



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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The Five Stages of Collapse

I recently finished reading The Five Stages of Collapse: Survivors' Toolkit by Dmitry Orlov, a Russian who lived through the collapse of the Soviet Union. I first heard about him from [his blog](#), which I thought had some of the best writing I had ever seen. It took me several months to get through the book, which I thought was less Menckenesque and more sober, with a lot of deep, original thoughts and ideas about how to become more resilient. It is obvious that Orlov is very intelligent and knowledgeable, and his command of the English language is astounding. He seems very familiar with the flaws of communism but is not an advocate of capitalism; instead, he is more like a traditional communitarian.

The five stages of collapse are (in order) financial, commercial, political, social and cultural. During financial collapse, "Faith in 'business as usual' is lost. The future is no longer assumed to resemble the past in any way that allows risk to be assessed and financial assets to be guaranteed. Financial institutions become insolvent; savings are wiped out and access to capital is lost."

During commercial collapse, "Faith that 'the market shall provide' is lost. Money is devalued and/or becomes scarce, commodities are hoarded, import and retail chains break

down and widespread shortages of survival necessities become the norm.”

During political collapse, “Faith that 'the government will take care of you' is lost. As official attempts to mitigate widespread loss of access to commercial sources of survival necessities fail to make a difference, the political establishment loses legitimacy and relevance.”

During social collapse, “Faith that 'your people will take care of you' is lost, as local social institutions, be they charities or other groups that rush in to fill the power vacuum, run out of resources or fail through internal conflict.”

The last stage of collapse is cultural, in which “Faith in the goodness of humanity is lost. People lose their capacity for kindness, generosity, consideration, affection, honesty, hospitality, compassion, and charity. Families disband and compete as individuals for scarce resources. The new motto becomes “May you die today so that I can die tomorrow.”

Orlov profiles a handful of different resilient ethnic groups, including the Russian mafia, the Pashtun (40 million!), the Roma (over a million in the U.S. and 12 million worldwide), and the Ik (~2,000). It was fascinating to read about the history of the Russian mafia, which came into being as an unintended consequence of the Soviet government eliminating funding for sports (especially weightlifting and such).

There is a reason that Afghanistan is called “the graveyard of empires” (British, Soviet and now U.S.), and if Orlov's profile of the Pashtun had been available for federal policymakers to read in 2001, it could have saved us about \$1 trillion of treasure and thousands of casualties, because the structure of Pashtun society ensures that it is one nut that the militarists and World Improvers will never crack. Of course, our invasion and occupation of Afghanistan was probably primarily motivated by the fact defense contractors stood to make a lot of money.

I learned a lot about the Roma, who are very insular and secretive, deceptive, clever, illiterate (by choice) and mobile. Ironically (or perhaps not, given their lack of access to bathrooms and running water), they are obsessed with cleanliness, and consider all non-Romas (“Gadje”) to be very unclean. They avoid Gadje institutions such as housing, schools, employers and banks. Each Roma has three different names, the third of which is generic (such as Cathy Smith) and usually changes every time they move, which makes them difficult to track and prosecute. They specialize in thievery of all kinds and will even use an infant to facilitate a home invasion.

Heart of Darkness

Orlov's profile of the Ik was one of the saddest and most extreme and shocking things I've ever read. The Ik are a small tribe (apparently descendants of ancient Egyptians) who “live” (more like scratch out an existence to survive) in northern Uganda near the border of South Sudan and Kenya. Nearly everything we know about them comes from the book The Mountain People, which British anthropologist Colin Turnbull wrote after living with

them for two years. Apparently, that did not go well, as Orlov writes that Turnbull suggested that they be “killed with fire” (an exaggeration). “I would guess that his colleagues and Ugandan officials suspected that Turnbull had been traumatized by his experience with the Ik. Like Kurtz in Joseph Conrad's Heart of Darkness, his methods were probably thought to have been unsound” (which sounds like the general in *Apocalypse Now* describing Colonel Kurtz).

[An aside: *Apocalypse Now* was the first R-rated movie I ever saw (with my father). It blew me away, and I still consider it one of the best movies ever made (if you haven't done so, watch the later *Redux* version, which includes another ~43 minutes of footage). Somehow I discovered that the movie was based on Heart of Darkness, which is set in a different century on a different continent, a brilliant adaptation. I read the book and discovered that some of the names in both works are identical (including Kurtz), as are some of the lines of dialogue.]



The Ik's problems began (or worsened) in 1958 when the British colonial government declared their main hunting ground off limits to them. They were told to farm instead, on steep, barren mountainsides, which has resulted in intermittent famine (and cultural collapse). Their most common greeting became “Give me food!”, with the standard reply, “There is no food!”

Orlov writes: “Since the Ik are often on the verge of starvation, they are always on the lookout for more food....Everyone sits scanning the countryside for any signs of death, which might promise food....Those who go out poaching...do not share the bounty with anyone else, even with their own families....they do their best to eat alone and in secret, cooking meat as quickly as possible and wolfing it down quickly. The men hunt and the women gather alone, and they eat separately and away from their homes, to avoid having to share. The children learn to feed themselves by watching the baboons and picking up the dates they drop half-eaten. The old, their ability to find food dwindling over time,

slowly starve.”

The Ik have no capital (and thus can't really engage in capitalism) since their only savings are in the form of body fat.

Turnbull noted how a hunter is more resilient than a farmer: “For the farmer the results of a year's worth of work may be destroyed overnight, whereas the most the hunter can lose is what he can replace tomorrow.”

Thankfully, the Ik don't have to deal with the scourge of gentrification. Orlov writes, “Ik villages generally only last three, at most four years, being rather shabbily put together and over time becoming surrounded by a ring of human feces and infested with vermin throughout.” And Turnbull: “Roofs were alive with insects, including a particularly unpleasant-looking white cockroach, and at night...it was easy to hear the hiss and rustle of the lice and roaches and heaven knows what else....”

The Ik (like BLM) don't believe in the nuclear family. Turnbull writes, “Ik mothers grudgingly take care of their children...laughing at them if they cry. They put them down on the ground...and are delighted if a leopard carries them off, because then they can go and hunt down and eat the satiated leopard sleeping off a big meal....Children are not allowed to sleep in the house after they are 'put out,' which is at three years old, four at the latest.”

And Orlov writes: “Needless to say, this does not endear children to their parents. Rather, it makes them quite happy to later see their aged parents slowly starve to death. Once 'put out,' a child has no chance of surviving alone and is forced to join a group of children roaming the mountainsides together in search of anything edible.” There is a whole page that describes this deprivation and cruelty. Turnbull writes that this lack of family life was necessary because “there simply was not room, in the life of these people, for such luxuries as family and sentiment and love. So close to the verge of starvation, such luxuries could mean death....”

Orlov describes the state of Ik gender equity: “...Ik girls, once they were expelled from the senior age band, universally turned to prostitution....Their professional careers were rather short, and they were abandoned to their fate after age eighteen, at which point they were no longer regarded as attractive....Ik women were regarded as valuable commodities and were bartered as 'wives' to visitors from other tribes....Divorce proceedings were initiated via ritualistic wife-beating with a thorny bush.” Turnbull wrote that “the almost universal practice of adultery was in a sense designed, or functioned, to complete the destruction of that useless and nonfunctional unit, the family.”

What binds a people together after cultural collapse? Turnbull found the answer: “The only motive for working in company...was the pleasurable prospect of being able to enjoy someone else's misfortune...men would watch a child with eager anticipation as it crawled toward a fire, then burst into gay and happy laughter as it plunged a skinny hand into the coals. Such times were the few times when parental affection showed itself; a mother would glow with pleasure to hear such joy occasioned by her offspring, and pull it tenderly

out of the fire.” Orlov writes, “The key element motivating cooperation among the Ik was *Schadenfreude* [or *Selbstschadenfreude*; see next paragraph ~ RM]....the operative forces were acrimony, envy and suspicion.”

Now, I want you to remember the next sentence every time you're depressed because not enough of your Facebook “friends” “liked” your food porn pictures, or you're offended because someone asked you where you're from, or you feel ungrateful for civilization and modernity: “On another occasion, a blind Ik man was trampled underfoot while trying to reach a hyena carcass to scavenge some rancid meat—a situation he himself found absolutely hilarious.”

Why have I told you so much about a dysfunctional, desperate and dying tribe of two thousand in a remote corner of Africa? First, as a reminder that, as Jonah Goldberg wrote in *Suicide of the West*, it was a miracle that we pulled ourselves out of the muck that we were mired in for millennia, and if we don't defend the ideas, principles, systems and institutions that gave us modernity, we will find ourselves there again in short order.

Second, even if we avoid the suicide of our civilization via political means, a natural or man-made disaster could produce the same result, especially if we are not prepared for it.

Finally, the long-term trend (both cultural and natural) is towards corruption, entropy and collapse: “[Turnbull] pointed out that all of us have a bit of the Ik within us, as a potentiality, and observed that people in the developed world are becoming more Ik-like.”

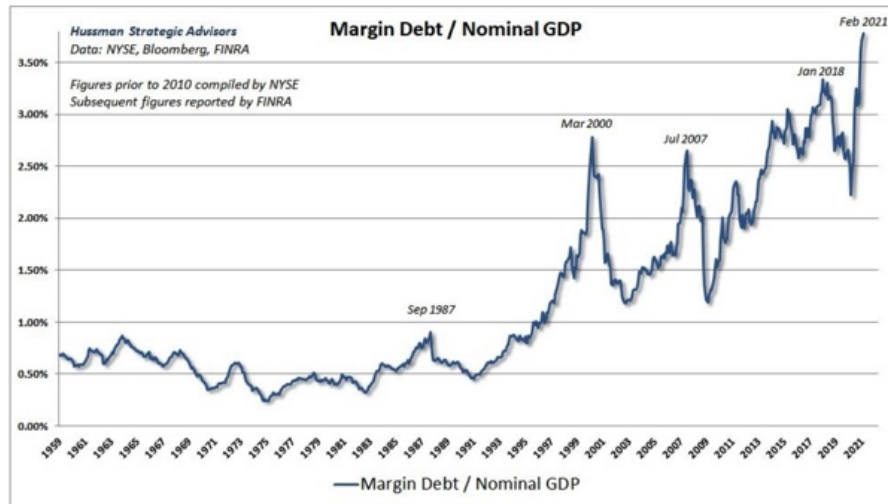
Turnbull writes, “If any persist in feeling that I am overly pessimistic...there can be no mistaking the direction in which these facts point, and that is the most important thing of all, for it may affect the rest of mankind as it has affected the Ik....The symptoms of change in our own society indicate that we are heading precisely in the same direction.... The Ik teach us that our much vaunted human values are not inherent in humanity at all, but are associated only with a particular form of survival called society, and that all, even society itself, are luxuries that can be dispensed with.”

Orlov writes: “How do we know when we have become like the Ik? Or has this already happened, but we are so prosperous we can afford to hide the fact? Westerners do not 'turn out' their children at age three—we send them to daycare....” And Turnbull: “If [love] was not among the Ik, it meant that...mankind can lose it, and that the very conditions pertaining in the Western world today are those that might make such a loss not only possible but inevitable; the process has already begun.”

In conclusion, I leave you with a quote from Orlov: “...you will probably find that a thorough understanding of collapse is not helpful in ingratiating yourself into pre-collapse society....collapse is not a nightmare scenario to be avoided at all costs but part of the normal, unalterable ebb and flow of human history, and...the widespread tendency to block it out of our worldview is, to put it very mildly, maladaptive.”

Preparedness News

“DoubleLine’s Jeff Gundlach pointed out that unfunded liabilities are growing exponentially faster than than nominal GDP. Over the past five years, nominal unfunded liabilities are up by \$38 trillion. Over the past 12 months, compared to nominal GDP growth, they’re up 775%.” ~ Forward Observer



What could go wrong?

Quotes of the Week

“In a comprehensive survey entitled *The Quality of American Life*...the authors report that a person’s financial situation is one of the least important factors affecting overall satisfaction with life. Given these observations, instead of worrying about how to make a million dollars or how to win friends and influence people, it seems more beneficial to find out how everyday life can be made more harmonious and more satisfying, and thus achieve by a direct route what cannot be reached through the pursuit of symbolic goals.” ~ Mihaly Csikszentmihalyi, Flow

“Political pundits and casual observers have warned that another American Civil War is coming. They’re wrong. As I’ve been writing since 2016, it’s already started. We’re in the early stage of a Low Intensity Conflict and, regardless of the final form it takes, it’s likely to be waged well into this decade.” ~ Samuel Culper

“We have gone from a country of big dreams and new ideas to a country of motorized scooters and bad decision makers, circumnavigating the local Walmart like Magellan with cankles, compression socks, and an oxygen tank.” ~ Charlie Robinson

What You Should Be Doing Now

I plan to cover the why and how of these in future issues (if I haven't already), but here are some actions I recommend you take (or at least start thinking about) now:

1. Books to read: The Five Stages of Collapse: Survivors' Toolkit by Dmitry Orlov. Four stars.

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

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