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Towards authoritarian capitalism?



Sources: The Diary

From a political point of view, capitalism today, in a deep systemic crisis, is inherently authoritarian and dangerous. It has evolved from a cynical view of democracy to an authoritarian drift, classical fascism

This week the European Central Bank has decided, at least temporarily, to end the official interest rate hikes that began back in 2022 and led to the largest escalation of rallies in its history. From these lines we are and will be extremely critical of a decision whose ultimate objective was not to stop the inflationary escalation but to recapitalise the European banking system at the expense, again, of taxpayers, this time via interest rates.

Empirical evidence against the European Central Bank's decision to raise interest rates sharply to tackle the current bout of inflation is piling up. The latest, an academic article, fresh out of the oven, where the research of the European Monetary Fund is amassed, under the heading 'Demand vs. Supply Decomposition of *Inflation: Cross-Country Evidence with Applications*', translated into Palladian Roman 'Decomposition of inflation in demand vs. supply: evidence at the international level with applications'.

In this article, the authors, Melih Firat and Otso Hao, decompose aggregate inflation into components driven by demand and supply in 32 advanced economies and emerging markets over the past three decades. To do this, they delve into An examination of the roles played by demand-side factors (Phillips curve and monetary policy transmission) and the factors of the Supply side (oil price shocks and chain pressures) supply) in generating changes in inflation driven by the demand and supply. This approach is based on the idea that demand should move prices and quantities in the same direction, while supply shocks should move them in opposite directions. The Contributions of Demand and Supply Factors to Aggregate Inflation They are obtained as weighted sums of sectoral inflation rates classified as demand-driven or supply-driven

The results they get are Clear. The overall decline in aggregate inflation at the beginning of the The COVID-19 pandemic in 2020 was mainly explained by a reduction in the demand-driven inflation. As of early 2021, both the Demand-side and supply-side factors contributed to the increase in inflation. In the U.S. and Asia, demand-driven inflation and supply-driven contributed roughly equally to inflation general. In addition, both demand-driven and demand-driven inflation by supply began to slow down towards the end of 2022. However, the Inflation in Europe was mostly supply-driven, intensifying this impact since mid-2022.

Economists who have curbing demand, and thus economic growth, in order to in the face of current inflation in Europe, they still don't understand, apparently, what has provoked it. Therefore, they will hardly understand the consequences of its actions, reflected in economic policy recommendations completely dystopian, except that the ultimate goal, as I've already detailed, It would really be different, to recapitalise the European banking system. The causes of inflation are a consequence of the recommendations made during the Over the past three decades, those same economists have carried out. And the The

solutions to these problems did not involve a rise in interest rates Official. They are simpler and less harmful. They were going through reversing certain deregulation promoted in financial markets and in the banks, as well as reversing a multitude of processes of liberalization of markets, and policies that have promoted the financialization of the economy global. Obviously they didn't, and they won't.

Neofeudalism: From Inverted Totalitarianism to Fascism

From these lines we have raised the voice against the current neo-feudalism driven by the elites, via financialization, aimed at sucking up the incomes of both workers and of productive capital. Pure profits are rebounding uncontrollably, while productive investment is languishing, the market power of certain sectors is increasing. corporations, and inequality skyrockets to nauseating levels. The Credit addiction – private debt is infinitely more dangerous than debt. sovereign debt – of today's capitalism needs the real economy to contract to hide its intrinsic reality, an enormous fragility financial. And that's what central banks are playing, activating and deflating inflations, while from time to time they recapitalize in the to the banking system.

From a strictly Today's capitalism, in a deep systemic crisis, is inherently authoritarian and dangerous. In the current drift, it is evolved from a cynical view of democracy, Inverted Totalitarianism, to a authoritarian drift, classic fascism. In the face of certain *naïve* analyses, It's time to open your eyes. Today's capitalism is perfectly capable of operate within a totalitarian framework; in the same way as in the last For decades, he dismantled the social contract under a façade of liberal appearance. In the mid-90s, the market became the most powerful entity in the world. Western Democratic Politics. According to this new catechism, the demands of the They could only be satisfied to the extent that they submitted to the to the unbreakable forces of the "market," to which the maximum was to be given room for manoeuvre to coordinate the wide range of economic decisions and Effectively control demand and supply. Obviously, and that's how they assumed it, The market could not guarantee full employment, distributive justice, or environmental protection. Under this new reality, technocrats dictated the things that "worked," and the strategists promoted the "things that worked." they won." But none of them, however, talked about people. Of Those muds, these muds.

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