

The forces of the establishment

Many write into this blog to complain of policies they think have been foisted on them and the UK by virtue of international treaties, agreements, the views of global institutions and of a governing class of quango heads, senior officials, celebrities, big business and many politicians. The conspiracy theorists wish to attribute these views and policies to a handful of people they think are unduly influential. In practice it is much more complex than that. The truth is many of these bodies, governments and officials do think the same and do wish to impose a similar agenda on the countries or in the sectors they control. There has been a movement to world and to regional or bloc based government. The long campaign to get the UK to join the ill fated Exchange Rate Mechanism was part of this development. It led to boom, bust and the end of the government in the UK. it should warn us about accepting such future strong advice from these international sources.

It means that health policy looks to the World Health Organisation for responses to major public health challenges. Economic policy in recent years has been driven in the USA, UK, EU and Japan by the same mistaken belief that a Central bank can keep interest rates near zero and keep creating extra money without it being inflationary. Pandemic policy was driven by a common view that lockdowns were essential until vaccinations were widespread. Energy and environmental policy has been dominated by a general drive to net zero, leading to too much reliance on unreliable wind and solar electricity and to a shortage of gas. Erratic US policy towards military intervention especially in Afghanistan has accelerated a move to a two bloc world in geopolitics, with a US led group including NATO competing with a Chinese led group.

It is still possible to challenge these views and to follow alternative policies. That is easier in democracies than autocracies, though we have just seen a major change of policy towards covid in China following popular protest against lockdowns. In the USA Republican states take a very different approach to net zero than Democrat ones. Republican states drill for more oil and gas, back the diesel and petrol vehicle industry, and see private vehicles as an important part of personal freedom, whilst Democrat states seek to move swiftly away from fossil fuels in every way possible. Sweden took a different line on covid restrictions than most other European countries. The Central Banks of China and Switzerland did not follow the other leading Central Banks with excessive Quantitative easing and high inflation. Some western countries follow a policy of neutrality rather than being part of the US led NATO framework.

Liz Truss's problems resulted from an establishment that did not want her to change economic policy. They do not like tax cuts, denying that they can raise more money, and producing pessimistic assessments of their impact on growth. They claim to want to run the economy based around a falling deficit, yet the measures they recommend are about to boost the deficit which rises if you enter recession. Their policies will ensure recession. They resist proposals to improve and alter our regulatory frameworks for business now we are out of the EU, as they favour continued EU harmonisation. I will look at

the tussle over economic policy at the heart of the brief Truss period in office in a later blog.