

Predictions for the Economy 2023

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Health Warning: These are only my personal assumptions and as with all predictions cannot be relied upon but they are based on my experience in politics and an understanding of the global debt crisis.

The 'Great Stagflation' is well underway and central banks are trying to manage the decline by tightening to just before the point where the system breaks and then easing for another financial boost. I liken it to a series of mini boom then busts looking more like steps down to a new ground level. Whether they are successful or indeed an external shock pushes the system over the edge is unknown but in the end there will be a realignment of living standards within the G20 and beyond. (<http://www.money-liberty.com/gallery/GreatReset.pdf>).

The ongoing Ukraine conflict can have no winners but I foresee a new 'iron curtain' with the Donbass being drawn into the Russian Federation. Similarly China will consolidate its grip in South East Asia and there will be a further escalation as the US tries to prise Taiwan further from China (<http://money-liberty.com/gallery/debtconflict.pdf>) in the geopolitical grab for control of territory and resources.

There will be a further fall in median incomes as evermore get dragged down to the lower common denominator. This will be exacerbated by fiscal policy to support those reliant on Govt benefit payments. Those remaining in the squeezed middle will see their aspirations dashed and social unrest amongst those groups will rise. Groups with bargaining power will force wage increases to compensate for inflation and others will drop out of the official employment figures.

Western Govts will attempt to become more authoritarian for the 'common good' but without the cover of a pandemic will meet huge resistance. They will use legislation to try and prevent a wage/price spiral but will fail as unrest rises amongst the general population. Energy prices will remain high as Govts hope to use this for a quicker transition to green(?) energy in the West. None of us can know how fast the system will unwind but there will be chaos and a move to localisation as communities abandoned by bankrupted Govts are forced to create their own support and security networks. This may be a gradual unwinding but could be chaotic and happen suddenly or gradually over this decade.

Property is not necessarily a safe haven unless it has a utility value or a tenant that is willing and able to pay the rent. The best way to minimize total loss is to have a portfolio of investments including a home, productive land, gold, silver and useful non-perishables. Bitcoin is still a possible insurance haven but increased regulation of exchanges following the collapse of FTX will lead to more Govt surveillance and potential confiscation through punitive taxation of nominal gains unless one can find a friendly and stable jurisdiction in which to enjoy its value.

Above all else one needs to live in a cohesive and sustainable community and that is where I see continuing migration from cities to smaller towns and rural areas. As Govts become increasingly bankrupt due to currency debasement it is these smaller towns and communities that will become more attractive and viable with local trades of goods and services. Whilst there will continue to be social and political disruption it is a time for people to prepare themselves and families to ride out the storm that we face as we transition to a more sustainable future with sound money that fairly rewards true entrepreneurs, honest work and thrift.