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## **Better-Management Newsletter 18 June 2015**

**East Asian Geopolitics / Oil oddities / Environmental economics / Fresh Water Aquifer Concerns**

### **East Asian Geopolitics**

Our preoccupation with what China is doing in the East and South China seas is not shared with the same intensity by the USA and this report explains why...

[https://www.stratfor.com/weekly/net-assessment-east-asia?utm\\_source=freelist-f&utm\\_medium=email&utm\\_term=Gweekly&utm\\_campaign=20150616&utm\\_content=readmoretext&mc\\_cid=c4a3d47133&mc\\_eid=f6520e17b6](https://www.stratfor.com/weekly/net-assessment-east-asia?utm_source=freelist-f&utm_medium=email&utm_term=Gweekly&utm_campaign=20150616&utm_content=readmoretext&mc_cid=c4a3d47133&mc_eid=f6520e17b6)

Looking for a reason for the US to become more introverted...Charles Hugh Smith points out that all is not well with the US economy – despite denials...

<http://charleshughsmith.blogspot.co.nz/2015/06/our-phantom-economy.html>

Share buying on borrowing in the NYSE is now over USD500 billion, so there are some growing signs of financial sensitivity despite bullish reports. ... Layoffs in the oil and gas sector are being echoed by loss of many more service sector jobs, just as the production starts to fall...

[http://www.rigzone.com/news/oil\\_gas/a/139148/Kemp\\_North\\_Dakotas\\_Oil\\_Production\\_Has\\_Peaked](http://www.rigzone.com/news/oil_gas/a/139148/Kemp_North_Dakotas_Oil_Production_Has_Peaked)

Also the USA is having trouble playing the world's policeman in the Middle East and on the border with Ukraine. There are signs that attempts at detente with Iran is coming apart...

<http://theweek.com/articles/560256/time-real-iran-playing-world-suckers>

### **Oil oddities**

Peak oil is the phenomenon of the daily rate of total global (or country) production reaching a peak and then falling thereafter.

Demand side issues are the prime driver of the present overcapacity, leading prices lower. The price of USD100+ has helped trigger depression which in turn reduced oil prices and lowered demand. Now it is possible that the current oil production may form an all-time peak...

<http://www.reuters.com/article/2015/06/16/us-global-oil-markets-idUSKBN0OW2P120150616?feedType=RSS&feedName=newsOne>

I suppose that if we use the BP statistics published in 2015, we could pin down which countries have increasing oil production, which are fluctuating and which countries have declined in

production during 2014....This is the output issue caused by geological reality...difficulty of access, falling reservoir pressures, costs too high to yield a profit at market prices.

[http://peak-oil.org/wp-content/uploads/Pre-Post-Peak-Nations\\_2015.png](http://peak-oil.org/wp-content/uploads/Pre-Post-Peak-Nations_2015.png)

The full Article is available here...

<http://peakoil.com/production/the-oil-production-story-pre-and-post-peak-nations-3>

There will soon be reports emerging in the media about the downside of the drop in global oil prices for the shale patch...focused on North Dakota...

<http://oilprice.com/Energy/Oil-Prices/The-Dark-Side-Of-The-Shale-Bust.html>

### **Environmental economics**

I am ignorant of how environmental economics will help us find a path to the future. In addition, the subject of implementing a steady state economy, means we must exert a level of self discipline that humanity has never had. So I have a generally uninformed scepticism about the value of both concepts.

Eric Zencey does have some seemingly well informed thoughts on the subject...

<http://www.resilience.org/stories/2015-06-05/the-future-history-of-political-economy-part-1>

The resource issues that I constantly lament are one part of the “sources and sinks” paradigm the author talks about. I am of the opinion (if perhaps somewhat ill-informed) that we will exhaust the capacity to harness “sources” before we completely fill “sinks”. Because sources drive our economic system it is the failure of access to resources that will more likely limit our wastes – and I reckon that will be what crashes our economies. Hence I feel less need to examine climate change as the pressing issue that seems to motivate our author and others....

and Eric follows my opinions up with part 2....

<http://peakoil.com/consumption/the-future-history-of-political-economy-part-2>

### **The War on cash**

Aside from use of cash in drug transactions...this is an explanation of the government’s interest in reducing cash held...

<http://thecrux.com/heres-the-shocking-real-reason-behind-the-governments-war-on-cash/>

### **3-D printing**

On its own 3-D printing is a bit like a fad. But couple it to other technologies and it comes into its own...

[http://www.spacedaily.com/reports/Robot\\_to\\_3D-print\\_steel\\_canal\\_bridge\\_in\\_Amsterdam\\_999.html](http://www.spacedaily.com/reports/Robot_to_3D-print_steel_canal_bridge_in_Amsterdam_999.html)

## **Greece – again**

Politics within Germany are confusing the picture...

[http://www.businessspectator.com.au/article/2015/6/18/europe/germanys-greek-stance-keeps-everyone-guessing?utm\\_source=exact&utm\\_medium=email&utm\\_content=1416018&utm\\_campaign=kbg&modapt=](http://www.businessspectator.com.au/article/2015/6/18/europe/germanys-greek-stance-keeps-everyone-guessing?utm_source=exact&utm_medium=email&utm_content=1416018&utm_campaign=kbg&modapt=)

The Greek Government now lays down the challenge of uncontrolled Grexit...

<http://www.telegraph.co.uk/finance/economics/11682277/Greeks-admit-they-will-default-at-the-end-of-the-month-as-central-bank-turns-on-government.html>

The protesters come out on the streets against the EU...

<http://www.telegraph.co.uk/news/worldnews/europe/greece/11682338/Desperation-forces-Greeks-back-out-on-to-the-streets-in-Athens-anti-austerity-protests.html>

Strangely 80% of Greeks want to remain in the EU. So what will happen next?

[http://seekingalpha.com/article/3263965-greece-as-schrodingers-cat-why-greek-eurozone-membership-is-neither-alive-nor-dead?source=email\\_macro\\_view\\_mar\\_out\\_1\\_3&ifp=0](http://seekingalpha.com/article/3263965-greece-as-schrodingers-cat-why-greek-eurozone-membership-is-neither-alive-nor-dead?source=email_macro_view_mar_out_1_3&ifp=0)

But there is no question that the Greeks are playing with fire...

<http://www.telegraph.co.uk/finance/comment/11679061/Greek-central-bank-is-playing-with-political-fire.html>

## **Fresh Water Aquifer Concerns**

Two views of the same story...

<http://www.valuewalk.com/2015/06/groundwater-draining-alarming-rate/>

and

<http://peakoil.com/enviroment/two-billion-people-are-running-out-of-water>

Of course we could say it is climate change...but that would just be bloody stupid. It is rampant population growth and the random stupidity of uncontrolled capitalist forces that have led people to do stupid things to their own personal advantage – like growing lettuces for New York in the Californian dessert...or setting up dairy farms on the NZ Canterbury plains...