Written evidence submitted by Peter James Rhys Morgan

PJR Morgan Organisation Introduction.

I am a macroeconomist and have my own school of economic thought 'Morganist Economics' which the British government uses extensively. My objective for this submitted report for the 'Jobs, Growth, And Productivity After Coronavirus Inquiry' is to provide an assessment of the ability of government policy to create jobs, enable growth and increase productivity after the Coronavirus outbreak. I will present new economic techniques and policies which can reduce unemployment, stimulate economic growth plus increase economic productivity in the nation.

Stimulating Economic Growth In The Aftermath Of The Coronavirus Lockdown.

I am in agreement with the new government plan to increase economic growth to resolve the economic difficulties it has encountered, as a result of the Coronavirus. Economic growth can reduce the government debt as a percentage of GDP without having to introduce public sector spending cuts or pay any of the outstanding government debt back. As long as the increased rate of economic growth exceeds the rate of borrowing, an expanse in economic growth that 'Shrinks' the government debt is the least consequential strategy to control the national debt.

It is the methods of increasing economic growth and the tools used to enable new growth that are questionable. I am unconfident in the ability of the traditional economic model to increase the annual rate of economic growth through monetary policy or fiscal policy. Both monetary policy and fiscal policy have become constrained, largely as a result of the high outstanding government debt. Monetary policy sets a low interest rate to stimulate economic growth, with the Bank of England Base rate at 0.1% there is little room to cut it before it is a negative rate.

Fiscal policy reduces the rates of taxation to stimulate economic growth, which decreases the revenue received by the government. The high government debt requires taxation revenue to remain at elevated levels, to sustain government spending and to be able to make the public sector debt interest payments. The alternative is for the government to borrow more money to cover the cost of its spending obligations, which increases the amount of debt even further. It is hard to cut rates of taxation to enable economic growth if government debt rises as a result.

The aim of increasing economic growth is to reduce the level of government borrowing, even if it is only as a percentage of GDP. If government borrowing extends further even if it is in an effort to stimulate economic growth, the amount of government debt has expanded in the process. The higher the government debt becomes the greater the interest payments it has to make become. Increasing government borrowing to enable economic growth through cutting rates of taxation or by expanding the rate of government spending is too expensive and risky.

The development of new economic growth stimulation techniques provides the opportunity to 'Outgrow' the government debt by 'Shrinking' it as a percentage of GDP, without the need to use monetary policy, fiscal policy or increase government borrowing further. My school of economic thought 'Morganist Economics' innovates economic policies and techniques, which offers new tools plus advancements to governments that can generate extra economic growth. Expanding the options available to increase economic growth makes this new strategy viable.

Pension reforms and controlling alterations in the rate of pension saving have been enormous advancements in macroeconomic policy in the United Kingdom, throughout the last 10 to 15 years. This new macroeconomic movement was pioneered by 'Morganist Economics', which very accurately identified pension saving rates as a saving mechanism similar to the interest rate mechanism that can be used to hit economic targets. The taxation exempt annual pension contribution and the lifetime pension saving allowances were altered to hit economic targets.

Initially the use of pension saving as a macroeconomic control tool was aimed at preventing inflation. This was achieved successfully by increasing the taxation exempt pension saving allowances. When deflation occurred in the last decade the pension saving allowances were cut to maintain prices and to stimulate economic growth. The technique 'Pension Pumping' enabled economic growth to be sustained in a hard deflationary period from 2012 onwards, it is worth noting that when the pension saving allowances were cut employment began to rise.

In addition to the utilisation of the control of the rate of pension saving vast pension reforms were implemented over the last 10 to 15 years, generating significant Treasury efficiencies. This can be taken much further to stimulate additional economic growth and make even more Treasury cost efficiencies. There is also a 'Missed' aspect of macroeconomics 'Pension Fund Easing', which can be applied to enable a greater amount of economic growth. This technique directs pension funds to the investments that create the highest rate of transactions or output.

The new advancements in macroeconomics have occurred largely in pension saving rates and pension regulation reforms. The new area of interest is the management of the use of pension funds to provide capital for new business ventures, which can generate a greater quantity of transactions or a higher level of output if the money is directed to the best investments. All of the pension orientated economic control tools can be taken much further to enable a greater level of economic prosperity, but to do this a new Pension Economic Control body is needed.

A deeper dimension to the pension economic control model can be achieved if a new range of pension products is authorised for development. Like any product range pension tools can be upgraded and updated to become more efficient or provide superior performance. The design innovations can be patented and licensed to generate a revenue from commercial application. Government revenue can be raised through the development, ownership and allowance of the use of new macroeconomic or pension products, which can be sold domestically or overseas.

The development of a new Pension Economic Control body offers the opportunity to generate a new revenue stream for the government, as well as an additional economic control model. If other nations around the world are encountering the economic problems the United Kingdom is experiencing, which includes soaring government debt and declining economic growth new economic control tools would be of incredible value to them. Launching a Pension Economic Control body can offer the United Kingdom an alternative solution to its economic problems.

There are many resources available at morganisteconomics.blogspot.com that provide further details about pension economic control, which you can view for free.

Modern Applied Macroeconomics Book.

By Peter James Rhys Morgan.

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