

The World Order Is Rapidly Changing

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As every day reveals yet another failure of the state to tackle the COVID-19 crisis and it merges into the next, it is becoming apparent that this government does not really understand the scale of damage being done to the very fabric of Britain's society. It is a fair question to ask if they even care that much. Institutions such as the Bank of England, World Bank, IMF and so on are not known for doom-mongering, if anything, they are usually so over-optimistic that their forecasts are rarely right when it comes to oncoming recessions. But this latest one from the BoE is pure comedy.

Their assumptions for a drop of 14 per cent GDP in 2020 followed by a bounceback of 15 per cent in 2021 is as farcical as anything I've ever read in my life.

To get to this bounceback, the BoE assumes the Stirling exchange rate will be unaffected by what looks more like an inevitable hard-Brexit. It assumes the lockdown will have little effect on employment and therefore household consumption will come straight back as it was before the crisis. It assumes an immediate bounce-back of business investment and that productivity will remain the same and that wages will be unaffected. Whatever these guys are smoking, I'm sure we'd all like some if all it does is make you happy and fulfilled by our future prospects.

The economy of Britain has already entered a deep recession – the biggest. By what pace and for how long is anyone's guess. Insolvencies and debt defaults will cripple the country as banks take the hiding of their lives. Unemployment will soar, business investment will collapse. No-one will sell anything on credit unless they've been smokin the weed of the BoE. From an economic standpoint, the crisis Britain faces is as bad as anything it has ever faced. And to put some perspective on that – the Bank of England has said Britain faces a deeper recession now than it has done since the 1700s – when the total population of the country was barely 8 million. At this moment, Britain has 9 million unemployed so the comparison is meaningless.

No-one will care about the climate crisis, corporate profits, food standards or the NHS when unemployment is 15 per cent, when poverty trebles, homelessness quadruples and food banks are as common as a Tesco store

Right now, our government and all of its resources should be focused on the COVID crisis to ensure the nation is as protected as is humanly possible. In that challenge, so far, they have failed almost all of the tests put before them. They failed to listen to the experts, they failed the NHS, its medics and key workers and failed to lockdown early enough. Procurement tests have failed, testing has failed and Europe's biggest death rate is the sum of all that failure. It is sad to witness it all. The economy is being bolstered by massive public spending and currently on life support and it remains to be seen if the government did the right thing

or not. If the government fails that test – it will be truly catastrophic for us all.

With most of the world focused on stopping the COVID-19 pandemic, the Trump and Johnson administrations are moving forward with US-UK trade negotiations. As if that matters right now. Their ideology is more important than the crisis at hand and the one that's coming next.

Civil society groups in both countries are now diverting attention away from what they should be doing and worrying about how corporations will act to secure their profits at the expense of the environment, consumer safety, public health and worker rights. Actually, it's at the expense of everything we really need right now.

A powerful and diverse array of unions and public interest groups from both sides of the Atlantic sent a unified message that trade negotiations between the United States and United Kingdom must prioritize working families, public health and the environment over corporate profits.

The organizations expressed their concerns ([pdf letter](#)), which include environmental, animal welfare, health, food, farming, labour, digital, development, faith and social justice organizations. They demanded the inclusion of binding climate and labour standards and the exclusion of terms that undermine consumer health and safety, financial, privacy and other public interest safeguards.

And even they, with all their economic and legal expertise, are missing the point right now. They themselves have not got to grips with reality.

Here is just one of many comments made from the campaigners:

“The Government has failed to convincingly set out what it hopes to achieve through a US-UK trade deal, despite the risks it could pose to the environment, food standards and public health. It is difficult to see how the deal is consistent with our climate change commitments, especially the goal of net-zero by 2050. The deal poses severe risks to UK agriculture and food standards, which the Government has refused to protect in law. And the deal threatens the NHS and medicines pricing – a key priority for US negotiators” -David Lawrence, Trade Justice Movement.

What these good people are missing here is that no-one will care about the climate crisis, corporate profits, food standards or when unemployment is 15 per cent, when poverty trebles, homelessness quadruples, violent crime skyrockets and food banks are as common as a Tesco store. This is the next failure of the state. Western democracies dramatically miscalculated giving so much 'market freedom' to banks and in 2008 the financial system imploded. That event threatened our world, ushered in the likes of Trump, Johnson and others – but what's coming next will be much worse.

The amount of money lost in asset prices over global stock markets in March was something in the order of \$25 trillion. Corporate profit warnings in the four weeks of March (in Britain) eclipsed that of the entire year of the financial collapse in 2008 that took ten years for Britain to stabilise. In six weeks, the Bank of England has committed to new stimulus funding and is doing behind the door deals to save British businesses. It's secretly thrown over £100bn in 6 weeks at them – and that 's what we know of. £660bn has been committed

by the government. In 2008, it took two years to dish out £500bn to save the banks and six weeks this time to dish out three-quarters of a trillion. And there's a long way to go yet.

A back of a fag-packet calculation looks like we are in for something like three times the crisis of 2008.

The rules of the current world order are over. If France or Germany wants to trade illegally and outside of the constraints of the EU with another country it will. They will be more worried by protesting farmers and factory workers than a bureaucrat from Brussels wagging their finger at them. No-one will care about the WTO, trade agreements, handshakes, nods, the rule of law or anything else. By this time next year, the public will have reacted. People like Putin, Bolsonaro, Macron, Trump and Johnson could have been kicked out of office for their mishandling of phase one (human death toll) and phase two (economic death toll). Who knows – and that's the point.

COVID-19 will teach us all that each country will do what it takes to survive. Anything outside of this is utter nonsense. The real question is – will Britain come out losing or winning because winning only means we've survived it.

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