Sustainability thoughts 117: How the economic science based liberal democracy model should be expected to react when facing external shocks under equality?

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Abstract

It has been pointed out that if we look carefully at the unequal structure of the economic science based liberal democracy model in which we live in western countries we can appreciate that a good indicator of what to expect in term of government response when this market is facing external threats like pandemics, financial market crashes, energy market crashes and so on depends on whether or not that external threat is a binding threat to survival of the rich/the supply side of the market; and on whether or not the rich can disentangle from that external threat. Now, think about that system working under equality, which means that both the interest of the rich and of the poor are equally important; and neither the rich or the poor can disentangle from the threat as under equality nobody is left out, then we should expect that both groups the rich and the poor would lobby for and endorse balanced government responses to external threats that reflect their combined self-interest. And this is because under equality the rich and the poor are entangled to the external threat and they will face it together; and hence, they will support balanced responses from no response to mild response to extreme responses depending on whether or not the external threat is binding or not to the survival of both groups at the same time. For example, the corona virus threat is a binding threat to the survival of the rich/supply side of the market and to the survival of the poor/demand side of the market at the same time and they cannot disentangle from it; and hence we should expect then both groups under equality to lobby for and to endorse balanced direct trickle ups and direct trickledowns at the same time to survive the binding external threat. Yet not much is written about links between the threat to the survival of the rich/supply side of the market and to the survival of the poor/demand side of the market at the same time and the nature of the government responses both groups should be expected to support to face the external threat head on under the economic science based liberal democracy under equality. Which raises the question, how the economic science based liberal democracy model should be expected to react when facing external shocks under equality? The main goal of this paper is to provide a detailed answer to this question, both analytically and graphically.

Key concepts

Equality, inequality, liberal democracy, liberal market, external threats, binding threats, non-binding threats, entanglement, disentanglement, trickledowns, trickleups, pro-rich growth, pro-poor growth, unbalanced growth, balanced growth

Introduction

a) The structure of the economic science based liberal democracy model under equality

It has been pointed out (Muñoz 2020a) that if we look carefully at the unequal structure of the economic science based liberal democracy model in which we live in western countries we can appreciate that a good indicator of what to expect in term of government response when this market is facing external threats like pandemics, financial market crashes, energy market crashes and so on depends on whether or not that external threat is a binding threat to survival of the rich/the supply side of the market; and on whether or not the rich can disentangle from that external threat

Now, think about that system working under equality, which means that both the interest of the rich and of the poor are equally important; and neither the rich or the poor can disentangle from the threat as under equality nobody is left out. The link between economic science and the science based liberal democracy model under equality has been recently detailed(Muñoz 2020b) as indicated in Figure 1 below:

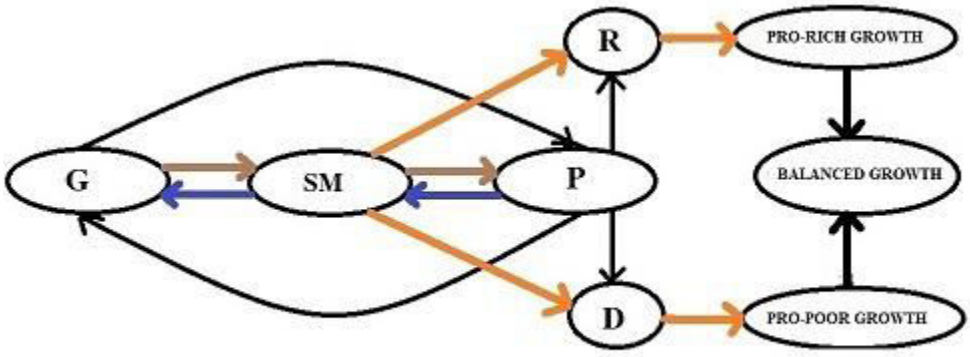

Figure 1 The economic science based liberal democracy model(SM) under equality

The following aspects can be highlighted to summarize the nature of the economic science based liberal democracy model under equality in Figure 1 above: i) Governments(G) are elected by the people(P) one person, one vote as indicated by arrow from P to G; ii) elected governments(G) use economic science(SM) to provide equal treatment to the rich(R) and the poor(D), both the rich(R)/supply side of the market and the poor(D)/demand side of the market receive direct government support as indicated by the continuous arrows from SM to R and SM

to D; iii) equal government(G) treatment leads to balanced economic development eliminating the need of trickledown wishes; and iv) hence, the livelihood of both the rich(R)/supply side and the poor(D)/demand side depends on direct balance help from the government(G) as there is no indirect government help under equality.

Markets under equality are driven by balanced government action that leads to balanced growth; and hence, under threats equality markets should be expected to welcome balanced government intervention. It has been indicated that balancing pro-rich and pro-poor growth leads to balanced development(Muñoz 2010) as balanced benefits and the no need for trickle down thinking are only possible under equality(Muñoz 2009). Under normal conditions or no external threats to the economic science based liberal democracy under equality in Figure 1 elected governments will pursue a balanced growth agenda always.

b) The structure of the economic science based liberal democracy model under equality and general external threats to both the survival of the rich and of the poor

If what makes the economic science based liberal democracy model under equality take action or not in response to external threats is whether or not this external threat is a binding threat to both the survival of the rich(R)/supply side of the market and the survival of the poor(D)/demand side of the market, then both groups play an equal and central role in influencing the government(G) in how to respond to specific external threats as it is indicated in Figure 2 below:

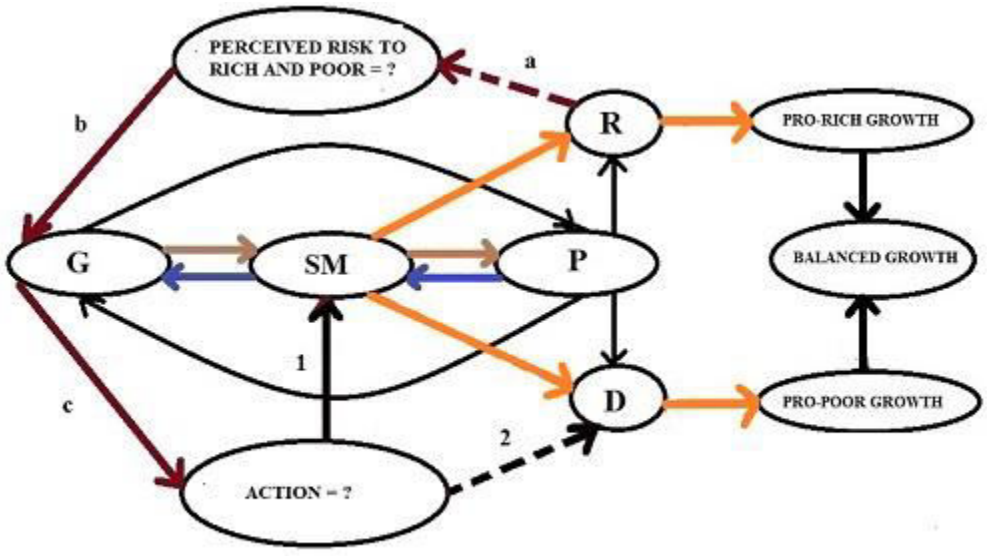

Figure 2 The economic science based liberal democracy under under equality and external threats

We can see in Figure 2 above that both the rich(R) and the poor can afford access to economic science(SM) knowledge as indicated by the continuous arrows from SM to R and from SM to D; and both of them interact directly with the government(G) as indicated by the blue

arrow going from P to G and by the brown arrow going from G to P. Hence, the way the rich(R) and the poor(D) influence government action(G) based on Figure 2 above has three steps: i) First, the rich(R) and the poor(D) use economic science knowledge(SM) to incorporate perceived risk to wellbeing of the rich and of the poor the same on in the government domain(G) as indicated by arrow "b"; ii) the rich(R) and the poor(D) use this assessment to lobby the government(G) as indicated by arrow "c"; iii) the rich(R) and the poor(D) influence direct government action(G) as indicated by arrow "1"; and iv) the government(G) cannot take indirect action under equality as indicated by the broken arrow 2; and the rich(R) alone cannot influence government(G) responses to external treats as indicated by the broken arrow "a".

In other words, consistent with Figure 2 above, if the survival of the rich(R) and of the poor(D) is not at stake when facing external threats, they will incorporate this understanding to influence the government; and the government then will take no action or at the most it will take mild direct action to help both the rich and the poor equally, but if the survival of the rich(R) and of the poor is at stake the rich and the poor will use this understanding to influence the government; and then the government should be expected to take extreme direct actions, total extreme direct actions to ensure the survival of both the rich and the poor at the same time, as there cannot be partial direct actions or responses under equality.

c) The need to understand the links between external threats to the survival of the rich and of the poor and the type of government support they will both endorse in response to that threat under equality

Consistent with the discussion above, under equality we should expect that both the rich and the poor would lobby for and endorse balanced government responses to external threats that reflect their combined self-interest. And this is because under equality the rich and the poor are entangled to the external threat and they will face it together; and hence, they will support balanced responses from no response to mild response to extreme direct responses depending on whether or not the external threat is binding or not to the survival of both groups at the same time. For example, the corona virus threat is a binding threat to the survival of the rich/supply side of the market and to the survival of the poor/demand side of the market at the same time and they cannot disentangle from it under equality; and hence we should expect then both groups under equality to lobby for and to endorse balanced direct trickle ups and direct trickledowns at the same time to survive the binding external threat. For example, both the rich and the poor have endorsed or welcomed extreme economic responses(Foster and Mundell 2020; BBC 2020a) and health related responses(WHO 2020; BBC 2020b; Flanagan 2020; Horowitz 2020; Josephs 2020) to the corona virus threat all over the world as both groups are affected by it. As these responses are taken under inequality, they are not balanced responses, the rich benefits the most with easy access emergency support(O'Connell et all 2020; Aiello 2020) and the poor benefit less under difficult access to emergency support(Herd and Moynihan 2020; Molko 2020). Yet not much is written about links between the threat to the survival of the rich/supply side of the market and to the survival of the poor/demand side of the market at the same time and the nature

of the government responses both groups should be expected to support to face the external threat head on under the economic science based liberal democracy under equality. Which raises the question, how the economic science based liberal democracy model should be expected to react when facing external shocks under equality? The main goal of this paper is to provide a detailed answer to this question, both analytically and graphically.

The goals of this paper

a) To use the external threat impact framework shared in Figure 2 above to highlight the expected response of the government when the type of threat to the survival of the rich/supply side of market and of the poor/demand side of market changes from low risk with entanglement to high risk with entanglement; and b) to point out the expected implications of different government responses to external threats to both to the wellbeing of the rich and that of the poor.

The methodology

First, the terminology used in this paper is introduced. Second, the operational concepts and threat entanglement-government response expectations are shared. Third, the economic science based liberal democracy under equality is subjected to low risk external threat to the survival of the rich and of the poor with entanglement considerations. Fourth, the economic science based liberal democracy under equality is subjected to high risk external threat to the survival of the rich and of the poor with entanglement considerations. Finally, some food for thoughts and relevant conclusions are listed.

The terminology

SM = economic science based market R = the rich/supply side of market

D = the poor/demand side of market LMM = liberal market model

SLDM = science based liberal democracy model P = people

ESLDM = economic science based liberal democracy model G = elected government

Ti = external threat "i" GR_{Ti} = government response to threat Ti

M1 = equality market EMETi = equality market under threat Ti

M2 = inequality market IMETi = inequality market under threat Ti

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The operational concepts and operational models and government response expectations

A) Operational concepts

1) Equality, *the idea that all members of a system receive the same treatment.*

2) Inequality, *the idea that only some members of a system receive better treatment.*

3) The liberal market, *the pro-growth market.*

4) Sustainability, *the idea that equality leads to full responsibility.*

5) Trickledown, *the idea that pro-rich growth will one day indirectly benefit the poor.*

6) Direct trickledown, *the help that reach the poor directly.*

7) Extreme intervention based direct trickle down, *the government help that reach the poor directly during an extreme event.*

8) Trickle up, *the government help that reach the rich directly during an extreme event.*

9) Indirect trickle up, *the idea that direct trickledown will benefit pro-rich growth.*

10) Pro-rich growth, *the type of development targeted to benefits the rich.*

11) Pro-poor growth, *the type of development targeted to benefit the poor.*

12) Balanced growth, *the type of development that brings benefits to both the rich and the poor at the same time.*

13) Unbalanced growth, *the type of development that brings benefits to only the rich or to only the poor.*

14) Externality neutrality assumption illusion, *the idea that relevant inequalities or market distortions can be assumed away to create perfect conditions.*

15) External threats, *threats coming from outside the system.*

16) Binding external threats, *high risk threats, real or perceived.*

17) Non-binding external threats, *low risk threats, real or perceived.*

18) Entanglement/entangle, *being coupled/coupled.*

19) Disentanglement/disentangle, *being uncoupled/uncoupled.*

20) Extreme government response, *the help the government provides during extreme threats under equality markets or inequality markets.*

B) Operational models and government response expectations

Let's assume we have the following environment: i) we have a market system(M) with two components, the rich(R) and the poor(D); ii) we have external threats(T) that can be binding(B) threats with entanglement(E) or without entanglement(e) and that there can be non-binding(b) threats with entanglement(E) or without entanglement(e); and iii) where R = active component, r = passive component, D = active component, and d = passive component.

a) Types of markets

i) A market under equality(M_1)

A market under equality has all its components in active form so it can be stated as follows:

1) $M_1 = R.D$

Expression 1) above simply says that in this market both the rich(R) and the poor(D) are equally important.

ii) A market under inequality(M_2)

A market under inequality does not have all its components in active form so it can be stated as follows:

2) $M_2 = R.d$

Expression 2) above simply indicates that in this market only the rich(R) is important, but the poor(d) is not.

b) Linking markets with external threat impacts

i) Equality market under external threat(EME)

The impact of external threat(Ti) on the components of an equality based system is spread across all the components of the system and as both of them is active components of the system the impact on both of them matters and will equally guide policy response making. If we spread Ti across expression 1) above we get the following:

3) $Ti(M_1) = Ti(R.D) = Ti(R).Ti(D)$

Expression 3 above is telling us that the external threat(Ti) affects both the rich(R) and the poor(D) in the equality market ; and therefore, both of them can influence equally government policy response making as both of them are active components. In other words, both the impact Ti(R) and the impact Ti(D) matter when influencing the government policy responses to Ti under equality.

Hence, the general structure of the equality market under the external threat Ti is the following:

4) EME_{Ti} = Ti(R).Ti(D)

ii) Inequality market under external threat(IME)

The impact of external threat(Ti) on the components of an inequality based system is spread across all the components of the system too, but since only of them is an active component of the system then only the impact on the active component matters in guiding government policy response making. If we spread Ti across expression 2) above we get the following:

5) $Ti(M_2)$ = Ti(R.d) = Ti(R).Ti(d) = Ti(R)

Expression 5 above is saying that the external threat(Ti) affects both the rich(R) and the poor(D), but since the poor(d) is a passive component only the impact on the rich will affect policy response making. In other words, it is like Ti(d) does not exist[Ti(d) = 1] so it can be dropped, only the impact Ti(R) matters when influencing the government policy responses to Ti under inequality.

Hence, the general structure of the inequality market under the threat Ti is the following:

6) IME_{Ti} = Ti(R)

c) Types of external threats

The external threats(Ti) can be binding(B) to the components of the system if the risk is high or they can be with entanglement(E) if a component cannot disentangle from that external threat or it can be both binding and entangled at the same time to the components, which can be stated as in the expression below:

7) Ti = B + E

There are 4 types of external threats(Ti) that can be extracted from expression 5) above:

i) The case of binding threat with disentanglement

When the components of the system face a high risk external threat, but they can disentangle from the threat either based on science or non-science, they are said to have a

binding threat(B) with disentanglement(e), which is the first type of external threat based on expression 5 above:

8) $T_1 = B.e$

ii) The case of non-binding threat with entanglement

When the components of the system face a low risk external threat and they cannot disentangle from the threat neither based on science or non-science, they are said to have a non-binding external threat(b) with entanglement(E), which is the second type of external threat based on expression 5 above:

9) $T_2 = b.E$

iii) The case of binding threat with entanglement

When the components of the system face a high risk external threat and they cannot disentangle from the threat neither based on science or non-science, they are said to have a binding threat(B) with entanglement(E), which is the third type of external threat based on expression 5 above:

10) $T_3 = B.E$

iv) The case of nonbinding threat with disentanglement

When the components of the system face a low risk external threat and they can disentangle from the threat based on science or non-science, they are said to have a non-binding threat(b) with disentanglement(e), which is the fourth type of external threat based on expression 5 above:

11) $T_4 = b.e$

d) Linking external threat with market type

i) The case of the equality market under external threats(EME)

As under equality there cannot be disentanglement from external threats as both the rich(R) and the poor(D) face the external threat(Ti) under equality, then the only two threats to the system that matter here are the external threats $T_2 = b.E$ and $T_3 = BE$ as both of them are threats with entanglement(E). In other words, any government policy response to the external threat under equality markets will be proportional to the type of external threat(Ti) face by both the rich(R) and the poor(D) depending on if the threat is T_2 or T_3. Neither the rich(R) nor the poor(D) can disentangle from the external threat, be it binding(B) or non-binding(b).

ii) The case of the inequality market under external threats(IME)

As under inequality there can be disentanglement(e) from and entanglement(E) with the external threats so all threats T_1 = Be, T_2 = bE, T_3 = BE and T_4 = be are important here. And since in inequality markets only the external threat impact on the rich(R) matters and therefore, only this impact is to be incorporated in guiding any government policy response. Then the rich(R) should be expected to endorse government responses to the external threat that protect their survival or wellbeing or best interest regardless of the type of threat. In other words, any policy response to the external threat under inequality markets will be disproportional to the response aimed at the poor(D). Under any scenario then, regardless of whether the wellbeing of the poor(D) is at stake or not in the face of the external threat Ti the rich(R) will endorse only responses that benefit them, partially or totally.

e) Linking type of external threat with equality market and with the expected government response to be endorsed in this market to deal with the threat

In equality markets under external threat (EME_{Ti}) in expression 4) above we can see that the impact on the survival of rich(R) and of the poor(D) in the face of the threat Ti are equally important and since under equality there can be no disentanglement from the threat as the rich and the poor are entangled and face it equally together, then only threats Ti with entanglement matter under equality; and hence the type of threat with entanglement to the equality system(T_2 or T_3) is what determines the type of government response(GR_{Ti}) to the threat they both the rich and the poor are expected to endorse, a situation that can be stated as follows:

12) EME_{Ti} = Ti(R).Ti(D) ----------→GR_{Ti} = type of government response expectation

Expression 12) above simply says that the type of government response(GR_{Ti}) in the equality market depends on the type of response that both the rich(R) and the poor(D) will endorse.

i) Case 1: If the external threat to the equality market is Ti = T2 = b.E = a non-binding threat(b) to the survival of the equality system with entanglement(E), then substituting this into expression 4) above we get the following:

13) EME_{T2} = T_2(R).T_2(D) = bE(R).bE(D)

Since according to expression 13) above the threat to both the rich(R) and the poor(D) is non-binding(b), and that means that the risk is low and since both the rich(R) and the poor(D) are entangled(E) to the threat T_2 then they both will endorse a government response of no action to mild action to ensure the survival of both components, as stated below:

14) EME_{T2}----------→$GR_{T\,2}$ = No to mild government response to protect both

Expectation 1: Expression 14) tells us that we should expect the rich(R) and the poor(D) to endorse no response to mild government response when equality markets are under threat T_2 = b.E

ii) Case 2: If the external threat to the equality market is Ti = T_3 = B.E = a binding threat to the survival of the equality system with entanglement, then substituting this into expression 4) above we get the following:

15) $EME_{T3} = T_3(R).T_3(D) = BE(R).BE(D)$

Since according to expression 15) above the threat to both the rich(R) and the poor(D) is binding(B); and that means that the risk is high and since both the rich(R) and the poor(D) are entangled(E) to the threat T_3, then they both will endorse a government response of strong to extreme action to ensure the survival of both components, as indicated below:

16) EME_{T3}----------→GR_{T3} = Strong to extreme government response to protect both

Expectation 2: Expression 16) tells us that we should expect the rich and the poor to endorse strong to extreme government response when equality markets are under threat T_3 = BE.

f) Linking type of external threat with inequality market and with expected government response to be endorsed in this market

In inequality markets under external threat (IME_{Ti}) in expression 6) above we can see that the impact on the survival of rich(R) matters in the face of the threat Ti; and therefore, that is what determines the type of government response(GR_{Ti}) to the threat that the rich are expected to endorse, a situation that can be stated as follows:

17) IME_{Ti} = Ti(R) ----------→GR_{Ti} = type of government response expectation

Expression 17) above simply says that the type of government response(GR_{Ti}) in the inequality market depends only on the type of response that the rich(R) will endorse.

i) Case 1: If the external threat to the inequality market is Ti = T_1 = B.e = a binding threat to the survival of the rich with desentanglement, then substituting this into expression 6) above we get the following:

18) $IME_{T1} = T_1(R) = B.e(R)$

Since according to expression 18) above the threat to the rich(R) is binding(B); and that means that the risk is high and since the rich(R) are disentangled(e) from the threat T_1, then they will endorse an extreme government response to ensure only their survival regardless of the impact of that action on the poor(D), as indicated below:

19) $IME_{T1} = T_1(R)$ ----------→GR_{T1} = partial extreme government action to protect the rich

Expectation 3: Expression 19) tells us that we should expect the rich(R) to endorse partial extreme government response to protect itself only when inequality markets are under threat T_1 = Be. This expectation may apply when there is a market crash threat.

ii) Case 2: If the external threat to the inequality market is Ti = T_2 = b.E = a non-binding threat to the survival of the rich with entanglement, then substituting this into expression 4) above we get the following:

20) IME_{T2} = T_2(R) = b.E(R)

Since according to expression 20) above the threat to the rich(R) is non-binding(b); and that means that the risk is low and since the rich(R) are entangled(E) with the threat T_2, then they will endorse no response to mild government response depending or not if T_2 is a threat to the survival of the poor or not, as indicated below:

21) IME_{T2} = T_2(R) ----------→GR_{T2} = no action to mild government action is endorsed

Expectation 4: Expression 21) tells us that we should expect the rich(R) to endorse no action to mild action as government response when inequality markets are under threat T_2 = bE. This expectation may apply to the global warming threat to an inequality based market.

iii) Case 3: If the external threat to the inequality market is Ti = T_3 = B.E = a binding threat to the survival of the rich with entanglement, then substituting this into expression 4) above we get the following:

22) IME_{T3} = T_3(R) = B.E(R)

Since according to expression 22) above the threat to the rich(R) is binding(B) ; and that means that the risk is high and since the rich(R) are entangled(E) from the threat T_3, then they will endorse full extreme government response to ensure only the survival of the rich(R) and the poor(D) at the same time, as indicated below:

23) IME_{T3} = T_3(R) ----------→GR_{T3} = extreme government action to protect all is endorsed

Expectation 5: Expression 23) tells us that we should expect the rich(R) to endorse a full extreme government response to protect both the rich(R) and the poor(D) at the same time when inequality markets are under threat T_3 = BE. This expectation may apply to pandemic threats such as the corona virus to an inequality based market.

iv) Case 4: If the external threat to the inequality market is Ti = T_4 = b.e = a non-binding threat to the survival of the rich with disentanglement, then substituting this into expression 4) above we get the following:

24) IME_{T4} = T_4(R) = **b.e(R)**

Since according to expression 24) above the threat to the rich(R) is non-binding(b); and that means that the risk is low; and since the rich(R) are disentangled(e) from the threat T_4, then they will endorse no action as the government response following its best interest regardless of the impact of that action on the poor(D), as indicated below:

25) $IME_{T4} = T_4(R)$ ----------→GR_{T4} = no action policy response is endorsed by the rich

Expectation 6: Expression 25) tells us that we should expect the rich(R) to endorse no action as the government response when inequality markets are under threat T_4 = b.e. If the survival of the poor were at stake, the position of the rich will be "that is life" and endorse no government action to help the poor as the normal operation of the inequality market is expected to take care of the that problem through trickledowns.

The economic science based liberal democracy model under equality when facing an external threat that is non-binding with entanglement

In the case where the real risk from the external threat to the survival of the rich and to the survival of the poor is low or perceived low because it is not or it is not taken as an immediate threat under entanglement or coupling, then we have a situation where based on using science led lobbying the rich and the poor will both encourage and will endorse from no response to direct mild government responses to help both the rich and the poor equally when dealing with the threat to the equality based economic science led liberal democracy, a situation which is summarized in Figure 3 below:

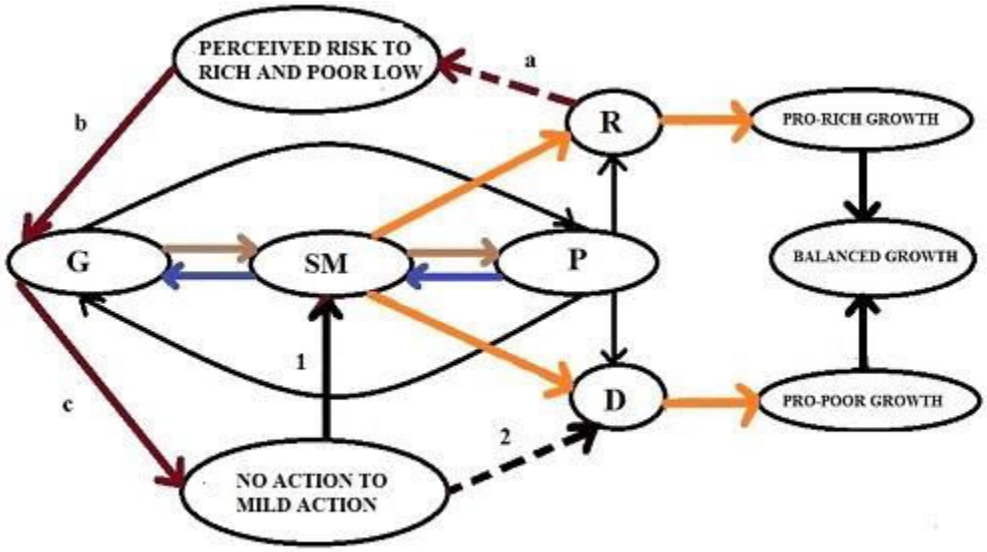

Figure 3 The economic science based liberal democracy model under low risk or non-binding external threats and equality

We can see in Figure 3 above the following: i) As the risk to the survival of the rich and to the survival of the poor is low and the rich and the poor are entangled or coupled to the threat; then both the rich/supply side of the market and the poor/demand side of the market will lobby the government following the path black arrow "b" to black arrow "c" to black arrow "1" for implementing no action to mild action to help both the rich and the poor directly as indicated by the orange arrows from SM to R and from SM to D; ii) no action to mild direct action to help

both the rich and the poor maintains balanced growth patterns while facing the threat as pro-rich growth and pro-poor growth are equally supported and protected; and iii) There is no need for indirect trickle downs or trickle ups here as government response reaches both the rich and the poor directly. The situation in Figure 3 above is consistent with the government response GR_{T2} expectation 1 of no action to mild action shared in the operational expectations above when equality markets are under threat T2 = b.E

The economic science based liberal democracy model under equality when facing an external threat that is binding with entanglement

In the case where the real risk from the external threat to the survival of the rich and to the survival of the poor is high or perceived high because it is or it is taken as an immediate threat under entanglement or coupling, then we have a situation where based on using science led lobbying the rich and the poor will both encourage and will endorse direct extreme government responses to help both the rich and the poor equally when dealing with the threat to the equality based economic science led liberal democracy, a situation that is summarized in Figure 4 below:

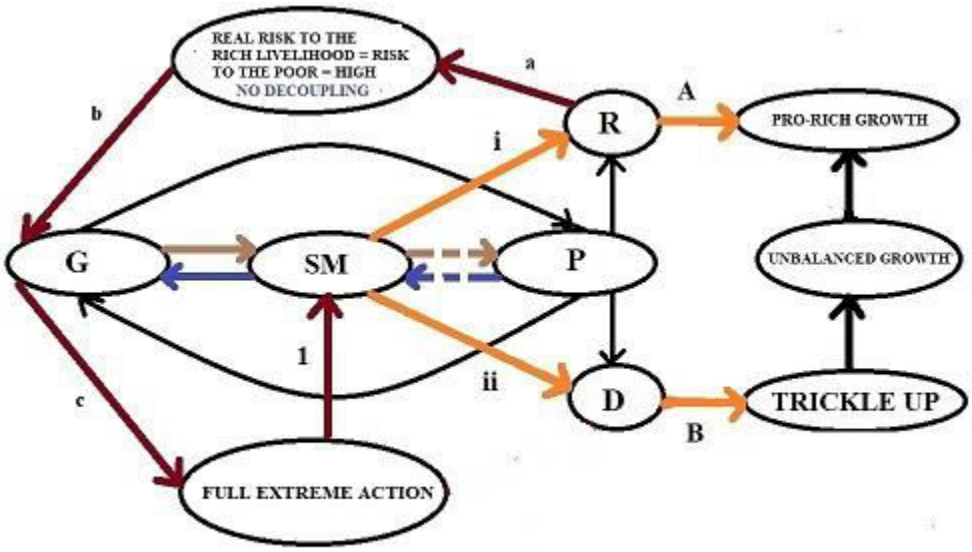

Figure 4 The economy science based liberal democracy model under inequality and no decoupling threats

We can see in Figure 4 above the following aspects: i) As the risk to the survival of the rich and to the survival of the poor is high and the rich and the poor are entangled or coupled to the threat; then both the rich/supply side of the market and the poor/demand side of the market will lobby the government following the path black arrow "b" to black arrow "c" to black arrow "1" for implementing extreme action to help both the rich and the poor directly as indicated by the orange arrows from SM to R and from SM to D; ii) extreme direct action to help both the rich and the poor maintains again balanced growth patterns while facing the threat as pro-rich growth and pro-poor growth are equally directly supported and protected; and iii) There is no need for

indirect trickle downs or trickle ups here too as government response reaches both the rich and the poor directly. The situation in Figure 4 above is consistent with the government response GR_{T3} expectation 2 of full extreme government action shared in the operational expectations above when equality markets are under threat T3 = BE.

Implications

a) If the survival of the rich/supply side of the market and of the poor/demand side of the market is at stake when facing external threats under equality, both the rich and the poor will push for extreme government responses that benefits them as they are in an entangled position under equality; and b) If the survival of the rich/supply side of the market and of the poor/demand side of the market is not at stake when facing external threats under equality, they both will endorse at most mild action to help each other equally as they are in an entangled position under equality.

Food for thoughts

1) Can we shift an equality market to an inequality market if we go with disentanglements or go with disentangles? I think yes, what do you think?; 2) If we were in an equality market, should we expect direct trickle ups to the rich only or direct trickledowns to the poor only in response to external threats? I think no, what do you think?; and 3) Is unbalanced growth possible under equalities? I think no, what do you think?

Conclusions

1) It was shown that the external threat impact framework introduced in this paper is helpful in framing how the rich and the poor can target lobbying of governments based on the level of risk to their survival to induce responses to threats in ways that meet their best interest; 2) It was indicated that when the rich and the poor face non-binding threats with entanglement they endorse up to mild government responses; 3) It was stressed that when the rich and the poor face binding threats with entanglement they will endorse full extreme government responses to ensure the survival of both of them; and therefore 4) It was described how the economic science based liberal democracy model should be expected to react and how it is linked to specific government responses when facing external shocks under equality?

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