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Approaching a Global Deflationary Crisis, and the dire results of the Keynesian obsession

It is now becoming important for people to establish their own perspective of how the future will possibly play out... in a world where risk has many overlays and the governmental institutions are demonstrating an inability to either comprehend or anticipate the forces that stop them achieving their stated goals. I hope you will read all of what I am sending out in these two links below, and form your own views of causation and timing.

The concepts “Good” and “Bad” are relative to our expectations of what we can either expect, or endure. All I anticipate is that events will likely make things worse in the future than what we have now. The degree is both unknown and unknowable....

To follow last week’s theme on collapse probabilities, I found this interesting paper by Brian Davey which links together most of the issues I have been writing about...I hope it helps your perspective...

<http://www.credoeconomics.com/?p=164>

This also explains why IMHO the path may now be set in concrete. It also helps appreciate why a globalism “based on hope for human ingenuity to save us” should not be relied on. Soon globalism will be facing severe head winds...with whatever that means for our export driven economy.

With thanks to Peter, this next article demolishes the economics profession that determines how and for whom we are governed. They are charlatans with their explanations for failures increasingly discredited, but they have become both accepted and entrenched within our business and governance structures and for whatever reason, will be unable to change, or even allow sensible work-around solutions... *(Editor's note: this article is on the 'must-read' post on this site. Both this and the link above are essential reading.)*

<http://better-management.org/wp-content/uploads/2015/08/Shadow-Boxing-with-Keynesianism.pdf>

The focus of Keynesian economists on growth at all costs

The focus of Keynesian economists on growth at all costs will mean that they and the bankers and politicians in their sway, will continue to bash their heads against the brick wall of reality.

When we look at the history books, it is clear that there has never been any civilisation in human history that has become as complex as our own and as ill-prepared for collapse. The growing debt overhang increasingly resembles a trigger point. That isn’t to say there are not some points of resilience and many countries will be less vulnerable than the highly industrialised countries within the OECDwhich will likely lead the way. IMF, BIS, ECB,

US Fed and many other agencies will try to anticipate and cover, but if you read their reports there is already a growing anxiety that their infrastructure and tools may no longer work. Their hubris is evaporating even though that does not appear within the mainstream media.

For that reason, when the first significant shocks happen, we can expect the initial events of collapse to occur at electronic speed like the GFC rather than, for example, the 400 year decline of the Roman empire. But then the global economy will likely bounce down in stages until a reflexion point is eventually found within each community and each country.

No-one can argue that technology will not be available to mitigate collapse, or that some new energy sources and storage systems will not be available,. Yet we continue to grow - not only false expectations, but also our consumption and with increasing population, make economists believe growth is the only way forward – despite any sense of realism that it must be frustrated at some point. But what point is that? This question is the only thing affecting timing.

ALL our systems are predicated on growth. The termination of growth will engineer the forces of collapse that our masters will not be able to cope with (*Editor's note: most bank and financial institutions rely on continued growth which invariable requires loans*). Some forces are already visible, but many are not. It is what we cannot see...the “unknown unknowns” that will cause an escalation of rapid disasters via our financial systems.

Any preparations you take now for what may soon happen will be most unlikely to be done “too soon”. If events start cascading before you make preparations, you may find yourself “too late”. Preparations made now will be easy...not so as the months pass by...then at some point too late. Some of us are already preparing – with those preparations that cost little.

I am still unsure about whether we face my worst fears this year or next. But there is an inevitability now, in terms of direction. So watchfulness is the order of the day from now on.

Feel free to ignore or discard this information. But think it through if you do that.