

## Managing the Decline

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We must all now be aware that the 'Great Stagflation' is upon us. After decades of money printing and artificially low interest rates the debt mountain that our economies face is unprecedented. The burden can either be reduced through default or inflation or a combination of both. In each case there will be a decline in average living standards without some new bonanza such as North Sea oil or successful fusion technology. In the meantime central banks and their Governments are trying to manage the pain that must be applied.

Central banks are caught between a rock and a very hard place with balancing the pain between rampant if not hyperinflation or a depressionary spiral. Governments are managing the austerity by raising retirement ages, limiting public sector pay and reducing funding in real terms for sectors such as education and health but no doubt defence when the geopolitical climate permits.

Having done the math prior to the covid pandemic it was clear that debt reconciliation would require a huge reduction in average living standards for heavily indebted nations ( [Great Reset](#) ). Sharing the reduced national cake will require governments to increase taxation either directly or indirectly if they are to maintain public service and benefit levels. Having served as a politician I realised that most put their own career and finance above the interest of their constituents so we cannot necessarily expect fairness or avoidance of moral hazard. The tools they will use are authoritarianism through technology, the green agenda, divide and rule, maintaining basic benefits to lessen social breakdown from those who are more likely to riot and possibly external threats to divert attention from austerity.

### 1) Technological Authoritarianism

Technology communication such as the latest UK government app to warn of emergencies; environmental events, terrorism or other threats could be used as a tool of fear control to herd the masses when required. Increased use of cameras and other internet surveillance to monitor and pry into personal activities and behaviours.

A CBDC (Central Bank Digital Currency) will allow government to track all personal transactions and apply an automatic tax through time limiting, negative interest or an outright confiscation. CBDC can be countered by using cash or other mediums of exchange whilst they exist but as evermore cash facilities are removed most people will be forced to rely on CBDC particularly those receiving pensions, benefits or other government payments.

AI in the form of a bot assigned to each citizen with a hierarchy of bots to track activity throughout our lives will allow massive centralised databases to be used to control and punish those who step outside of desired behaviour.

## 2) The Green Agenda

We are already experiencing increased costs for energy as a result of governments drive for net zero. Whilst others such as China continue to use cheaper fossil fuels for competitive advantage UK business and households are suffering. The legislated net zero will provide an excuse for austerity in the name of saving the planet ([Green Serfdom](#)). SMART meters will allow government to ration and price electricity to suit themselves as alternatives such as wood, oil, coal and gas use are gradually removed through legislation. Travel, whether it be private car use or air travel will likely see further taxation which will curb movement for the masses.

## 3) Divide and Rule

We have seen how woke has been used to pit one group against another with areas such as race, culture and sexual orientation being heavily regulated and policed rather than allowing society to manage itself with the minimum of legal requirements.

Generations are being pitted against each other with the boomers being blamed for disparities in wealth, particularly home ownership. The elderly are likely to be made scapegoats for unaffordable pension commitments and health services.

## 4) Maintaining benefits

The UK benefits have been increased by CPI (Consumer Price Index) but many workers outside of the benefit threshold are gaining increases significantly below CPI. An added burden has been the freezing of tax thresholds until 2027 which will cause a

greater tax burden on those individuals. Gradually millions more workers are being drawn down to the level of benefit recipients destroying aspiration and the incentive to work, particularly in lower paid jobs.

#### 5) External threats

As the geopolitical plates shift with China, Russia and other BRICS nations pulling away from dollar hegemony there is always the risk of conflict as we are witnessing in Ukraine and potentially Taiwan. There are also ongoing terrorist threats that could be amplified and used as an excuse to further curb individual freedoms with tighter controls on movement.

The WHO (World Health Organisation) has been used to politicise the covid pandemic and no doubt some form of health passport with mandatory vaccination will be introduced in the future. A global passport could be another tool to control movement for the masses.

It is likely that the decline will accelerate as the aspirational middle income groups are squeezed to the point that what remains of societal glue is lost. CBDC and other technology tools may be insufficient for governments to maintain order and some democracies will fail whilst others will be quasi-democratic with freedoms surrendered to AI and other technology management; even our justice and education systems could be partially replaced by AI tools to reduce costs and enforce conformity.