

# A GEO-POLITICAL-ECONOMIC EXPLORATORY FORECAST 2050

## The Sun Sets on the West

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*Epithet*

Ideology & Theology assert Certainty.  
Science asserts Doubt.

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### **Introduction**

There are two major future forecasting techniques: exploratory and normative. Exploratory forecasting takes existing trends and projects them into the future. Normative forecasting projects how to achieve a desired or preferred future. This is an exploratory forecast of existing trends as of June 2023. The end date – 2050 – is the approximate target set by Western governments to achieve “Net Zero”, in effect, the end of fossil fuels and the internal combustion engine. Such trends can change for many reasons including changes in government and leadership. Accordingly, reader beware.

Furthermore, my use, below, of the phrase “the West” generally refers to the United States (US) as leader of the pack – the English-speaking world (the Anglosphere), the North Atlantic Treaty Organization (NATO), the European Union (EU) and the “Quad” (Australia, India, Japan & the US).

### **Global Context: From Free to Sanctioned Trade**

Globally trends are shifting from Free to Sanctioned Trade, *e.g.*, Western comprehensive sanctions of Russia, North Korea and Iran as well as selective sanctions of China. US sanctions

are extraterritorial in nature meaning third countries can be sanctioned for breaking “the rules-based international order”. What powers these “secondary” sanctions is the American dollar as the world’s reserve currency. There are, in fact, more US “greenbacks” in circulation outside of the United States than inside. The US claims if one uses its dollars, anywhere, one is subject to American jurisdiction. Some 39 countries representing nearly 1/3 of humanity are currently sanctioned by the US. As I write, the EU President is proposing to introduce similar extraterritorial sanctions against third countries trading with Russia in Euros.

In this regard, the Canadian economist Harry Johnson noted that every Nation-State has a set of macroeconomic problems, *e.g.*, unemployment, and a matching set of policy instruments to manage those problems. One Nation-State, however, has an extra policy instrument; the one whose national currency is accepted as the world’s reserve currency. Everyone wants it; everyone uses it in international transactions. So long as they do so that Nation-State can literally print money to satisfy its own policy wants, needs and desires.

Recent Western sanctions against Russia including seizure of its foreign currency reserves held by Western Central and other banks as well as the private property of Russian citizens have shaken market trust in the Western financial system and especially in the American dollar. The result has been accelerated efforts by the BRICS countries (Brazil, Russia, India, China & South Africa) to create a new international financial system and reserve currency. In fact, the GDP of the BRICS now exceeds that of the G7. These efforts are supported by the Shanghai Cooperation Organization (SCO) made up of many Eurasian Nation-States as well, of course, the Eurasian Economic Union (EEU) led by Russia. All are pushing for a Multipolar World free of Western financial and cultural domination. Globalization is, in effect, dead.

### **Geo-Economic: A Colder Cold War**

Economically, the world is entering into a new Cold War between an emerging integrated Eurasian economy (formerly the Second World of Communist or command economies dominated by Russia and China) and the unified Western economies of the G7 (formerly the First World of industrial democracies) with Third World or non-aligned economies guided by India playing off the First against the Second World, as they did in the first Cold War. This, however, is a colder Cold War. During the first Cold War trade between the First and Second World continued. With respect to Russia this is no longer true and soon, perhaps, with respect to China given the increasingly hostile rhetoric of the West.

It is critical to appreciate that, excepting Cuba and North Korea, Marxist or command economics no longer operate in the Second World. Thus, Communist China has replaced Marxism-Leninism with Market-Leninism. The ‘free’ market drives the economy while the Party as the vanguard of the Revolution exercises dictatorship of the proletariat. In the case of Russia, it has become a capitalist state with the notable exception of the oil and armaments industries that, unlike the West, remain publicly owned and operated. In fact, both Russia and China are members of the World Trade Organization (WTO) whose mandate requires acceptance of the standard model of market economics – Supply & Demand.

Meanwhile the First World has increasingly adopted features of former Communist command economies. This is apparent in both economics and politics. In economics the forced transition from fossil fuels to renewable energy or the Green Dream (ESG: Environmental Social Governance) is driven by the largest public subsidy ever granted in the Western World. The Dream involves a reluctance, even a refusal, to exploit natural resources in general and fossil fuels in particular. Some call it “the Great Reset”; others, “Degrowth”. Put another way, it is a “globalist”

project embracing the global West, East and South. In short brutal terms, it leads to the immiseration of humanity to save the “Planet”.

This transition is accompanied by enormous opportunity costs to Western economies. Whither health care, education, *objective* scientific R&D, roads, sewers, the military and other public goods and services? In fact, countries like Sri Lanka that have actively sought and achieved very high ESG investments scores are now bankrupt or experiencing serious social unrest, *e.g.*, the Netherlands and, perhaps, in the near future, Canada and the United States.

In truth, Second and most Third World countries are not serious about this transition. Thus, China, despite its near monopoly of inputs to renewable energy (cobalt, EV cars & lithium for their batteries, rare earths, solar panels and wind turbines), is continuing to build coal-fired generating plants while they are being shut down in the West. As for India it has, to my knowledge, no immediate plans to eliminate fossil fuels but rather to expand their use. And, of course, Russia enthusiastically provides the “cheap” fossil fuel driving further Eurasian economic integration and development.

### **Geo-Political: The West against the Rest**

Geopolitically the West is pushing a “Woke” ideology including Diversity, Equity and Inclusion (DEI). This involves replacing meritocracy and individual freedom with a class system based on skin colour and gender identity. Using the Marxist Oppressor/Oppressed paradigm the oppressed (peoples of colour and non-traditional gender identities) become the oppressor and the former oppressor (white heterosexual males) become the oppressed through reverse discrimination. The negative impact of gender ideology on domestic birthrates in the West is compounded by abortion viewed as a positive balanced by open borders and limitless immigration. This has profound economic and cultural implications.

Where once upon a time the West promoted free markets, individual freedom and liberty today it lectures about the Green Dream and Identity Politics. This agenda is unacceptable in almost all the Second and Third World and, arguably, in First World Japan. In effect, China and Russia offer economic development assistance with little or no interference in the cultural affairs of other countries while the West lectures them on fulfilling the Green Dream and actualizing Identity Politics.

As noted below under *Virtualization*, the West is, like Communist command economies of the past, attempting to censor communications media to inchoate ESG and DEI values in the public. These efforts are conducted by Western Governments, Education, Entertainment and the Corporate Sector in general. Or, as some say, the entire Western institutional architecture has been infected by the “Woke” virus. While there is resistance the trend towards State/Corporate censorship and propaganda in the West cannot be dismissed.

### **Western Legacies**

As the split between the West and the Rest proceeds the West must face up to legacies of its own creation. These include off shoring manufacturing accompanied by the financialization and virtualization of Western economies, especially in the Anglosphere.

#### *Off Shoring*

As revealed by the recent global pandemic, the West is now dependent on Eurasian producers for, among other things, PPE, pharmaceuticals and other critical medical devices and products. In this regard, it is important to remember off shoring made China the factory of the world. Off shoring was funded by Western multinationals. Off shoring’s blueprint was laid out in the 1996 OECD publication: *The Knowledge-Based Economy*. As Robert Reich, former Labour

Secretary under President Clinton, put it: Do you want your daughter to be a seamstress or a fashion designer? A fashion designer, of course, so why not ship the menial and polluting jobs to low wage countries, especially China which entered the WTO in 2001.

Off shoring also resulted in a loss of technical know-how. Accordingly, on shoring will require extensive marketing, education and training in the manufacturing trades and crafts, not just AI, to restore Western capacity. Similarly, the Western/Russian War demonstrates the return of Industrial Warfare. The West has, in effect, privatized and globalized its armaments industry. Russia, on the other hand, has retained public ownership, standardization and surge capacity. The West does not. The Russians are firing some 20,000 155mm artillery shells a day while the United States and its NATO partners produce perhaps 20,000 a month!

### *Financialization*

Financialization and virtualization of Western economies are related in that both involve production of non-material, intangible outputs. They are part of the Tertiary or Service Sector of the economy. This sector accounts for about 70% of Canadian GDP. The Secondary or Manufacturing Sector accounts for about 25%. The Primary or the Extractive Sector including farming, fishing, forestry and mining accounts for the remaining 5%. As the Western/Russian War demonstrates, increasing GDP through growth of the Tertiary or Service Sector cannot buy 155mm artillery shells without the necessary Secondary Sector infrastructure. This should lead, as suggested by Andrei Martyanov, to a refocusing on the ‘Real Economy’ involving tangible outputs of Primary and Secondary Industries.

Financialization or what was called ‘securitization’ before the Great Recession of 2008/9 involves innovation of ever more complex financial instruments such as CDOs or Collateral Debt Obligations. Put another way, everything is about money including fees associated with its transmission the latter of which - fees – count towards GDP. These are called ‘transaction fees’ through which money flows and GDP increases. Continuing innovation of financial instruments or ‘derivatives’ is becoming every more distant from tangible physical assets and even intellectual properties. As I understand it, the sheer complexity of these innovative financial instruments is such that investors are still trying to unwind those issued leading up to the 2008/9 Great Recession.

Recent Central Bank efforts to reverse “quantitative easing”, started with the 2008/9 Great Recession, has resulted in increasing interest rates. This together with excessive fiscal spending combined with supply chain disruptions caused by the global pandemic has resulted in high inflation threatening the entire Western financial system. Added to these stresses are the “de-dollarizing” efforts of the BRICS and SCO countries to escape the American dollar. Such efforts will be strengthened by the treatment of domestic vs. foreign depositors in the recent case of the bankrupt Silicon Valley Bank (SVB). Thus, while American depositors received full protection by the US government, foreign depositors lost all their deposits. In other words, investments in the West are henceforth subject to political risk and disparate treatment of foreign and domestic investors. It should be noted that recent bank failures in the United States, including SVB, have generated losses greater than the 2008/9 Great Recession. The financial system in the West is in trouble and no longer represents a risk-free haven for foreign investors.

### *Virtualization*

In his 1921 analysis of WW I propaganda – *Public Opinion* – Walter Lippman noted that beyond our physical senses one’s perception of the world is composed of “pictures in our heads”, pictures of the outside world created by the Mass Media. In his day this consisted of newspapers, black & white motion pictures and radio. Put another way, the outside world beyond our physical experience is a virtual world. As the written word newspapers are what Marshall McLuhan called

a ‘hot’ medium requiring the reader to actively decode the message. Motion pictures, radio and television are ‘cool’ media requiring the observer only to sit back passively and watch and/or listen.

The advent of the Personal Computer then the Internet or World-Wide Web followed by the Graphic User Interface (GUI) has led to a new virtual world called “Social Media” or what some call the “New Town Hall”. It is important to note that all previous media of communication including the written word, the image and sound are in the process of being converted into a single new medium called digitization, *i.e.*, converted into 0’s and 1’s. The increasing ability to shift, change and otherwise manipulate 0’s and 1’s leads one to ask: Where is the original?

The old Town Hall was a physical space where citizens could express their views on issues of community concern. It could be a very raucous place with loud voices competing to be heard, insults flying and sometimes riots breaking out. It was ‘hot’. The old Town Hall was, again, a physical space and membership was determined by physical location. The new Town Hall, on the other hand, consists of a plethora of virtual interactive communities of interest with membership often extending around the world. From knitting to Scottish heritage to politics to quantum mechanics to video gaming there is a new Town Hall for you to meet other members and express one’s views. The new Town Hall, however, shares the ‘hot’ nature of the old. In fact, it is hot, immersive but virtual.

The old Town Hall was owned by the community, either directly through the municipality or indirectly through a local charitable organization often a church. Meetings would be managed according to, for example, *Robert’s Rules of Order*. The new Town Hall, however, is owned by for-profit tech firms like Facebook, Google, TikTok, Twitter *et al* as well as those behind the Great Fire Wall of China. Nonetheless, all share Western paternity.

Unlike other for-profits, however, social media companies do not sell their “product” to consumers for a dollar price. Rather they offer it free charging instead the collection, compilation and sale of user personal information to advertisers. They manage the new Town Hall according to their own End User Licensing Agreements (EULAs), legally devised to limit corporate liability and allow exploitation of user personal information. This is achieved by the user simply pressing the ‘accept’ button. Few if any take the time to read through ten or more pages of legalese before pressing ‘accept’. The resulting psychographic profiles have been called ‘the new oil’ lubricating the digital economy through nanosecond auctions for advertising space on one’s phone, laptop or desktop.

As private firms they can write the legal terms of use, they can ban or cancel users and or their comments at will. In other words, they can limit or censor debate in the new Town Hall. Furthermore, these firms constantly compete in developing techniques to capture and hold the attention of users. This has generated what some call the ‘attention economy’, *a.k.a.*, capturing eyeballs. In fact, the time users spend on such sites limits time available in the real world. This has significant economic and social implications including contributing to declining labour force participation of young males. Living in virtual communities, the extreme at present being Facebook’s *Metaverse*, users may not see or simply escape the decay of their own physical communities while their virtual communities prosper as in Steven Spielberg’s 2018 *Ready Player One*, or, as the script reads: “Reality is a bummer”.

While social media is available in virtually every country in the world the resulting flow of personal information creates a *de facto* surveillance state. The only question is surveilled by whom: Corporations, the State or both? In fact, all of one’s online activity is captured including who we are, where we are, what we are buying and, of course, what we are saying. To for-profits this is a boon but to Western governments it has led to surreptitious coordination between the

private sector and the State to reinforce, among other things, ESG and DEI narratives as revealed in Elon Musk's *The Twitter Files*. In China the result has been a social credit system rewarding politically correct behaviour and punishing bad. The West is arguably heading towards the same end state. It appears to be a technological inevitability mitigated only by values and principles expressed in and enforced by Law. Arguably, personal privacy, like globalization, is dead.

### **Forecast 2050**

I now draw the two major GPE trends to 2050. I assume these trends will not be interrupted by the passage of time. If they are a different future will emerge. The first trend is Eurasian Integration; the second, Western Disintegration. These trends are now divergent, split apart, moving in opposite directions, leading to a colder Cold War involving the isolation of the West both economically and politically/culturally from the rest of the world. This divergence has been accelerated by a primary followed by a secondary GPE earthquake or after shock.

Before leaping into the future, however, it is appropriate to step back and consider how we got here. WW II ended with only the United States, Canada and, to a lesser extent Australia exempt from the catastrophic destruction of industrial and civil property. The world split into three blocs: the First World of the capitalist West, the Second World of the communist East; and the Third World of the non-aligned South.

As leader of the West the United States constructed the international financial and security architecture of the First World erecting the International Monetary Fund, what became the World Bank, the General Agreement on Tariffs and Trade (GATT), the North Atlantic Treaty Organization (NATO) and, most importantly the American dollar, convertible into gold, as the free world's reserve currency. Meanwhile the Second World led by the Soviet Union constructed a parallel architecture based not on market prices but on Marxian material balances while its security was based on the Warsaw Pact.

In 1971 President Nixon ended the convertibility of the American dollar into gold. As I recall the official exchange rate was \$35 US per ounce of gold while the market price was \$350 an ounce. In effect this represented a default by the American government. In 1973, however, an American-Saudi agreement was reached whereby Saudi oil would be priced and traded in American dollars birthing the so-called 'petrodollar'.

With the fall of the Soviet Union in 1991 Marxist economics gave way to market economics in the Second World. As previous noted Russia and the former members of the Soviet Union and Warsaw Pact became capitalist economies while China shortly shifted from Marxism-Leninism to Market-Leninism. This marked the peak of Western power and the beginning of globalization when the US constructed the World Trade Organization (WTO) in 1995 including the initial 20+ separate treaties requiring but a single signature for a country to join. Today, virtually all member of the United Nations (UN) are members of the WTO.

### *The Divergence*

The primary earthquake was the Western/Russian War 2022-202? After the start of the Russian Special Military Operation (SMO) to protect Russian speakers in the Donbas, the West, collectively, imposed the *ultimate* economic sanction against Russia. It cast it out of SWIFT (Society for Worldwide Interbank Financial Telecommunications). SWIFT is a messaging network between financial institutions in different countries to securely send and receive money transfers. Put simply, no one, in the West, could, any longer, do business with Russia, its citizens, corporations or government. This began the era of total financial war – the West's non-nuclear 'nuclear' option. Sanctioned Trade replaced Free Trade. Globalization died. It should be noted that as the SMO continued Western anti-Chinese rhetoric and sanction threats increased

particularly with respect to any Chinese assistance to the Russian SMO. In effect, the West alienated China while engaging in war with Russia.

This action, among others, was intended to break the back of the Russian economy. It failed dramatically. Arguably, with well developed Primary and Secondary Sectors Russia was and remains the most autarkic or self-sufficient national economy in the world.

Such extreme sanctions were justified under the Western “rules based international order” as opposed to *jus cogens* or the presumptive norms of international law. The most elemental of which is *pacta sunt servanda* meaning “agreements must be kept”. Such “higher law” must not be violated because it serves the interests of the entire international community, not just the needs of individual Nation-States or Blocs of Nation-States. Arguably, Western rules justifying such sanctions, including against third parties, conflict with international law, *e.g.*, treaty obligations under the Minsk Agreements, the World Trade Organization (WTO) and the United Nations (UN). Much of the Second and Third Worlds now question if the West will honour its international treaty obligations? The problem with international law is there is no enforcement mechanism excepting things like embargoes, *a.k.a.*, sanctions, or war.

The after shock was the physical or kinetic, not virtual, destruction of the Nord Stream pipelines owned by Germany and Russia. This was an “energy” umbilical cord leading logically to the economic integration of Europe into Eurasia. By this act of infrastructure terrorism that baby was aborted. During the first Cold War the West expressed constant concern about German and European industrial prosperity fuelled by cheap Russian natural gas delivered by pipelines from as far afield as Siberia. With this act of terrorism, the West began the de-industrialization of Europe.

Divergence has reached the point that there is no direct line of communications between the US and Russian President. This is unlike the first Cold War during which a “hot line” was maintained between the two nuclear superpowers. Similarly, at present, the Chinese President and Defense Minister reportedly will not accept calls from their American counterparts. For forecasting purposes, I assume this lack of dialogue will continue through 2050 with Eurasia and the West diverging more and more.

### *Eurasian Integration*

What BRICS (2001), SCO (2001), China’s Belt & Road Initiative (BRI: 2013), the Eurasian Economic Union (2014) and the recently formed “5+2” (the five Central Asian “stans” plus China and Russia: 2023) share is the desire to be free of Western financial and cultural domination, free from the unipolar world of 1991. Thereby they hope for sovereign economic and cultural development without Western interference. The Western/Russian War of 2022 has accelerated these efforts. I will now project their institutional evolution over the next 27 years reaching maturity in 2050.

### *BRICS*

BRICS was initially formed in 2001 to identify investment opportunities within member countries. Since 2009, however, it has become a more cohesive geopolitical bloc. In response to the 2022 Western sanctions against Russia BRICS countries are using domestic currencies in bilateral trade rather than the American dollar. Thus, China and Brazil have agreed to use real/yuan swaps; India and Russia have agreed to use rupee/rouble swaps while Saudi Arabia and China have agreed to ryal/yuan swap. The later does much to downgrade the “petrodollar”. In passing, about 70% of payments with China are now made in national currency exchanges.

BRICS created the New Development Bank (NDB) in 2014. Both Saudi Arabia and Argentina have recently proposed subscribing. It has also been suggested that the NDB become a

clearing center, if and when a common BRICS currency materializes. Such a currency would probably be a payment unit between member states possibly using digital financial assets supported by real assets such as gold, silver and/or other commodities. Furthermore, at the recent BRICS summit in Cape Town, formal and informal membership applications were received from at least 20 countries including Egypt, Nigeria, Mexico, Iran, Indonesia and Turkey. Decisions are pending. As I write France is making public overture about possible membership.

#### *Shanghai Cooperation Organization (SCO) & “2 + 5”*

The SCO was formed in 2001 by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. India and Pakistan joined in 2017. Disputes between the two new members limited the effectiveness of the SCO that governs by consensus. This led in May 2023 to creation of the so-called “5 + 2” including the five Central Asian “stans” Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan plus China and Russia. One primary objective is improving transport infrastructure and increasing the capacity of border checkpoints along the China–Central Asia and China–Europe routes to allow for increasing cargo and passenger traffic, *a.k.a.*, Eurasian integration.

#### *Belt & Road Initiative (BRI)*

China’s Belt & Road Initiative (BRI) or the “New Silk Road” is a global infrastructure development strategy started in 2013. It intends to invest in some 150 countries and international organizations. Beyond the benefits of increased trade and investment a Eurasian land corridor is required by China for fear of a Western maritime blockade of its trading routes, particularly of the Strait of Malacca.

#### *Eurasian Economic Union*

The Eurasian Economic Union between Belarus, Kazakhstan and Russia came into force in 2015. As I write President Putin at the Supreme Eurasian Economic Council proposed creation of a Eurasian Credit Agency to compete with Western agencies such as Moody’s Investor Services, Standard and Poor’s (S&P), and Fitch Group. He argued that Western credit agencies exhibit economic and political bias when assessing non-Western markets. Arguably, this is partially in response to Western ESG investment policies that bankrupted Sri Lanka and threatens agricultural development around the world.

In related developments, after the US initially imposed sanctions on Russia in 2014, Moscow launched its own national credit card system, *Mir*. It also created the National Payment Card System (NSPK) intended to seamlessly take over *VISA* and *Mastercard* transactions should US-based corporations exit Russia, as they did in 2022. Based on the Russian experience, Indonesia is exiting *VISA* and *Mastercard* and attempting to develop its own domestic system perhaps soon compatible with *Mir*. Similarly, India and Russia are considering making the Indian *RuPay* and *Mir* systems compatible. China also has its own system, the *UnionPay* Card. In 2005, *UnionPay* apparently became compatible with other payment networks including: *Discover* in United States, *RuPay* in India; *JCB* in Japan; the BC Card in South Korea; and *Mir* in Russia.

#### *Forecast 2050*

First, with respect to institutional evolution it is important to note the overlapping memberships of these organization. Second, the complexity and administrative costs associated with secondary and tertiary sanctions raises the cost of doing business with the West shifting activity towards Eurasian and Third World markets. Third, in general, all seek to be high energy industrializing and integrated economies rejecting ESG investment policies. Fourth, in general, all reject DEI in favour of meritocracy promoting STEM (Science, Technology, Engineering & Mathematics) education at the primary, secondary and tertiary levels.



I forecast that by 2050 a BRICS+ gold/commodity-based currency, clearing centre and credit agency will be a reality. Demand for the American dollar and its credit agency ratings will have fallen marking the end of the Western financial monopoly and the American dollar as the single international reserve currency. Eurasian economic integration of high energy, industrializing economies driven by STEM meritocracies will be achieved excluding Europe *sans* Russia.

### *Western Disintegration 2050*

The West, in general, is explicitly committed to ESG and DEI and implicitly committed to the World Economic Forum's Great Re-Set and the Degrowth movement. Collectively I call this policy cluster Woke Ideology. Now an ideology is an explanation of the way the world works without a god; a theology is an explanation of how it works with a God. Both, however, are *belief systems* usually based, in the case of theology, on a divine text/revelation or, in the case of ideology on a secular theory in action, *a.k.a.* praxis, *e.g.*, Marx's Oppressor/Oppressed or Bentham's "pleasure and pain are the sovereign rulers of the State". In both cases, conflicting empirical evidence is usually ignored or denied. Thus, Ideology and Theology assert Certainty while Science asserts Doubt.

All components of the Woke Ideology are premised on the belief that humanity is endangering the Planet through over population and consumption fuelled by hydrocarbons generating carbon dioxide (CO<sub>2</sub>) that will raise global temperatures with purported catastrophic climatic results. True or false this is the belief in the West. In a way it is a variation on the Malthusian proposition that food production grows arithmetically but the human population grows geometrically. Quite simply, this policy matrix or Woke Ideology is the philosophic opposite of the economic growth, industrial development and free market philosophy driving Eurasian integration. Arguably in the West like globalization, free trade and personal privacy the 'free market' is dead. State diktat now directs the economy, not producers (Supply) and consumers (Demand).

In what follows I will first define each component of this ideological matrix using a public domain source – *Wikipedia*. I will then consider each in practice - their praxis – leading to forecasted 2050 results.

### *ESG*

Wikipedia reports: "Environmental, social, and corporate governance (ESG), also known as environmental, social, governance, is a business framework for considering environmental issues and social issues in the context of corporate governance." While originating in the private sector ESG has been adopted by most Western governments and is reflected in all their public policy decision-making.

In practice ESG calls for the elimination of fossil fuels and the internal combustion engine. This is to be achieved through private investment (using ESG criteria) and public regulatory denial of increased fossil fuel exploration, development and production together with enormous public subsidies of *renewable* energy sources like wind turbines and solar panels as well as electric vehicles (EVs). It is important to repeat that ESG also restricts production and use of fossil fuel-based fertilizers that led to Sri Lanka's bankruptcy as well as current social unrest in the Netherlands and potentially in Canada and the United States. Quite simply, without fossil fuel-based fertilizers global food crop production will be significantly reduced. Furthermore, ESG calls for the elimination or significant reduction in cattle and other food animal herds due to their production of methane, a so-called climate change gas.

There are several problems with ESG that will affect the 2050 forecast. First, with respect to the private sector ESG runs counter to traditional corporate fiduciary responsibility to maximize financial returns to shareholders. They call it Capitalism. Usually, an investment satisfying ESG criteria yields a lower financial rate of return than alternative investments. Furthermore, enormous public subsidies of both renewable energy sources and EVs together with proposed bans on internal combustion vehicles marks the end of the free market where consumer choice rules. Now State diktat rules.

Second, ESG public and private support/subsidy places the cart before the horse. The horse is the national electric grid that must be adapted to receiving the intermittent input of renewable energy sources when the sun does not shine and the wind does not blow. It must also be adapted to the geometrically increased demand for recharging EVs with investment in widely distributed and easily accessible recharging stations like gas stations today. I leave aside adaptation of the grid to the threat of an electromagnetic pulse attack. Cheap reliable energy is the life blood of all civilizations according to Col. Douglas McGregor. Therefore, the question becomes: Will ESG energy be cheap and reliable and no longer subsidized in 2050?

Third, there is a near Chinese monopoly on inputs to and outputs from the ESG economy. From wind turbines to solar panels to rare earths, cobalt and lithium required by EVs and their batteries to EVs themselves, China dominates the market, a market that only exists, to a great extent, due to Western ESG subsidies. Given rising Western hostile rhetoric towards China including talk of possible military hostilities, *a.k.a.*, war, it is problematic whether China will continue to supply these inputs and outputs to a 2050 Western ESG economy. It should also be noted that Russia was also a source, now a sanctioned source, of many mineral and other inputs required by an ESG economy.

Fourth, if the West is to successfully on shore manufacturing then it must satisfy the enormous energy requirements manufacturing entails. The reality is one cannot produce steel with electricity, one needs coke, *a.k.a.*, coal, furnaces. Similarly, one cannot manufacture most products without using hydrocarbons to produce plastics. If the 2050 ESG economy fails to satisfy these energy needs then the West will effectively de-industrialize. Europe *sans* Russia is already experiencing deindustrialization with the end of cheap, reliable Russian oil and gas. The winter of 2023-24 will be a test of the viability of the ESG agenda in Europe *sans* Russia.

If hostilities with China, the workshop of the world, lead to sanctions or outright military hostilities the West will be deindustrialized unable to make or obtain the consumer and producer goods the public currently demand. To complicate matters is the fact that capital goods from China will be critical to on shoring. Capital goods are machines that make machine that make intermediate and final goods.

Furthermore, on shoring will require education and training in the manufacturing trades and crafts. Such skills, to a great extent, no longer exist in the West but especially in the Anglosphere due to off shoring. Such trades and crafts require education in STEM subjects – Science, Technology, Engineering and Mathematics. As will be seen below, Western education especially in the Anglosphere is not driven by STEM but rather by DEI.

#### *DEI*

Wikipedia reports: “Diversity, equity, and inclusion (usually abbreviated DEI) refers to organizational frameworks which seek to promote “the fair treatment and full participation of all people”, particularly groups “who have historically been underrepresented or subject to discrimination on the basis of identity or disability.”

In practice, as with ESG displacing profit maximization with environmental and social goals, DEI displaces merit with an escalating number of ‘protected’ classes of people based on skin colour and gender identity. Some call this “tribalization” separating citizens one from another rejecting a colour, gender blind meritocracy. Law and Medical Schools in the United States have ended standardized entrance examinations as have most Ivy League Universities because they are ‘racist’ or ‘gender phobic’. In elementary and secondary schools, critical race and gender theories are taught. Math and reading scores have crashed. In fact, even Mathematics is considered racist under DEI. At a minimum this leads to mediocrity at best and, at worst, dangerous incompetence. It marks the end of meritocracy and ‘the pursuit of excellence’ in the West.

Furthermore, DEI education will inhibit the West’s ability to successfully on shore manufacturing. This will require an education of a generation or two in the manufacturing trades and crafts grounded in STEM that DEI rejects as racist. It is also important to note that the Western military is infected with the DEI virus with similar reductions in performance capabilities.

*Great Re-Set*

Wikipedia reports (*lightly edited*): “The World Economic Forum (WEF) is an international non-governmental and lobbying organisation for multinational companies based in ... Geneva, Switzerland. It was founded in 1971 by German engineer Klaus Schwab. It is mostly funded by its 1,000 member companies – usually global enterprise with more than US\$5 billion in turnover. It also receives public subsidies. Its mission is “improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas”.

The two most important WEF activities, to my mind, are its annual Davos Conference and *World Competitiveness Report*. In 1992 I attended Davos, thanks to a grant from External Affairs & International Trade Canada. I was there to pitch a statistical *World State of the Arts Report* to Professor Schwab and his recently founded World Arts Forum. My observations were published: [Art, Culture & Global Business: Snapshots from the World Economic Forum](#), *Journal of Arts Management, Law & Society* 22 (1), Spring 1992. It should be noted that after several attempts my pitch failed. No blame.

Other than disappointment, two events at the conference stand out in my mind that have current relevance, one was a passing reference in my article but the other was a private encounter not previously reported. The first was passing reference to the plenary address by President of the Czech and Slovak Federal Republic, Vaclav Havel. It was a showstopper! His speech was reprinted by the *New York Times*, page E-15, March 1st, 1992.

Havel, the poet/playwright argued, in my words, the death of Communism meant the end of the Age of Reason; the end of faith that scientific rationality could solve the technological nightmares it created. Communism assumed human rationality could plan and successfully operate the economy. It was replaced by a secular transcendent mechanism or ideology called ‘the Market’. This sense is caught in the joke:

*How many Chicago School economists does it take to turn a lightbulb? None! The Market will do it for them!*

Put another way, in 1992, the Market and the profitability of business inclusive of its cultural and environmental context, was what concerned WEF delegates, *i.e.*, Presidents (or Head of States) and Presidents of multinational corporations. As will be seen, things have changed.

My private encounter was with an irate Saudi delegate. As the 1992 Davos was held, a military coup in Algeria, supported by the West, pre-empted the democratic election of the Islamic Party. He cried in desperation:

*You people say you support democracy! How can you support this!*

Dumfounded, all I could pathetically respond was: Only if this would be the last election under their rule. On reflection, I should have said, as I do now, that killing democracy to save it is hypocrisy of the first order.

As for WEF's *World Competitiveness Report*, in 1992 it, as it still does, presents a plethora of statistical indicators of a Nation-State's 'friendliness towards business' and then makes an overall judgement. Adjustments to environmental and social policies were assessed with profit maximization, *a.k.a.*, competitiveness, as the primary objective of business. What happened to competitiveness?

I have not determined the exact origins of ESG. The first reference I have found is 2002 but Wikipedia reports: "A 2004 report from the United Nations – titled *Who Cares Wins* – carried what is widely considered the first mainstream mention of ESG in the modern context." As will be seen, WEF has fully adopted ESG and the *World Competitiveness Report's* 'judgement' is now based on ESG ratings of Nation-States like Sri Lanka. Now profitability is trumped by environmental and social policy objectives. This is not Capitalism. This is not the 'invisible hand'. This is social engineering as highlighted in WEF's 2020 *Great Re-Set Initiative*.

Wikipedia reports (*lightly edited*): "The Great Reset Initiative is an economic recovery plan drawn up by the World Economic Forum (WEF) in response to the COVID-19 pandemic... three core components of the Great Reset [are]: creating conditions for a "stakeholder economy"; building in a more "resilient, equitable, and sustainable" way, utilising environmental, social, and governance (ESG) metrics; and "harnessing the innovations of the Fourth Industrial Revolution."

One corollary of the Great Re-Set is that humanity should stop eating meat of herd animals in favour of insect protein, or 'Let Them Eat Bugs!' Why? To save the Planet from global warming caused by animal flatulence. Another corollary is that "harnessing the innovations of the Fourth Industrial Revolution" requires a surveillance state in which personal privacy is to be sacrificed.

The social engineering nature of WEF's Great Re-Set was highlighted, while I was writing, with the May 2023 publication of *Benchmarking the Transition to Sustainable Urban Mobility*. It provides WEF's blueprint for reducing individual car ownership by 75% by the year 2050 and shifting the human population to mass transportation within compact "smart cities. No more suburbs. Just 'megacities' that will be digitally connected and monitored by AI allowing for unprecedented surveillance and government dictating public movements, power usage, access to food and even public behavior. This 'transition' is to be achieved through carbon regulations and price inflation making gas vehicles unaffordable and price inflation making electric vehicles affordable only the wealthy.

It is important to note that WEF's Great Re-Set is global in its reach leading to the immiseration of the entire human population to save the Planet. This plan will only work if Russia and then China succumbs to Western ESG finance. With the Western-Russian War and alienation of China by the West, WEF's plans will only apply in the West while hydrocarbons fuel Eurasian integration and industrialization.

*Degrowth*

Wikipedia reports: "Degrowth (French: *décroissance*) is a term used for both a political, economic, and social movement as well as a set of theories that criticise the paradigm of economic growth. Degrowth is based on ideas from political ecology, ecological economics, feminist political ecology, and environmental justice, arguing that social and ecological harm is caused by the pursuit of infinite growth and Western 'development' imperatives."

The first thing to notice is the number of ‘neo’ sub-disciplines contributing to this theory. All are arguably rooted in Marxist thought and the Oppressor/Oppressed paradigm. In passing, in Greek, theory means a god’s eye view. The second thing is that rejection of “Western ‘development’ imperatives” is currently countered by Eurasian integration that accepts this imperative as critical to improving the lives and living standards of their citizens.

Wikipedia goes on: “Degrowth argues for a reduction in global consumption and production (social metabolism) and advocates a socially just and ecologically sustainable society with social and environmental well-being replacing gross domestic product (GDP) as the indicator of prosperity. Degrowth aims for social reorganisation that modifies the flow and usage of material. This restructuring aims to shift away from mainstream (capitalist) economic activity.”

The Marxian roots of the theory is summed up by “social reorganisation that modifies the flow and usage of material.” In other words, the theory calls for a return to the failed Marxist concept of material balances. Degrowth is arguably the most extreme component of the Woke ideological matrix.

### **Forecast 2050**

To repeat, all four components of the Woke Ideology are premised on the belief that humanity is endangering the Planet through over population and consumption fuelled by hydrocarbons generating carbon dioxide (CO<sub>2</sub>) that will raise global temperatures with purported catastrophic climatic results. True or false this is the belief. Its adherent claim this is ‘Settled Science’ but this is an oxymoron, a contradiction in terms. As stated in my epithet, Ideology and Theology are about Certainty; Science is about Doubt. The West is betting the farm on a belief.

With respect to **ESG**, first, the ESG agenda – eliminating fossil fuels, the internal combustion engine and fossil fuel-based fertilizers – only works due to massive Western public subsidies whose total magnitude is surely in the multiple trillions of dollars already. As I write the American government has announced a ‘loan’ of \$US 11 billion to Ford while the Canadian government recently granted \$Cdn16 billion to Volkswagen. In both cases, subsidies are for the construction of EV battery plants. Clearly, such plants are not profitable without subsidies. Similarly, enormous public subsidies are provided for the private purchase of EVs, solar panels and wind turbines that are not profitable without them. In effect, Western subsidies created the global ESG market. Given an increasingly fragile Western financial system, its enormous public debt (partially incurred during the so-called global pandemic) and accelerating *de-dollarization* it is unlikely such subsidies can continue unabated though to 2050. This will lead to an incomplete transition, arguably the worst outcome for the West in 2050.

Second, the ESG agenda – raising the price of fossil fuels through reduced supply or regulation – results in higher transportation cost and thereby general price inflation. It also results in declining crop harvests due to restriction or elimination of fossil fuel-based fertilizers and thereby to food price inflation. In short, ESG contributes to an increasingly fragile Western financial system that threatens the entire ESG agenda long before 2050.

Third, the ESG agenda - enormous public subsidies – represent an opportunity cost to the West. While ESG subsidies have soared traditional Western civic infrastructure – road, rail, air and ports – have continued to decay due to underinvestment, poor maintenance and management. This increases the cost of doing all kinds of business. In addition, Western cities are decaying with rising crime and social unrest and the increasingly prohibitive costs of retail business, *e.g.*, in downtown San Francisco. By 2050 we may face a situation like that described by Herman Kahn in his 1961 *On Thermonuclear War*. Kahn identified two Americas. First were the 40 major metropolitan areas, the primary target of a Soviet nuclear attack, and then the rest of the country.

If the first were devastated, according to Kahn, the rest would recover per capita GDP in about 10 years. By 2050 the 40 major metro areas in the US may well be devastated but by urban decay, not nuclear war. Out migration from these centres has begun.

Fourth, the ESG agenda – renewable energy using solar panels and wind turbines – is, as previously noted, dependent on a near monopoly of inputs to and outputs of the Green Dream. This monopoly is exercised by China. This, ironically, presents the West with a case like the energy dependence of Europe on Russia that arguably led to the current Western/Russian War. Thus, to realize the Green Dream the West is now dependent on renewable energy inputs and outputs from China. Ironically as well is recent concern expressed in the US that its defense industry depends on similar critical imports such as refined rare earths from a China that the US increasingly sees as ‘the enemy’, not a smart and increasingly successful competitor. In other words, going to war with China depends on imports from China. Go figure!

Fifth, and finally, the low energy ESG agenda is not compatible with on shoring heavy manufacturing to the West. In fact, the low energy ESG agenda in Europe *sans* Russia together with the loss of cheap Russian energy is causing de-industrialization. Soon skilled workers in heavy European industry including chemicals and pharmaceuticals will seek employment abroad particularly in North America where despite ESG energy costs are an order of magnitude lower. By 2050 Europe *sans* Russia may well be one large organic farm dotted with historic tourist relics of a once great past.

With respect to **DEI**, first, the DEI agenda is based on the Marxist paradigm of Oppressor/Oppressed. In its original formulation this led to the Proletarian Revolution replacing the Oppressor with the Oppressed, *i.e.*, Oppressed/Oppressor. In this paradigm the role of the intellectual is to identify the Oppressor and the Oppressed. In Cultural Marxism it is not an oppressed proletariat but rather historically disadvantaged or marginalized communities of colour and gender identity oppressed by white heterosexual males. The number of such marginalized communities continually expands, *e.g.*, from coloured to women to gay to trans to pedophiles to so-called *furries*. This tribalizes the West increasing social division and internal conflict. Merit is replaced by tribal affiliation as the basis of leadership and promotion. If this trend continues, then by 2050 Western institutions and society will be led at best by mediocrities and at worst by dangerous incompetents.

Second, the DEI agenda – education in critical race and gender theory – displaces Science, Technology, Engineering and Mathematics (STEM) in schools, all of which are considered by DEI to be ‘racist’ and/or ‘sexist’. Inevitably this will significantly reduce the competitiveness of the West given Eurasian and Third World countries promote STEM not as a Western or ‘racist’ or ‘sexist’ conspiracy but rather as a gift offering a blueprint to industrialization and improving the living standards of their peoples.

Third, without a STEM educated population the West will be unable to successfully on shore manufacturing by 2050. It will remain dependent on Eurasian manufacturers while its ESG energy poor economy becomes ever more dominated by the Third or Service Sector that produces intangible goods and services, *a.k.a.*, the Virtual Economy.

With respect to the **Great Re-Set**, first, the great Re-Set agenda is a massive, global social engineering project. It was arguably penned by the World Economic Forum (WEF) in response to the apparently successful social control exercised by Western government during the so-called global pandemic. It must be remembered that WEF is funded by the largest multinational corporations in the world, corporations that traditionally were concerned with profits, not social engineering. Why the change?

Second, the Great Re-Set agenda – use of ESG criteria for private investment – is viable only due to immense public subsidies without which the agenda is not profitable. Proposals to:  
force the world’s population into ‘smart’ megacities;  
reduce private vehicle ownership by 75%;  
restrict the use of fossil fuel-based fertilizers forcing the population ‘to eat bugs’; and,  
depending on renewable low energy sources that require an enormous commitment of terrestrial and maritime space with long distant power line transmission to ‘smart’ megacities;

will require a level of social control previously exercised only in the de-urbanization campaign of the Khmer Rouge in Cambodia. It will require levels of public subsidy unseen in human history. All to be accomplished by 2050 and supported by the world’s leading corporations. Rather, I forecast bankrupt and decaying Western cities and Nation-States. I also see rising corporate profits and power as Western governments go bankrupt and collapse by 2050.

With respect to **Degrowth**, first, the Degrowth agenda is like DEI rooted in the Marxian Oppressor/Oppressed paradigm but with Humanity the oppressor and the Planet the oppressed. It harkens back to Rousseau’s Noble Savage living in harmony with Nature. It calls for material balances rather than industrial growth and development. It calls for stasis or in economics what is called a steady state continuing unchangeable into the future. A romantic vision that if achieved would require the starvation of a significant part of humanity by 2050.

Second, ironically the Degrowth agenda argues “that social and ecological harm is caused by the pursuit of infinite growth and Western ‘development’ imperatives.” While rejected in the West these ‘developmental imperatives’ are what are propelling Eurasian integration by 2050. What the West has rejected has been warmly accepted by East and South.

Assuming current trends continue, I forecast by 2050, first, the West will consist of low energy de-industrializing ESG economies caught between the old fossil fuel and a new Green Dream economy. It will be unable to successfully on shore or support energy intensive manufacturing. In the process, however, some, perhaps all, Western governments will go bankrupt in the attempted transition.

Second, the West will be afflicted with poor leadership in all its institutions due to the impact of DEI displacing meritocracy. At best leadership, in general, will be mediocre and at worst dangerously incompetent.

Third, Western societies will be riven with tribal conflicts fostered by DEI. Social cohesion will breakdown. Crime will continue to rise as DEI rejects traditional policing as ‘racist’. Urban decay and flight will leave major cities barely livable as public infrastructure breaks down, the tax base collapses and municipal governments face bankruptcy. This will be the result of misplaced ESG and DEI spending priorities trumping traditional municipal responsibilities compounded by DEI supported unlimited immigration.

Fourth, Western populations indoctrinated in DEI, critical race and gender theory will lack STEM skills contributing to the failure to successfully on shore manufacturing. Public/private censorship and propaganda will mature into a surveillance state inhibiting free speech and punishing politically incorrect behaviour through a *de jure* or *de facto* social credit system.

Fifth, Western populations will suffer an extreme decline in living standards as consumer energy prices soar or are subsidized by government as presently in Germany. Food prices will also soar when fossil fuel-based fertilizers are banned. The unreliability of renewable ESG energy sources will also trouble the lives of the population.

In summary, the West by 2050 will have disintegrated internally and externally will no longer be competitive in cultural, economic, military or political terms. It will, effectively, be a fallen civilization.

### **Conclusion**

The West won the first Cold War. The Market triumphed over Marx. While this was happening, however, Cultural Marxism penetrated and then permeated Western institutions following the adage ‘politics is downstream from culture’. The Oppressor/Oppressed paradigm triumphed. President Putin has noted that Russia tried it under the Bolsheviks. In fact, prior to Stalin’s rule the Commissar of Enlightenment had the second largest budget after the Red Army. Agitprop spread a message to the masses through the Arts very similar to DEI. Stalin rejected it and redirected spending by enforcing Socialist Realism in the Arts and forced industrialization on the USSR.

The West has arguably already lost the second Cold War. Its Enlightenment heritage of freedom of inquiry, speech, private property, personal privacy and even Adam Smith’s Free Market has been sacrificed on the altar of Cultural Marxism by multinational corporate interests. What the Soviet Union could not do the West has done to itself. In a manner of speaking, nothing fails like success as they say in the Arts. Rich and privileged the West has succumbed to what can only be called ‘white guilt’. It now highlights its flaws and denies its triumphs. In doing so the West in effect is committing civilizational suicide.

I end this forecast with some introductory words from Paul Cooper’s *Fall of Civilizations* podcast when he asks: “What did it feel like to be a person alive at the time who witnessed the end of their world?” I feel like such a person watching my civilization die due to a belief system, a Woke Ideology, that threatens even the publication and distribution of my words. In other words, I watch as the Sun sets on the West. The good news, if any, is that in many ways contemporaneous Eurasian integration promises to preserve at least some parts of my cultural and intellectual heritage.

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