constraint on our growth.

The usual use of means that are not representative of the universe, since the frequency distribution (kurtosis) of the underlying observations does not exhibit normal (Gaussian) characteristics, leads to a biased evaluation of our actual conditions. Such a practice is reflected in negative judgements - both domestically and abroad - on the soundness of our public debt. The consequence can be partly avoided by accompanying the mean with an indicator of significance or, better still, by evaluating the different components of GDP individually in order to assign the weight that each one has in the formulation of the judgements. This essential and elementary principle of presenting statistics has not yet been established.

Beyond this purely technical aspect, however, there are also some distorting factors linked to the underestimation of some important elements of the Country's economic strength.

Italy's financial position abroad is essentially balanced and since 2013 we have had savings flows in excess of domestic use.

Contrary to important developed countries such as the United States, the United Kingdom, Canada, Greece and France in the eurozone, and Turkey and the entire South American continent in the rest of the world, Italy does not absorb savings flows from abroad, but transfers savings flows higher than its public debt is. This condition can primarily be boasted by countries rich in raw materials, a shortage that Italy has compensated for with its excellent entrepreneurial capacity.

For the European and global community, Italy is not a financial problem, but a resource from which many countries draw to meet their needs.

The European and international institutional architecture in which we operate matured when the world was divided into opposing geopolitical blocks and has not adapted to the changes that have emerged over the last 25 years: international competition takes place between large demographic and business dimensions, technological innovations are unceasing and the presence of Governments in the market is increasingly incisive. In an open economy, account must be taken of the constraints imposed by these forms of competition, which we can influence thanks to the force of reason.

The world' s Governments, starting with those of the EU Member States, must take responsibility for changing this unsatisfactory state of affairs by making a commitment proportional to their respective geo-economic and political strength. Until we take note of the increased interdependence among the countries of the world, which at first was supported and now weakened, they will tend to close themselves off in their national dimension, curbing economic and social development of those who pursue isolation, with negative repercussions on all others.

In the current global monetary structure, trade wars will sooner or later turn into currency wars, multiplying the negative effects on global growth. And, so far, no leaders have brought together the countries which are interested in preventing this outcome.

The structural fall in our GDP growth rate, the parallel drop in the employment rate and the consequent impact on society and politics are therefore deep rooted, but not necessarily unchangeable.

This situation does not stem from the lack of savings, but rather from their under-use at domestic level.

The devaluations of the lira and the expansion of public spending have made it possible, in the short term, to deal with the moments of greatest economic and social tension caused by the unregulated change in the international exchange rate regime and the monopolisation on the oil market. These traditional adjustment tools could not remedy the imbalances that had occurred. They indeed also prevented the activation, beyond a certain measure, of fiscal tools in order to avoid a deflationary effect associated to higher public expenditure. Public debt was therefore used, increasing our sovereign debt-to-GDP ratio from 50% at the end of the 1970s to 105.5% at the time of the signing of the Maastricht Treaty in 1992.

With the decision to join the euro from the outset, Italy has committed to converging towards a 60% debt-to-GDP ratio without first defining, at the domestic and European level, a policy for curbing the 45 percentage points in excess, devoid of deflationary characteristics and, consequently, of the necessary democratic consensus. The techniques to do this existed and still exist at no cost to anyone and with benefits for all.

Towards the end of the second millennium, the enlargement of the free trade area to non-market economies took place without a revision of the WTO (World Trade Organisation) rules: in fact, the choice of the exchange rate regime was left to the individual countries, allowing the competitive conditions on the world market to be altered by exchange rates. The huge accumulation of official reserves in countries that have chosen fixed or dirty exchange rates (influenced by authority interventions) has generated new market asymmetries following the massive return of states to economy with sovereign wealth funds fed by accumulated official reserves; just when Italy, with the closure of the IRI (Institute for Industrial Reconstruction), was dismantling its analogous instrument.

On the threshold of the third millennium, the abnormal development of innovative finance, allowed by what was considered a "benign neglect" of the authorities, caused a global financial crisis in 2008, urging substantial interventions from public budgets that led to an abnormal growth of sovereign debt in almost all countries. In Italy, the public debt-to-GDP ratio - which had returned to below 100% in 2007 as evidence of the commitment made to comply at least in part with the European agreements - rose to 132.1%, driven by the difficulties in adapting to the new world financial shock transmitted to real economy.

In these conditions, the necessary reforms to be carried out domestically and the attempt to contain the public debt excesses through budget surpluses have shown their intrinsic limits in reaching the stability target without parallel growth. Without correcting the shortcomings of the European and global institutional architecture and of the relative policies, imbalances are dragging on to the detriment of all.

Domestic savings, in conjunction with monetary authorities, have supported the expansion of public debt without crowding out private debt; this has been generated by the rise in the cost of credit due to spreads on interest rates on our public debt required by the market.

Given that investment in securities is made using savings that have already fulfilled their tax obligations, the Government must restore the belief that they are still wealth. Rules and behaviours conflicting with this goal must be modified.

Confidence is fuelled by real growth, which in turn generates confidence if the political and social climate remains favourable. The combination of confidence and growth would receive certain and significant boost from a joint action of Italian private and public sectors to implement 20 billion euros additional investments, using domestic savings. Zero growth has its epicentre in investments and it is from these that we must start. However, it is also necessary to reconcile social concerns and the economic and financial fluctuations both at domestic and international level.

2 Financial savings of Italians

At the end of 2018, Italy's financial assets amounted to 16,295 billion euros, almost 10 times its GDP. Families owned 4,218 billion euros (22.6% of money), firms held 1,852 billion euros and 2,748 billion euros was held abroad. Counterpart financial liabilities amount to 3,764 billion euros as for firms, to 2,682 billion euros as for the general government, about the same level of those of foreign administrations (2,672 billion euros). Household indebtedness remained small at 0.9 billion euros, one of the lowest in the developed world.

The surplus of our foreign current account was about 33.3 billion euros per year in the period 2013-2018; 43.4 billion euros on average in the last three years. Italian companies also boast foreign-funded investments abroad, the exact amount of which is unknown; they are outside our national accounts even though they represent for us a strategic factor.

The remaining 42.4% of total financial assets and liabilities correspond to the large amount created from pure intermediation that acts as a lever for real growth and for the absorption of public debt.

In the past, when our sovereign debt was considered reliable due to the existence of mechanisms to guarantee its repayment (real growth and savings, the existence of a lender of last resort and monetary sovereignty), a considerable part of it was held by households. These guarantees disappeared once the European agreements asked for the stability of public debt in return for that of exchange rates and prices. The percentage held by households was reduced, falling to 5.9% of the total outstanding (138 billion euros out of 2,322 billion euros) at the end of 2018. Most of Italian sovereign debt is currently held by domestic intermediaries (such as banks, insurance companies and mutual funds) and to a lesser extent abroad. Credit risk assessment task moved to the market without an adequate fight against speculation, which is often fuelled by domestic and supranational authorities using it as an external constraint to induce Member States to comply with the tax parameters agreed at European level.

Economic theory and empirical research have not provided a clear answer as to the optimal debt-to-GDP ratio, especially if consumer confidence is not taken into account. The example of Japan is instructive: if confidence in the country is solid and the savings base sufficient, a 200% debt-to-GDP ratio do not conflict with economic and social goals.

This does not mean that there is no limit to indebtedness, but, as an elementary criterion of economic rationality teaches us, in order to guarantee its sustainability, its rate of increase must remain, on average, below the GDP growth rate. Any indicator that leads to the existence of an objective limit to growth, such as the output gap, is not historically and practically valid, even less so logical.

If this rationality criterion were accepted at European level and respected by Governments, sovereign debt, including Italian debt, would be restored to the dignity of protected wealth that investors rightly attribute to it. And suspicions about the insolvency of our public debt, which are objectively unfounded, would be dispelled.

Due to the length of reaction time and to qualitative and temporal limits to their implementation, public policies against market crises and speculative attacks are not yet effective. A particular case in favour of saving and monetary stability is represented by the Bank Deposit Protection Funds, which are, however, pending incorporation into a single fund in order to validate the decision to create a European banking union. The financing of these funds is normally the responsibility of the direct beneficiaries (savers or intermediaries), but the community is called upon to intervene when available resources are not sufficient. Although experience has shown that such interventions are indispensable, failure or delay in recognising the need to integrate private and public funds, justified by the need to discourage moral hazard, creates uncertainty itself.

The increasing and detailed regulations aimed at investor protection, despite the improvements, have the proper limit of these interventions. Data show that the number of measures or sanctions for misconduct is much lower than the number of actions taken preventively, reflecting the effectiveness of the latter. Consob's activity in 2018 was very broad, with around 100 files per unit of staff employed, while initiatives to combat financial misconduct totalled 302; this amounted to 173 in the first four months of 2019 alone.

The professionalism of the staff and the measures taken to ensure micro and macro-systemic stability create a first barrier against misconduct and distortions in the use of savings. However, without pursuing the main objectives of real domestic growth and the promotion of confidence, the results of protecting savings and channelling them towards real economy turn out to be inevitably unsatisfactory for the economies most exposed to crises; savings flow abroad, serving the development of others.

If these transfers were to improve the rational distribution of world savings, as indicated in economics manuals, they would be justifiable and desirable, but this does not happen because there are many other factors at stake than the risk-return relationship in investment choices.

Recently, beyond the typical fluctuations, doubts have arisen on the consistency between real economy and the Italian stock exchange values.

One answer is the high liquidity available to operators. If, however, the Italian risk is perceived as high, as shown by the spread between BTPs and BUNDs, this explanation sounds insufficient, because it should drive savings away from the stock exchange and structurally reverse markets trends.

A strong and more rational explanation is instead that the Italian stock exchange is aware of the robust 31.8% exports-to-GDP ratio, which is reflected in the share prices of owner companies and of the banks that finance them. The usual objection is that exports represent only one of the Italian GDP components, which take a strong commitment to increase productivity and investment.

The existence of a limited production base only partly justifies the fact that the size of our stock exchange and financial market remains relatively modest in Italy, even if it still plays an important role. The new financial methods introduced by Italy to convey savings through stock exchanges have produced significant results, but there's a non-market belief that, in order to facilitate growth, the destination of the funds raised must be forced. There is good evidence that these constraints operate in the opposite direction.

3 Consob's new commitment

From all the considerations made so far, new and broader tasks emerge that require a particular commitment from Consob.

3.1 Governing financial innovation and improving supervisory instruments

Financial innovations have always been the main challenge for securities markets regulators. The system of rules and practices that has developed around traditional finance requires an update aimed at accommodating innovative finance.

History teaches that, after two centuries of crisis for the banks issuing paper money and of disputes on their capacity to multiply deposits, towards the end of the 19th century it became clear that the market as a whole had the capacity to increase the means of payment, but not to regulate itself.

Following the Great Crisis at the beginning of the 20th Century, the protection of savings and public intervention came to the attention of politics asking for legislative treatment and giving rise to independent institutions, such as central banks and financial markets authorities.

Nevertheless, even after the institutional framework had been better organised, monetary and financial crises kept on causing the market, and its inventiveness, to continue overcoming regulatory rules.

At the beginning of the 1970s, the development of the Eurodollars led to the previously mentioned crisis of the Bretton Woods monetary regime, the highest point of expression for the authorities' ability to govern world growth through international trade that is as respectful of the free market as possible. Many had warned the central banks that sooner or later they would have to intervene to govern them, but they did not, and the gold-convertibility of U.S. dollar came to an end resulting in its transformation into *fiat money* for all and into *free riders* in the hands of speculators.

The expansion of global trade has favoured a significant part of the global population's exit from the underdeveloped area, triggering positive effects on world growth proportionately higher than the negative ones stemming from the unregulated change in the foreign exchange and monetary regime.

Free trade and technological developments in communications have also led to the "financialisation" of economies, creating further serious problems for the protection of savings and the monitoring of the proper functioning of the market. The virulent expansion of “derivatives” overwhelmed the system of controls and caused the second Great Global Crisis in less than a century.

As is well known, the subprime credits, a form of NPL (Non Performing Loan) "predestined" to be so at the time of concession, were granted mainly to the U.S. construction industry and packaged in new securities, containing differentiated risks not exactly measurable a priori, which enjoyed highly positive ratings from rating agencies, thus creating an unsustainable financial bubble that exploded in 2008 with serious consequences on world savings and growth.

Despite the crisis, the outstanding amount of derivatives remained high on the global market, even though issues about the correct assessment of their market value have not been solved and cast shadows on the accounts of intermediaries who own them.

In Italy, the size of these contracts is relatively small and the system is therefore less exposed to risks.

The spread of crypto-currencies is another example from which to learn to the benefit of savings protection. Ideally, the use of this instrument, which is paramonetary if not financial for now, should become a public monopoly, as happened with monetary base. Some states are moving in this direction, but private initiative shows that it is more willing to grasp innovation and take control of it. If this were to happen, the current monetary system would be upset and the financial system would be involved; it would become problematic to control the quantity of money and, even more so, to bring it back into the public policy sphere.

The use of the encrypted accounting regime should be extended to guarantee the transparency and the inalterability of possession and financial operations. It is an indispensable tool to ensure that information about choices which have been made remains available to investors and supervisory authorities entitled to request timely and unalterable reporting. This will make it possible to verify whether intermediaries have ignored or altered fundamentals which should have oriented their choices, thus making it possible to ascertain any responsibility.

However, there are also very widespread encrypted digital registers that do not possess the characteristic of impenetrability, a distinction that the market does not yet perceive. Consob is investigating these themes with the Italian scientific community of cryptography and with the most advanced research centres.

The experience in the field of financial innovations leads us to affirm that portfolio management process are far to fully take advantages from objective contributions that artificial intelligence can offer in terms of risk-return evaluation, compared to those based on parametric and subjective evaluations.

Yesterday, the Joint Finance and Budget Committees of the Italian Chamber of Deputies decided to fill the regulatory gap for the micro diffusion of FinTech, internationally known as the sandbox, and decided to authorise the supervisory and monitoring authorities to enter into agreements concerning the study of the application, to their institutional activities, of artificial intelligence instruments and encrypted and distributed accounting records, as well as the training of their personnel. Consob is going to launch an agreement to set up a research and training centre, which would be called SAFE (by its acronym: Scuola per le Applicazioni Fintech Elettroniche - School for Electronic FinTech Applications).

The meaning and implications of modern techniques are not always correctly perceived and delays in their use and the persistence of high costs continue to affect asset management processes. Asset managers often talk about artificial intelligence and blockchain as if these entailed difficulties and risks, and strenuously defend obsolete methods and the use of usual financial techniques.

Another accusation made against the new technologies is that with the algorithms based on artificial intelligence, one can speculate on the stock exchange, ignoring that they are protocols based on advanced mathematical languages where human intelligence counts in establishing the procedure of analysis (algorithm) of the available information (the big data), but plays a neutral role in the act of investment decisions. These algorithms, if well designed, also allow processes for learning errors that the human mind would not be able to detect and correct without the help of the computers "that learn" (learning machines) and of their enormous potential of processing. The result is an improvement in the risk-return relationship evaluation.

As happens in industrial competition increasingly based on technological innovations, also in the financial sector the human intelligence of entrepreneurs capable of combining the best artificial intelligence techniques will still prevail in the future.

These technological advances correspond to a revolution in the logic of scientific research: inductive method has not experienced the progress recorded by the deductive method, such as that used by econometrics, up to now, whilst current innovations allow it to take hold of scientific bases to elaborate observations. The logic of observation-based research, according to the teachings of Leonardo da Vinci, Galileo Galilei and Francis Bacon, to cite only three great masters who have left a mark on our culture, resumes the centre of the market arena after having ceded it for a long time to the objective probabilistic logic favoured by Daniel Bernoulli and to the subjective logic of Bruno de Finetti. With his pioneering research on epistemology, Giuseppe Peano has projected scientific knowledge towards the conquests of artificial intelligence.

Few people in the world have already reached this frontier, which is constantly expanding. Most still have to travel the stretch that separates them from it. Italy is one of these.

3.2 Working together on common European and international financial rules

There is an urgent need to harmonise external and domestic financial rules as a necessary condition for the fair market competition.

Consob operates within the European Securities and Markets Authority (ESMA); the International Organisation of Stock Exchange and Markets Commissions (IOSCO); the European Systemic Risk Board (ESRB); the European Audit Firm Control Board (CEAOB); the Financial Stability Board (FSB) set up by the G7; the OECD Committees on Corporate Governance and Financial Markets; and in numerous joint subcommittees and study groups.

In these meetings, Consob will bring to the attention of the representatives of the participating countries the above mentioned situations in order to verify their effectiveness for the proper functioning of the market, the protection of savings and economic growth.

In particular, we will seek solutions that support:

(a) the improvement of the functionality of the various financial market components - with specific reference to initiatives which are still being defined, such as the simplified application practices of the "Prospectus Regulation" and the launch of secondary rules on crowdfunding - paying particular attention to the lines suggested by the Chairman of Assonime at the recent Shareholders' Meeting;

(b) the creation in the EU of a Capital Markets Union where Italian savings have their fair and equal treatment in consideration of their role in pursuing income and employment goals;

(c) the launch of a common tax policy that mobilises all forms of savings for real growth, with particular emphasis on eliminating tax treatment that impedes the free and proper functioning of market competition;

(d) the acceptance of the economic rationality parameter indicated as a condition of the systemic stability of financial markets, with a specific focus on sovereign debt;

(e) ongoing financial education to enable all actors, not just savers, to adapt to technological advances.

This joint action at European and international level would revive a virtuous circle of the world economy, without taking anything away from global community Member States, but creating added value in terms of trust in the future for the peoples of the planet; we now live everywhere in a state of mutual dependence that calls for better and closer international cooperation.

3.3 Contributing to the launch of safe assets at the European level

In addition to the expressed need to have a policy that gives confidence and encourages the maintenance and formation of savings in all its forms, as well as its channelling towards productive activity, a significant contribution to financial stability would come from the creation of a European safe asset.

The only safe asset in Europe today is in fact the German Bund. The system is asymmetric, since the issue is controlled by a single country, but demand comes from all members of the monetary union. This asymmetry is a factor of instability for the eurozone financial system. It leads to capital flights during crises, hindering the proper functioning of the common monetary policy. Bund supply is becoming increasingly scarce as a result of Germany's policy of public budget surpluses, while demand is growing, both in Europe and in the rest of the world. As a result, European liquidity, which cannot be absorbed by the Bunds, is being pushed outwards, mainly towards the U.S. Treasury Bills and Bonds, whose supply is expanding and yields rising. Ultimately, the above mentioned asymmetry and scarcity lead to distortions in the transmission mechanism of monetary policy to the real economy, incompatible with the monetary and financial stability of the euro area independent of the policies of single countries and of the fundamentals of their economies.

A European safe asset alternative to the Bund and U.S. Treasury Bill and Bond would improve the distributional rationality of monetary creation, would manage threats to financial stability, including disturbances related to excess sovereign debt, and would mitigate divergences in interest rates within the eurozone.

With this new instrument, it would no longer be necessary to constrain the free investment choice of European banks in order to ensure less risk for depositors.

Operationally, the funding power inherent in the ESM-European Stability Mechanism could be used to issue a security with the characteristics required by all global liquidity investors. The euro would be strengthened as an international currency.

A new European yield curve would take place thanks to this new instrument, more significant than the one occurring in the absence of a European safe asset.

The ESM would have to allocate the funds raised from the safe assets to lend to Member States that would have an alternative and low-cost source for refinancing their public debt. For a successful launch of the initiative, it should be noted that the EU avoids the mutualisation of national financial risks and, therefore, credit should be granted if the recipient accepts the preferential repayment clause.

Market analysts, people in prominent positions in institutions and individual scholars recommend this innovation, placing it among the main decisions that the European Union must take to improve its operational structure[1]. The proposal was authoritatively supported by the Governor of Banca d'Italia. Two days ago, the European Commission issued a Communication on the future of the eurozone in which it recommended to the European Parliament, the Council and the ECB to create a European safe asset, considering it an essential part of the completion of the banking union; however, it specified that the decision should be defined in conjunction with any possible choice with the regulatory treatment of sovereign securities in banks' portfolios. It would have serious consequences if this choice were to solve the problems of monetary stability, but create new ones for financial stability.

1 The proposal was put forward by the Minister for European Affairs in an article published by the Financial Times on February 27, 2019 under the title "The time is ripe for a European safe asset" and on February 28, 2019 in Milano Finanza under the title "How to connect stability and growth".

Conclusions

In summary, Consob:

- will continue its efforts to implement the rules and practices governing the smooth functioning of the financial market and the protection of savings in the shortest possible time and in a more streamlined manner;
- will pay particular attention to checking the consistency between regulations of different origins, verifying their functional compliance with the objective they pursue, including that of reaching the new FinTech frontier;
- will pay attention to the objective of supporting the allocation of savings to activities that produce real growth and social well-being;
- will work with international and European institutions to improve methods for monitoring and combatting abuse, making a particular effort to achieve the creation of the Capital Markets Union and the European safe asset;
- will strive to increase financial education from a perspective that goes beyond savers, reaching all citizens, whatever their position.

Restoring confidence in the future of Italy is the primary aim of this broad action, which cannot be pursued by Consob alone. All democratic and public institutions must be called upon to work to define a shared strategy based on solid logical and factual foundations.

The country's cultural and material resources are such as to enable it.

Recreating confidence in the financial solvency of the country would re-integrate the virtuous circle of development, which refers not only to economic growth, but also to the development of all the components of society. This would end what has been authoritatively defined as the "era of resentment" in which we live and would recover the "era of hope" of bringing globalisation and technological innovations to the service of all.