

MEDIOCRITY'S
FACTS, POLICIES AND THEIR UNINTENDED CONSEQUENCES THREAT
TO FREEDOM

**Statements and Comments
on Economic and Political Issues**



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In 1987 he returned to Liechtenstein where he took over the position of Managing Director with Industrie- und Finanzkontor Ets., a leading trust company with tradition and expertise in long-term, multigenerational preservation of wealth, family values and businesses.

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Prince Michael of Liechtenstein

INTRODUCTION

This book contains a collection of comments I wrote between 2019 and 2022 for Geopolitical Intelligence Services (GIS). Based on the knowledge of our outstanding experts, we at GIS try to give genuine background information on geopolitics and offer scenarios of likely developments and consequences. This should help decision makers and others better understand political situations, economic developments, governance changes, societal shifts and technological disruptions. The basis for GIS analysis is pragmatism, and the focus is on relevance.

Working with these brilliant experts helps me formulate comments on specific issues. My points of view evolve. In these comments, I try to look at the world in a realistic and fact-based way, avoiding general models, eschewing the zeitgeist and middle-of-the-road views. A forward-looking pragmatism and a zeal for the truth is paramount.

In recent years, China, Russia and other countries such as Iran have become more assertive. This new assertiveness – as evidenced especially by Russia’s invasion of Ukraine and China’s threat to Taiwan – has led many in the West to conclude that there is a conflict between democracies and authoritarian states. Some advocate for a coalition of democracies.

All this has shaped today’s paradigm, which holds that there is a broad clash between democracies and autocracies. The idea is somewhat justified, but it is superficial. People and governments like to think in easy-to-understand models, but in politics this simplistic approach is dangerous.

Prior to 2022, I continuously called for Europe to increase its military strength. In my conviction this remains the only plausible foundation for peaceful cooperation with Russia. Unfortunately, the brutal aggression in Ukraine makes such cooperation impossible for now. Hopefully, however, European countries will fulfill their verbal commitments for stronger defense and support of Ukraine.

We all know that the essence of a real and efficient democracy is the freedom and personal responsibility of its citizens. We also know that in free democracies, the constitution’s role is to protect the individual against

the power of the state. Accountability is of the essence. This works best in decentralized systems with small government.

Freedom does not stand alone. It is linked with personal responsibility. However, freedom is increasingly limited by laws, regulations and administrative measures put in place by national and supranational institutions. These do not necessarily respect constitutional limitations. Liberal democracies have tended to progress from decentralized democratic institutions to centralized technocracies. The welfare state is an ideal tool to push a society into mediocrity, by reducing personal responsibility.

We should remain optimistic. But we are experiencing multiple transitions toward a more fragmented multipolar world and serious structural and governance crises within political institutions in both autocracies and democracies. Globally, we have the most serious debt problems in history, caused mainly by oversized administrations and clientele politics.

New technologies and environmental requirements have made structural shifts in the economy necessary – but this is normal and healthy. Demographic developments present Western countries with a lack of workers on one hand and the challenges of migration on the other. Oversized welfare states did not provide for retirement payments and health costs in an aging society.

Many of these problems are due to a sort of crony socialism over the last 30 years, with politics meddling excessively in the economy and thus eliminating healthy market forces. This is combined with a widespread lack of statesmanship.

Let us not be afraid. Necessary disruptions bring about a wealth of opportunities, as long as our societies and political structures allow people and businesses a self-determined and responsible existence. Together, disruption and freedom will unleash human creativity.

Let us also trust more in the self-regulating power of competition within free markets, and not fly into a panic over political disruptions. Instead, we should try to understand them and steer them in a positive direction. <<