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Introduction

Over the past 50 years or so a key claim emanating from the established political mind-set in the UK is that the established taxation system (upon which UK Budgets are based) has been and is working.

In essence through use of a black box control system the conviction behind this claim can be observed to have been and is dependent upon using up a continuous stream of key sources of state revenue e.g.

- North Sea oil & gas,
- government borrowing,
- state asset disposals (British Aerospace/Airways/Coal/Gas/Petroleum/Rail/Steel/Telecom, other utilities, Royal Mail, privatisations, council property, ...)
- deprivation of maintenance of, road network/rail network/police service/armed forces/NHS/Education/civil servants/councils/doctors/nurses/clinicians/teachers/... and any other vocational workers whose goodwill to continue working could be traded on instead of giving them money, etc.

Right now,

- North Sea oil & gas industry is in decline,
- recently a prime minister discovered that her declared intention to increase government borrowing was not viable economically,
- state assets to sell have all but dried up,
- state infrastructure quality is in decline,
- worker goodwill has all but dried up.

As a consequence of this our government is being confronted with a shortfall in state revenue and to the established political mind-set the possible key options have now been reduced to,

- the process of continuing to make more spending cuts to state-funded services that no longer really work.

In essence (through use of a black box control system) the Budgets that take place at regular intervals in our economic system can be observed to be a process of continuing regulatory failure that is growing systemic instability towards an approaching systemic collapse.

Right now, a new source of state revenue is necessary to begin the process of creating real systemic stability....where can our government get sufficient new revenue from?

BEER, WEALTH & WELL-BEING [1]

*Extracts from a speech given by Peter W.T. Bogacki
in February 2023 at a meeting of a public speaking club.*

Systems [2]...they're everywhere. Lighting system, computer system, biological system, electoral system, economic system. But...what in essence is a system? To answer this I'm going to quote the words of this man, **Stafford Beer**. [3] He's the founding father of management cybernetics:-

[4] "A system consists of a group of elements dynamically related in time according to some coherent pattern." {a}

In essence that's what a system is....but how do you control one? Well, to get a real understanding of the topic of control we need to venture into the world of cybernetics. The word **"cybernetics"** [5] comes from Greek and the literal translation of it is, "steersmanship".

In 1948, the science of cybernetics was defined by Norbert Wiener and his definition was this...[6]

"the science of communication and control in the animal and the machine".

Cybernetics is an interdisciplinary science and it has been around for over seventy years. The disciplines used range from biology and the study of the brain, to physics and the study of computers. Cybernetics deals with the topic of control in every kind of system. The ones I've already mentioned, as well as any others you may think of.

Now central to cybernetics is the concept of a **black box** [7]...and that's not the one you may wish to be beside when your plane's about to crash. To clarify what this one is, here's another helping of **Beer**:-

"The meaning of the term in cybernetics is that of a box to which inputs are observed to lead and from which outputs are observed to emerge. Nothing at all is known about the way in which the inputs and the outputs are connected inside the box – which is why it is called black." {b} [8]

A **black box** is the core of a **black box control system**. [9] Notice that the observer is part of the system and acts as the regulator. And using feedback from the output the observer regulates the input in order to control the output... now I'm aware that some of you here are parents...if you're a parent then please raise your hand. OK, to give you a parental example of a **black box control system** in use here's yet another helping of **Beer**:-

[10] *“Well, if you have ever had a nice new baby you will know what it is like to be in charge of a black box....The first phenomenon that you notice are the baby’s outputs....But you are aware that you have control of the baby’s inputs. So the solution is to manipulate the inputs in order to regulate the outputs. This can be done without much knowledge of what is happening inside the baby.”* {c}

In cybernetic terms: [11] *“It is not necessary to enter the black box to understand the nature of the function it performs.”* {d}

Using a **black box control system** we can now take a look at control in a large and complex system here in the UK, **the economic system**. [12] The primary mechanism that the government uses to regulate the financial outputs in this system is the **Budget** [13] that it delivers at regular intervals. And with that in mind we can take a closer look at control in the system and the effect of these same **Budgets** on the financial **well-being** of our entire population.

Over the past 50 years or so the economic system in the UK has been consistently producing two **key financial outputs**: [14]

- 1) more rich people getting richer (increasing the amount of assets they own) [15][16]
- 2) a significant proportion of our population living in poverty. [17]

These **same outputs** have been in production regardless of **certain important events** that from time to time take place on our planet and affect us economically [18] e.g.:-

- **Budgets**, income tax thresholds, governmental (in)competence, corruption, industrial (in)competence, industrial action, strikes...
- climate change, floods, fires, earthquakes, tsunamis, wars, terrorist attacks, pandemics...
- globalisation, commodity prices, competition, financial crises...etc.

[19] Throughout this time the system has been and remains dependent upon an established set of UK taxation laws kept in place by successive governments regardless of political affiliation. In effect, rich people have been and remain the prime beneficiaries of the established taxation system.

[20] More recently **the imbalance of our wealth distribution** has been growing more quickly, and now the economic system is producing as **key financial outputs**:

- 1) **rich people growing significantly richer** [21]
- 2) **a growing significant proportion of our population living in poverty aka the cost-of-living-crisis** [22]
- 3) **a growing significant proportion of our population becoming clearer about what is needed income – this defines what is unneeded income** [23][24]
- 4) **a growing significant proportion of our population becoming clearer about what is needed wealth – this defines what is unneeded wealth** [25] (here **wealth = net worth**).

In effect, **the established taxation system** [26] is *growing the imbalance of our wealth distribution* and is manifestly **unfair to those living in poverty**.

In essence, this same taxation system is a manifestation of **the established political mind-set** [27] that has been and remains the prime driver of this

- 1) **continuing regulatory failure**, [28]
- 2) **growing systemic instability**, [29]
- 3) **approaching systemic collapse**. [30]

And this is preceded by warning signs such as, a spreading of strikes for needed income and **wealth**, and a growth of the trapped anger, desperation and resentment that fuels crime, civil unrest, rioting and rebellion.

[31] **Right now to begin the process of creating real systemic stability by...**

- 1) **funding the shortfalls in needed income arising from our cost-of-living-crisis**, [32]
- 2) **reducing the imbalance of our wealth distribution**, [33]
- 3) **continuously reducing the proportion of our population living in poverty**, [34]

a new source of state revenue [35] is necessary.

In short, it's revenue that comes from **new UK taxation laws** that reduce the **unnneeded wealth** of the rich and are weighted towards the super-rich decreasing the amount of assets they own. This form of taxation is manifestly **unfair to the rich** and makes certain they pay in full.

The key barrier preventing this from taking place is **the established political mind-set** [36] of politicians – for 50 years or so it has embedded itself extremely deeply into their political belief systems and reasonings. And to facilitate them to confront and push through this barrier [37] they need to be **experiencing popular support and demand** for the enacting of these new laws.

In other words, when **enough** of our population are:-

- wanting the enacting of these laws **enough**, [38]
- actively spreading the message **enough**, [39]
- actively demanding their enactment **enough...** [40]

...then it will take place. [41]

Until that happens, the next time there's a **Budget** here's some more **Beer** that may help to remind you of the effect of **the established taxation system** on the financial **well-being** of our entire population:- [42]

**“The purpose of a system is what it does.
There is after all no point in claiming that the purpose of a system is
to do what it constantly fails to do.”** {e}

References

- {a} p. 7, Beer, S., The Heart of Enterprise, Wiley, Chichester, 1994.
- {b} p. 293, Beer, S., Decision and Control, Wiley, Chichester, 1994.
- {c} p. 40, Beer, S., The Heart of Enterprise, Wiley, Chichester, 1994.
- {d} see {c}.
- {e} Journal of the Operational Research Society, Vol. 35, pp.7-25, ‘The Viable System Model: Its Provenance, Development, Methodology and Pathology’ by Stafford Beer.

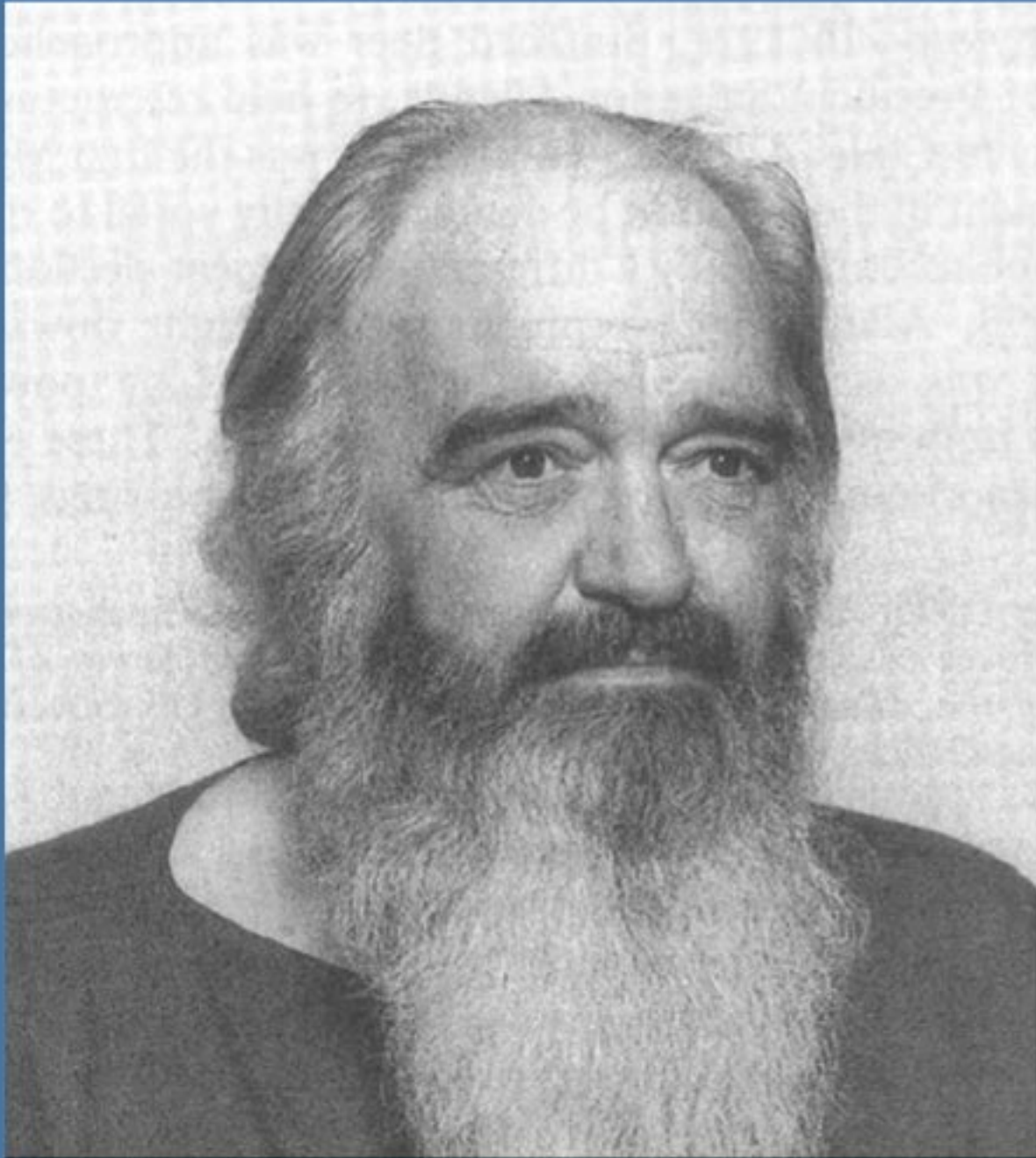
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**BEER,
WEALTH &
WELL-BEING**

Peter W.T. Bogacki

SYSTEMS



Stafford Beer
(1926 - 2002)

SYSTEM

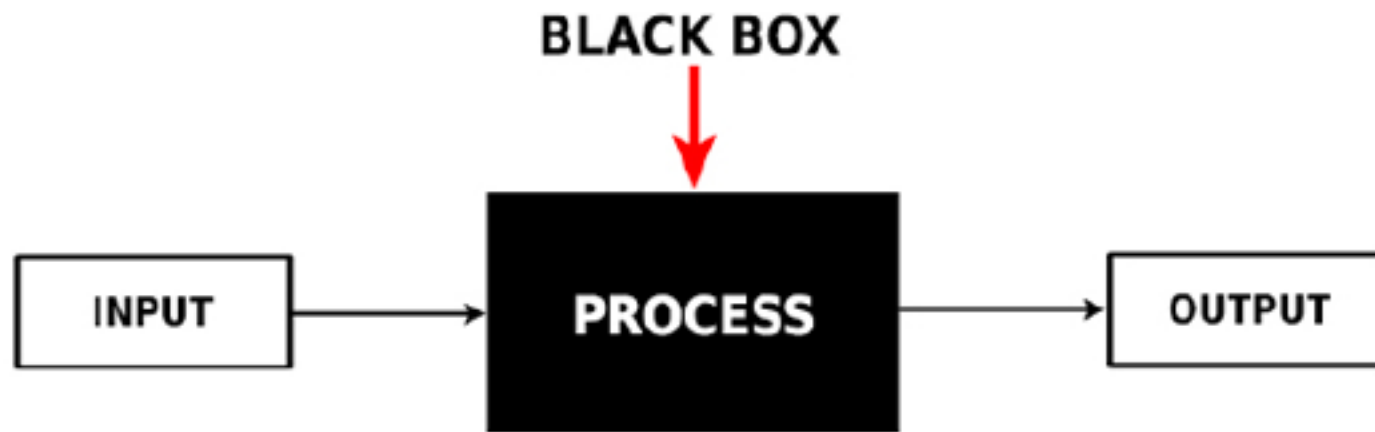
**“A system consists of
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cybernetics ::= *steersmanship*
(from Greek)



Cybernetics

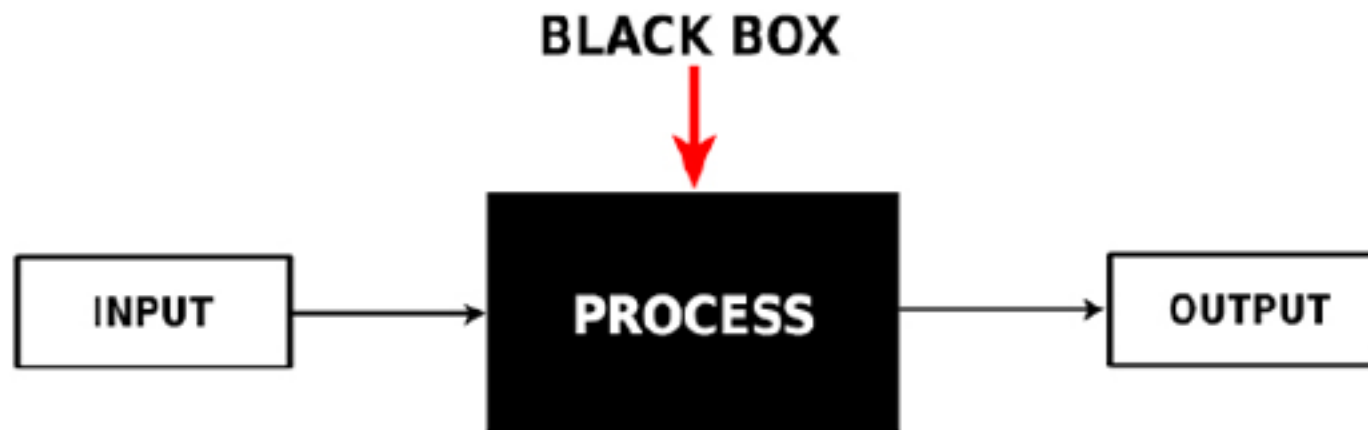
***“the science of
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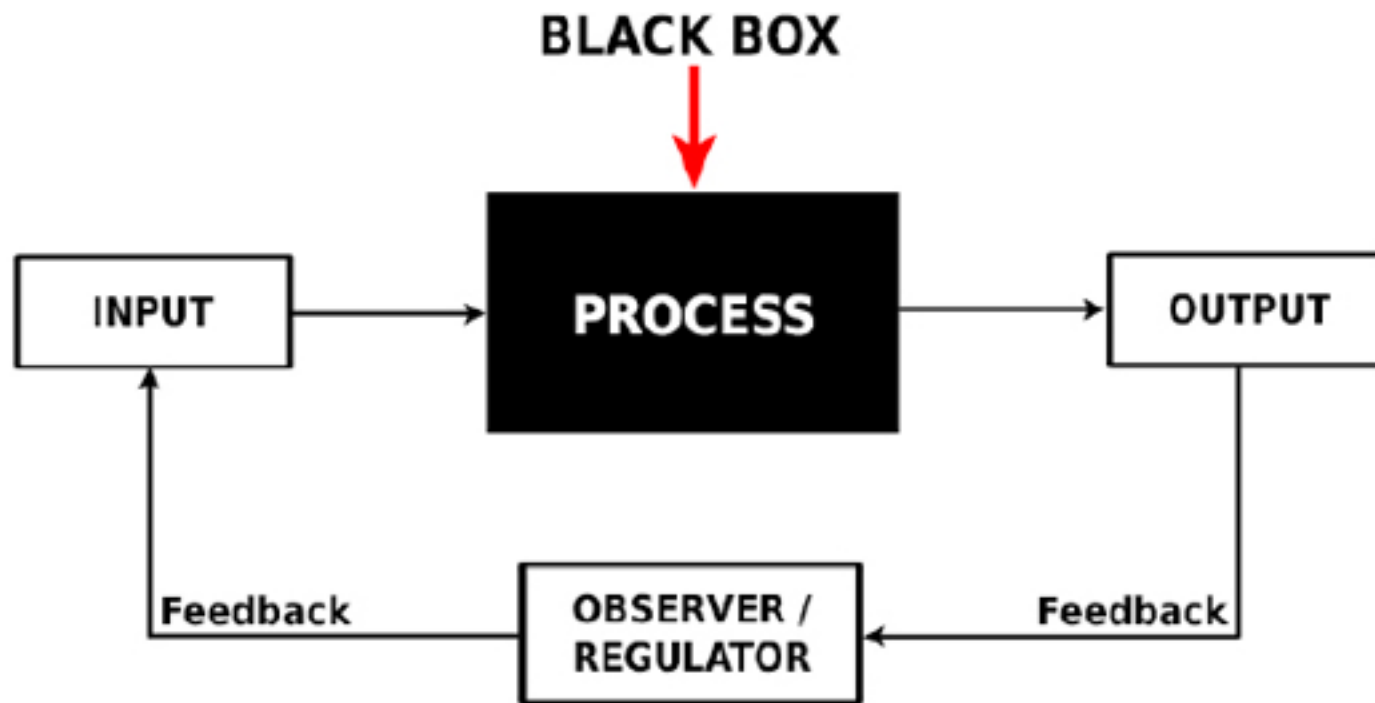


“The meaning of the term in cybernetics is that of a box to which inputs are observed to lead and from which outputs are observed to emerge.

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- Stafford Beer -

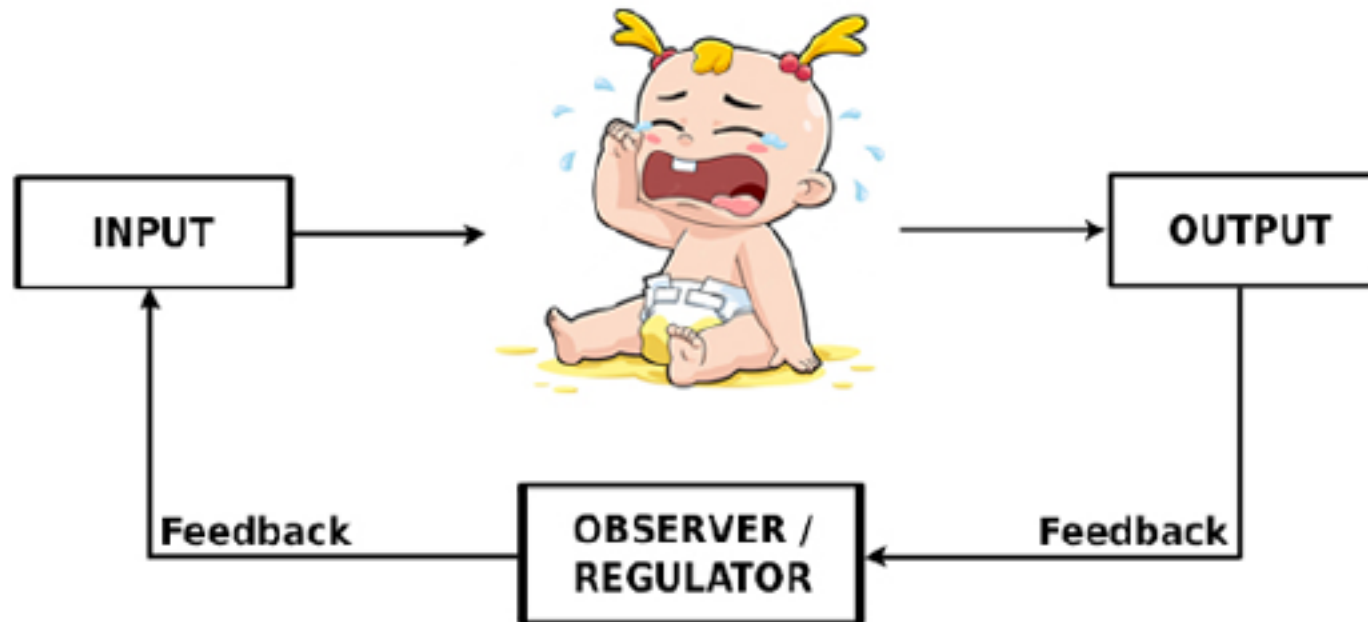




BLACK BOX CONTROL SYSTEM

**“Well, if you have ever had a nice new baby
you will know what it is like
to be in charge of a black box.”**

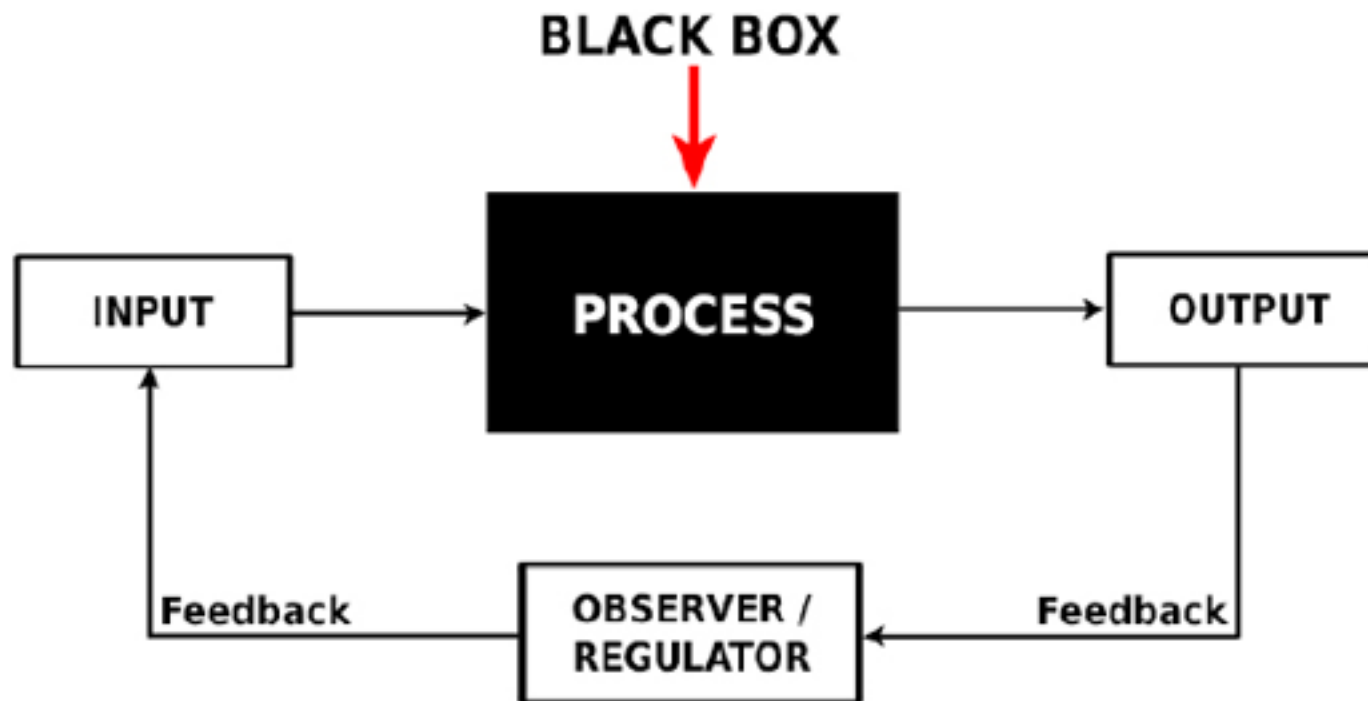
- Stafford Beer -



BLACK BOX CONTROL SYSTEM

**“It is not necessary to enter the black box
to understand the nature of the function it performs”**

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BLACK BOX CONTROL SYSTEM

The Economic System



The Economic System



Key Financial Outputs

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Certain Important Events

e.g.

**Budgets, income tax thresholds,
governmental (in)competence, corruption,
industrial (in)competence,
industrial action, strikes...**

**climate change, floods, fires, earthquakes,
tsunamis, wars, terrorist attacks, pandemics...**

**globalisation, commodity prices, competition,
financial crises...**

etc.

BENEFICIARIES



Beer, Wealth & Well-Being

Imbalance Growth NOW



Beer, Wealth & Well-Being

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Key Financial Outputs NOW

- 1) rich people **growing** significantly richer
- 2) a **growing** significant proportion of our population living in poverty aka the **cost-of-living-crisis**
- 3) a **growing** significant proportion of our population becoming clearer about what is **(un)needed income**
- 4) a **growing** significant proportion of our population becoming clearer about what is **(un)needed wealth**

Imbalance Growth NOW



Beer, Wealth & Well-Being

THE ESTABLISHED POLITICAL MIND-SET



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THE ESTABLISHED POLITICAL MIND-SET

1) continuing regulatory failure

Barriers
are us!

iers
us!

Believe me.
If we do the same stuff we've always done,
then this time we'll get a different result!!

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THE ESTABLISHED POLITICAL MIND-SET

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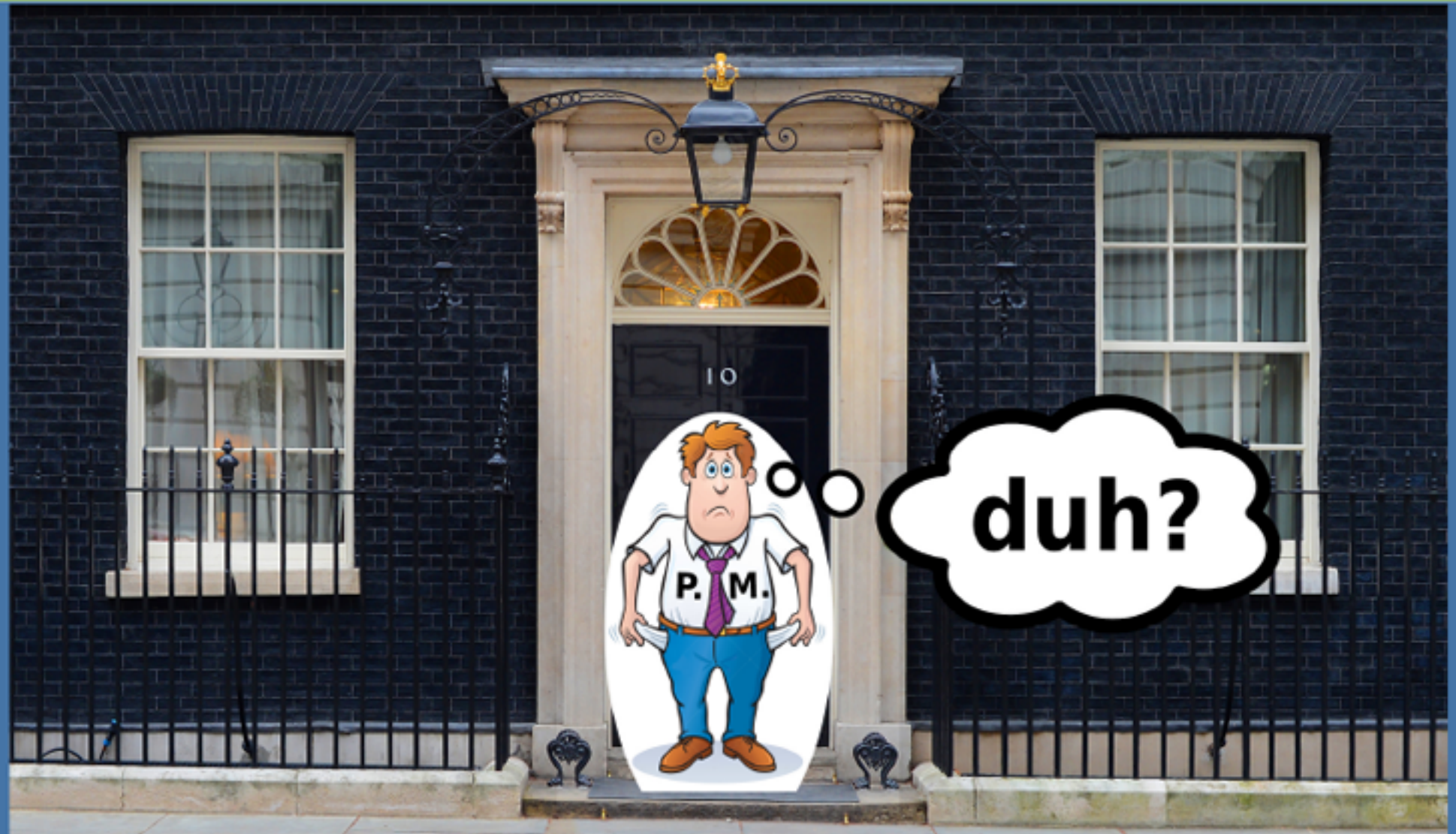
2) growing systemic instability

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Creating Real Systemic Stability



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**1) funding the shortfalls in
needed income arising from
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Creating Real Systemic Stability

**1) funding the shortfalls in
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**2) reducing the imbalance of
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duh?

Creating Real Systemic Stability

**1) funding the shortfalls in
needed income arising from
our cost-of-living-crisis**

**2) reducing the imbalance of
our wealth distribution**

**3) continuously reducing the
proportion of our population
living in poverty**



duh?

A New Source of State Revenue!

NEW TAXATION LAWS (on unneeded wealth)



THE ESTABLISHED POLITICAL MIND-SET



EXPERIENCING POPULAR SUPPORT AND DEMAND



Beer, Wealth & Well-Being

EXPERIENCING POPULAR SUPPORT AND DEMAND

**1) wanting the enacting of
these laws ENOUGH**



EXPERIENCING POPULAR SUPPORT AND DEMAND

**1) wanting the enacting of
these laws ENOUGH**

**2) actively spreading
the message ENOUGH**



EXPERIENCING POPULAR SUPPORT AND DEMAND

**1) wanting the enacting of
these laws ENOUGH**

**2) actively spreading
the message ENOUGH**

**3) actively demanding
their enactment ENOUGH**

NEW TAXATION LAWS (on unneeded wealth)



Beer, Wealth & Well-Being

THE ESTABLISHED TAXATION SYSTEM

THE PURPOSE OF IT

“The purpose of a system is what it does. There is after all no point in claiming that the purpose of a system is to do what it constantly fails to do.”

- Stafford Beer -