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Editorial Note: This policy paper, *The Redefinition of Inflation: Economic, Ethical, and Civilizational Consequences of a Semantic Fraud,* expands and formalizes the analysis first introduced in the article *Why the Definition of Inflation Was Intentionally Distorted*, published on 8 September 2024. It develops the landmark Africonomics insight that the redefinition of inflation—from its original meaning as an artificial expansion of the money and credit supply to a mere general rise in prices—was not accidental but deliberate. This shift has profound economic, ethical, and civilizational consequences, which this paper examines through the lens of Africonomics' natural-moral law framework.

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The Redefinition of Inflation: Economic, Ethical, and Civilizational Consequences of a Semantic Fraud

Manuel Tacanho*

EXECUTIVE SUMMARY

This paper critically examines the intentional redefinition of the economic term inflation from its original meaning—the artificial expansion of the money and credit supply—to its prevailing definition as a generalized rise in prices. This study contends that this semantic distortion constitutes not a mere academic error but a deliberate act of economic manipulation with far-reaching ethical, social, and civilizational consequences. It is not a trivial semantic change but a foundational economic distortion implemented to institutionalize monetary inflation (artificial credit and currency creation).

The paper demonstrates how this linguistic shift facilitated the abandonment of sound, commodity-backed monetary systems and enabled the global adoption of fiat currency regimes rooted in coercion, monetary inflation, technocratic monetary management, and economic repression. It further analyzes how this redefinition obscured the true causes of economic dispossession that occurs through currency debasement and artificial credit creation, resulting in systemic wealth inequality, chronic economic instability, and state tyranny.

Through a historical, theoretical, and ethical lens, the paper points out that the semantic fraud surrounding inflation has been instrumental in entrenching the current Western statist and militarist global order. The paper concludes by advocating for a restoration of economic truth, ethical monetary systems, and the imperative of sound money, such as the Nilar, as a prerequisite for economic justice, stability, and civilized society.

KEYWORDS: inflation, monetary expansion, Africonomics, sound money, economics, monetary systems, fiat money, monetary policy, natural-moral law, justice, civilization.

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1. Introduction

Language shapes reality, particularly in the realm of political economy, where subtle shifts in terminology can mask profound injustices and distort entire socioeconomic systems. Among the most consequential manipulations in modern economic history is the redefinition of the term *inflation*. Once universally understood by classical economists to mean the artificial expansion of the money and credit supply, inflation is now commonly defined as a general rise in prices across the economy. This semantic shift, far from being an innocent evolution of language, has functioned as a sophisticated and deliberate act of economic deception.

As social philosopher and economist Manuel Tacanho first noted in *Why the Definition of Inflation Was Intentionally Distorted*, the redefinition of inflation was pivotal in enabling a global transition from sound, commodity-backed monetary systems to fiat currency regimes. By redirecting public attention from the true cause of economic instability—monetary inflation—toward the superficial symptom of rising prices, this distortion obscured the structural injustices embedded in contemporary, central bank-managed fiat monetary systems.

The consequences of this deception have been far-reaching: facilitating continuous currency debasement, artificial credit creation by fractional reserve commercial banks, enabling rampant government spending and debt accumulation, exacerbating systemic wealth inequality, concentrating economic power, and undermining the economic and political sovereignty of nations, particularly in the developing world.

This paper analyzes the economic, ethical, and civilizational implications of the redefinition of inflation. It argues that this linguistic manipulation was not merely an academic oversight but a strategic maneuver to legitimize unjust, coercive, and fraudulent monetary systems. The paper further explores how this semantic fraud has facilitated the emergence of the current monetary order—the fiat dollar standard—leading to global economic turmoil, state oppression, economic dispossession, and structural injustice. Finally, it advances the case for restoring the original definition of inflation and adopting sound money as essential to achieving economic justice, stability, and prosperity.

2. The Original Definition of Inflation: Historical and Theoretical Context

The concept of inflation, as originally understood in classical economic thought, referred specifically to the artificial expansion of the money and credit supply within an economy. Economists of the 18th and 19th centuries, including prominent thinkers from the Austrian School and classical liberal tradition, recognized inflation not as an effect (rising prices) but as a cause—the deliberate increase in the quantity of money and credit beyond what is backed by real, tangible value.

Under sound monetary systems, particularly gold and silver standards, inflation was a deliberate policy tool used by states to manipulate the money supply, typically to finance government spending, wars, or debt. The recognition of inflation as artificial monetary expansion allowed for a clear and objective understanding of the link between government monetary policy and economic instability. It also provided a clear moral framework: monetary expansion beyond legitimate reserves is an act of confiscation, diluting the purchasing power of existing money holders without their consent.

Historically, periods of severe economic dislocation and social unrest have followed instances of monetary inflation. From the debasement of Roman coinage to the hyperinflation of the Weimar Republic, the destructive effects of artificially expanding the money supply are well documented. This classical understanding provided an intellectual bulwark against monetary irresponsibility and arbitrary state intervention in the economy.

The onset of the 20th century witnessed a gradual erosion of this definition. Following World War I, major economies abandoned or diluted their commodity-backed currency systems to finance war expenditures and post-war reconstruction. Economists and policymakers began to shift public attention away from the structural causes of economic instability and instead framed inflation in terms of its most visible symptom: rising consumer prices.

This semantic transition was not accidental. It laid the intellectual foundation for the establishment of the Bretton Woods gold exchange system (1944–1971), which only partially linked currencies to gold, and ultimately for the complete abandonment of gold convertibility under the Nixon administration in 1971, establishing the fiat dollar standard. The redefinition of inflation provided ideological cover for the emergence of a new fiat monetary order based on unlimited credit creation, continuous monetary expansion, and centralized state control of money.

This paper contends that the redefinition of inflation was the precondition for the institutionalization of the current fiat order. Without concealing the true meaning of inflation, the monetary policies that now dominate the global economic system would have been indefensible to the public and economically unviable. Hence, the deliberate semantic fraud.

3. Semantic Distortion: When and Why the Definition Changed

The transition from the classical definition of inflation to its modern, distorted interpretation did not occur in a vacuum. It was a gradual but deliberate process, shaped by shifting political, economic, and institutional incentives driven by Western imperial states throughout the 20th century. This section examines the historical context, intellectual climate, and policy motivations that facilitated this semantic fraud.

One crucial fact to note is that the current Western global order is statist—not capitalist, as commonly portrayed in academic and popular discourse. Instead of embodying and promoting market economies with sound currency systems, Western nations, and thus the world, are characterized by statist socioeconomic systems with varying degrees of centralized government control, coercion, repression, and confiscation. This landmark insight has been demonstrated in *The Scale of Statism: A Framework for Ranking Socioeconomic Systems* (2023), which deconstructs the prevailing misconception and reveals the statist nature of Western "capitalism."

3.1 From Sound Money to Fiat Money

In the pre-World War I era, most economies operated under some form of a gold standard, which placed natural limits on the expansion of the money supply. Under this system, inflation could only occur if governments or banks expanded the supply of money and credit beyond the gold reserves backing it. The term *inflation* thus carried a precise, technical meaning grounded in artificial monetary expansion.

The demands of war and rising state interventionism in the 20th century made the constraints of sound money politically inconvenient. The outbreak of World War I in 1914 prompted many governments to suspend gold convertibility to finance war efforts through debt and monetary expansion. This marked the beginning of a systematic departure from sound monetary systems.

The establishment of the Bretton Woods system in 1944, while initially promising monetary stability, further institutionalized this shift. Though currencies were technically linked to the U.S. dollar and indirectly to gold, the arrangement allowed for significant monetary expansion by the U.S. central bank and credit creation by fractional reserve commercial banks. Finally, in 1971, the Nixon administration's decision to suspend the dollar's remaining convertibility to gold completed the transition to a full fiat monetary order.

In the foundational Africonomics paper, *Africonomics: A School of African Philosophical and Economic Thought*, Tacanho (2023) notes:

> The period from World War I (1914) to the establishment of the Bretton Woods system in 1944 saw the adoption of a gold-backed monetary system in the West and much of the world. In this system, the monetary base was partially, around 40 percent, backed by gold. The period before World War I is called the classical gold standard, during which currency units were mostly 100 percent backed by gold (or silver in some cases). Although the classical gold standard can be seen as a sound monetary system, it was government-managed, which led to recurrent political interference. The monetary system from 1914 to 1944 and the Bretton Woods system (1944-1971) are, therefore, semi-sound monetary systems. The Bretton Woods system was a gold exchange standard where the U.S. dollar was pegged to gold at a fixed price of $35 per ounce, and other currencies were pegged to the dollar.

Tacanho (2023) continues:

> Fiscal indiscipline on the part of Western governments and monetary interventionism led to the collapse of the London Gold Pool in March 1968, and soon, in August 1971, the Nixon administration unilaterally cut the remaining link to gold amid increasing pressure for gold redeemability from European governments. This watershed decision, which amounted to a default by the United States government, marked the end of the Bretton Woods system and the beginning of the fiat dollar standard and contemporary fiat money economies. This situation added a layer of structural injustice to already unjust and oppressive statist socioeconomic systems. It ushered in the present era of rampant (monetary, asset, and price) inflation, continued monetary chaos, and impoverishing economic turmoil worldwide.

The global shift from sound money to fiat currency systems has unleashed persistent monetary turmoil and economic instability and contributed to increased confusion, distortion, and methodological disarray in Western economics and the broader social sciences. This transition has fueled unsustainable debt levels, confiscatory taxation, and widespread economic distress, resulting in chronically unstable and deteriorating economies around the world.

3.2 The Redefinition of Inflation

Concurrently with the rise of statist economic theory and the institutionalization of fiat monetary practices, the definition of inflation underwent a fundamental and consequential revision. Understood initially as an artificial increase in the supply of money and credit—monetary inflation—mainstream academic and policy discourse gradually replaced this definition with a more superficial and misleading one: a generalized rise in the prices of goods and services.

This semantic shift, which took root in the early 20th century, can be traced to the influence of Keynesian economics and other statist economic doctrines that gained prominence after World War I. In particular, the intellectual legacy of British economist John Maynard Keynes catalyzed a paradigmatic transformation in the field of economics—from a discipline grounded in market-based principles to one increasingly oriented toward state intervention and centralized economic management. This shift, referred to in Africonomics as *the Keynesian shift*, provided the intellectual framework for centralized state control of economies and paved the way for economists to become instruments of state power rather than seekers of economic truth.

The redefinition of inflation served a distinct political purpose. By redirecting public and scholarly focus toward the visible consequence of monetary expansion—rising consumer prices—statist economists and policymakers were able to obscure the true origin of inflationary pressures and loss of the currency's purchasing power: central bank and government manipulation of the money supply.

This reframing has allowed inflation to be explained away as the fault of external actors—greedy corporations, labor unions, supply shocks, or foreign interference—while concealing the more profound structural and ethical implications of monetary policy choices. In so doing, the semantic fraud of redefining inflation has shielded monetary authorities from accountability and undermined the public's understanding of the real causes of economic instability. It spreads and entrenches confusion.

From the Africonomics perspective, this redefinition is more than an error of terminology—it is a form of institutionalized deception that carries severe ethical, economic, and civilizational consequences. The distortion confuses the public and policymakers and hinders the formulation of sound and just monetary policy by severing economic analysis from its moral foundations.

To correct this confusion and restore intellectual clarity, Africonomics offers a clear typology of inflation grounded in truth and moral responsibility:

- **Monetary Inflation**: The artificial expansion of the currency and credit supply through government/central bank policy and fractional reserve commercial banks (commonly referred to as money printing).
- **Price Inflation**: A generalized, though uneven, increase in the prices of goods and services—primarily caused by monetary inflation.
- **Asset Price Inflation**: The artificial increase in financial asset prices (such as stocks, bonds, and real estate), also resulting from monetary inflation and the manipulation of interest rates and credit conditions.

By re-establishing the proper definitions and distinctions between these types of inflation, Africonomics challenges the semantic fraud that pervades mainstream economics and reorients economic discourse toward truth, justice, and intellectual clarity. Understanding these distinctions is crucial for returning to sound monetary systems and advancing an ethically grounded, structurally just, and civilized socioeconomic order.

3.3 The Purpose Behind the Redefinition

As previously established, the redefinition of inflation was not a mere academic error but a strategic distortion with far-reaching political, economic, and civilizational implications. This semantic manipulation enabled the emergence and maintenance of the modern fiat monetary order—a global system marked by rampant (monetary, asset, and price) inflation, recurring currency crises, unsustainable debt, economic stagnation, and autocratic government systems. Without this pivotal distortion, the world would not have reached the current monetary order, the fiat dollar standard.

By redefining inflation as a mere general rise in prices—rather than its original meaning, the artificial expansion of the money and credit supply—governments and central banks effectively deflected public scrutiny from their inflationary policies. This shift in definition enables governments to engage in persistent deficit spending and allows continuous credit creation and currency printing without facing public backlash or moral condemnation. Academic economists, particularly those aligned with statist doctrines, provided intellectual cover for these practices, framing them as necessary tools for centralized economic management rather than mechanisms of monetary deception and structural injustice.

This semantic fraud also created intellectual confusion in economics and the broader social sciences. Instead of addressing the root cause of price inflation, asset bubbles, and chronic economic instability—namely, central bank-led monetary inflation—mainstream economists have proposed misguided policy measures that exacerbate economic distortions: price controls, interest rate tinkering, debt-fueled fiscal 'stimulus,' and increased state intervention. These responses fail to resolve inflationary crises and aggravate market distortions and economic harm while expanding centralized state power.

The broader historical context further reveals the intent behind the redefinition. Modern economics developed within a statist and militarist global order characterized by centralized economic planning, geopolitical rivalry, and widespread warfare. In such a context, inflationary monetary policy became a critical enabler of prolonged conflict and state expansion. Governments could finance war efforts, welfare programs, and bureaucratic growth not through direct taxation—which would provoke public resistance—but through the more concealed mechanism of monetary inflation. To avoid moral and political backlash, the mechanism had to be obscured. Redefining inflation away from its causal source served precisely this purpose.

This linguistic and institutional manipulation coincided with two pivotal historical developments. The first was the establishment of the U.S. Federal Reserve in 1913, marking the beginning of centralized fiat monetary systems in the modern era. The second was the Keynesian shift in economic thought during the interwar period, which entrenched the idea that active government intervention, including through inflationary policy, was essential for economic stability and growth.

World War I (1914–1918) marked a decisive turning point. It became clear to Western states that sound monetary systems, particularly those based on gold, constrained their ability to wage total war and expand state power. Consequently, the gold standard began to be dismantled, and inflationist monetary practices became increasingly institutionalized. From that point forward, redefining inflation became a political necessity and a tool for technocratic control.

In short, the fundamental purpose of redefining inflation was and remains to facilitate, normalize, and legitimize monetary inflation. By severing the link between inflation and its actual cause—currency and credit creation—statist economists and policymakers were able to institutionalize structural fraud, enable persistent economic deception, expand the scope of the state, and entrench centralized state power under the guise of scientific economic management.

3.4 Inflation Redefined as a Tool of Structural Injustice

The redefinition of inflation—from monetary expansion to a generalized rise in prices—has had particularly devastating consequences in developing regions. In Africa and other parts of the developing world, where economies are already vulnerable to external shocks, this semantic shift has obscured the root causes of chronic currency instability, inflationary crises, and foreign debt dependence. As a result, inflation is often misattributed to superficial or external factors—such as rising global prices or corporate greed—while the more profound structural injustice of fiat monetary regimes remains hidden.

This semantic fraud has played a central role in sustaining a global monetary system that systematically extracts wealth from the many to benefit the few. By obscuring the connection between central bank policies and the gradual loss of purchasing power, the redefinition helps to normalize the dispossession of the many for the benefit of governments, the political class, and economic elites.

Under fiat monetary regimes, governments and central banks expand the money and credit supply without restraint, debasing national currencies while presenting such policies as tools for growth and development. These inflationary practices operate as a hidden tax—transferring wealth from savers, workers, and entrepreneurs to governments, financial institutions, and their privileged affiliates.

The redefinition of inflation also serves a psychological and political function: it eliminates or minimizes public scrutiny of currency debasement and its consequences. By removing the act of monetary inflation from the popular definition of inflation, the public is disoriented and denied the vocabulary necessary to identify the true source of their economic hardships. This helps prevent a widespread recognition of the fraudulent and confiscatory nature of fiat monetary systems and the risk of public backlash. As industrialist Henry Ford reportedly observed, “It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning.”

Indeed, confusion has become institutionalized in the post-Keynesian world, where currency and credit creation are legitimized and lauded as a central economic tool. The very policies that erode living standards and destabilize economies are now championed as necessary and scientific. With monetary inflation entirely excluded from the mainstream definition of inflation, citizens remain unable to trace the actual cause of rising prices, declining savings, and growing inequality. In this way, the redefinition of inflation operates not only as a semantic distortion but as a central instrument of structural injustice—ensuring that economic disempowerment persists without resistance and that the fiat monetary order remains unchallenged.

4. Economic Consequences of the Redefinition

The semantic distortion of the term inflation was an academic maneuver with far-reaching detrimental economic consequences. Its effects have reshaped global financial systems and undermined economic justice. By shifting focus from the artificial expansion of money and credit to the secondary symptom of rising prices, this redefinition enabled policymakers to engage in systematic currency debasement without accountability and resistance. This section outlines the principal economic consequences of this linguistic fraud.

4.1 Enabling of Fiat Currency Systems

The most immediate and profound consequence of the redefinition of inflation was the facilitation of the transition from sound, commodity-backed currencies to unbacked and inflationary fiat currency systems. By obscuring the monetary origins of inflation and economic instability, governments were able to eliminate the link between money and tangible value without significant public resistance.

Under fiat regimes, there are no natural constraints on monetary expansion. States, central banks, and fractional reserve commercial banks can print money and expand credit at will, free from the discipline imposed by gold convertibility. This expansion enables governments to finance fiscal deficits, fund militarization, and sustain extensive bureaucracies without corresponding increases in productive economic activity.

The redefinition of inflation played a crucial role in legitimizing this shift. As long as academic and public discourse centered around price increases rather than monetary policy, central banks, and governments could conceal the fraudulent and confiscatory nature of fiat money creation. Mainstream statist economics plays an instrumental role in upholding the definition of inflation, therefore upholding fiat monetary systems—the state's preferred form of monetary agreement.

4.2 Monetary Inflation and Systemic Price Distortions

The core economic effect of fiat monetary policy is monetary inflation—the artificial expansion of the money and credit supply. This expansion inevitably leads to price inflation, as an increased supply of money chases a relatively fixed supply of goods and services, and the national currency is debased.

Because the definition of inflation now refers exclusively to rising prices, the systemic and destructive nature of this inflationary process is obscured and thus misunderstood. Price inflation is presented as an exogenous phenomenon influenced by factors such as supply chain disruptions or external shocks rather than the inherent and predictable consequence of deliberate fiat monetary practices.

Monetary inflation produces uneven and distortive effects across the economy. It benefits those closest to the source of new money—governments, banks, and financial elites—while eroding the purchasing power of wage earners, savers, and the majority. This phenomenon, known as the Cantillon effect, systematically redistributes wealth from the many (the poor and middle class) to the few (the wealthy and politically connected) primarily through asset price inflation.

4.3 Debt Expansion and Economic Instability

The ability to expand the currency and credit supply without constraint has fueled an unprecedented accumulation of state and private debt. Governments, corporations, and households have become dependent on easy credit and low interest rates, creating corrosive and unsustainable economic conditions. The redefinition of inflation has enabled this debt expansion by concealing its actual cost. Inflationary monetary policy reduces the value of outstanding debts, encouraging further borrowing and discouraging saving.

Fiat monetary systems create asset bubbles, boom-bust cycles, and chronic economic instability. The new definition also diverts attention from and obscures the primary cause of price inflation, boom-bust cycles, economic instability, and other destructive issues that invariably follow a policy of currency debasement and credit creation.

The Keynesian shift bent (distorted) the economics field toward the state and the dominance of state-centered economic models. Consequently, currency and credit creation went from being seen as inflationary and harmful to being central in economic models and policy decisions. The consequences of these cycles are most acutely felt in developing economies where external debt denominated in fiat currencies such as the U.S. dollar exposes these nations to foreign monetary policy decisions over which they have no control.

4.4 Suppression of Savings, Capital Formation, and Economic Justice

One of the most insidious economic consequences of inflationary policy is its effect on saving and capital formation. Monetary inflation erodes the value of savings, discouraging long-term investment and productive economic activity. As the purchasing power of money declines, individuals are incentivized to consume rather than save and prioritize short-term gain over long-term enterprise, undermining the foundations of economic prosperity.

In developing regions such as Africa, fiat monetary systems have severely eroded savings, stunted capital accumulation, and hindered efforts to achieve economic development and sovereignty. Nations remain dependent on foreign aid, external debt, and speculative capital inflows, all of which are subject to the vagaries of the global fiat monetary system.

The redefinition of inflation has concealed this structural injustice, allowing policymakers to deflect responsibility and blame external factors for rampant inflation, economic instability, and deteriorating social conditions. By masking the actual cause of persistent inflation and instability, this semantic fraud has entrenched economic injustice, inequality, and dependency.

5. Ethical and Political Ramifications

The semantic distortion of inflation is not a neutral intellectual development. It is a calculated maneuver with profound ethical and political consequences. By altering the meaning of inflation, policymakers and their academic allies concealed the coercive and confiscatory nature of fiat monetary policy, facilitating the rise of a global economic system predicated on systemic fraud and injustice.

This linguistic fraud—and the subsequent institutionalization of artificial currency and credit creation under the global fiat monetary order—reveals a severe moral deficit at the heart of Western society. It exposes an unprincipled worldview that has produced utilitarian models that prioritize state power, empire, and domination over the foundational principles of truth, justice, sound money, and genuine human flourishing.

5.1 Inflation as an Unethical and Confiscatory Policy

Inflationary monetary policy violates property rights and economic justice. Monetary inflation—the artificial expansion of money and credit—erodes the purchasing power of existing money holders without their consent. It is, in effect, a hidden tax levied by governments and financial institutions upon the general population. Monetary inflation is a tool of gradual yet systematic economic confiscation, dispossession, and exploitation.

The redefinition of inflation has obscured this fundamental injustice. By focusing academic and public discourse on price rises, the confiscatory nature of artificial monetary expansion has been rendered invisible, allowing policymakers to inflate away government and private debts, finance state expenditures, and redistribute wealth systemically and without accountability.

As Africonomics has demonstrated through three groundbreaking papers—*Fractional Reserve Banking Is Fraudulent and Ruinous, The Fraudulent and Ruinous Nature of Fiat Monetary Systems, and The Fiat Dollar Standard: Its Uncivilized and Destructive Nature*—monetary inflation (artificial credit and currency creation) is unethical, fraudulent, and uncivilized because it distorts, deceives, defrauds, destabilizes, and destroys. Fiat monetary systems violate the universal moral principles of truth, justice, and nonaggression.

The moral violations inherent in monetary inflation are fundamental and far-reaching, detrimentally impacting every aspect of human society. They manifest in concrete economic harm to millions of individuals who see their property rights infringed upon, their savings eroded, their wages diminished, and their economic well-being and dignity undermined.

5.2 Structural Injustice and Economic Dispossession

The ethical ramifications of inflationary policy extend beyond individual economic harm. The redefinition of inflation has entrenched a system of concealed economic confiscation and structural injustice that systematically benefits the politically connected at the expense of the majority. Monetary inflation is a central and confiscatory structural injustice in existing statist socioeconomic systems.

By expanding the money supply, central and commercial banks disproportionately enrich those with privileged access to credit markets—governments, large corporations, and financial elites. Meanwhile, the destructive effects of fiat monetary practices fall primarily upon wage earners, savers, small businesses, and the majority.

This systemic redistribution of wealth is a form of economic dispossession, perpetuating inequality and undermining the social fabric of societies. The concealment of this injustice behind the semantic distortion of inflation compounds the harm by depriving the dispossessed of the analytical tools needed to understand and resist this institutionalized aggression and exploitation.

In contemporary statist economies based on fiat currency systems, real wages have remained stagnant for decades worldwide—and even more so in African countries. Africa's fiat currencies, being significantly more unstable and inflationary than dominant fiat currencies like the U.S. dollar or the euro, have severely eroded purchasing power and economic well-being. This systemic economic dispossession and exploitation imposes irreversible harm that cannot be fully quantified or recovered. Fiat monetary systems constitute a vicious structural injustice in modern statist societies, dispossessing the majority for the benefit of political and economic elites.

This systemic deception and economic dispossession are particularly insidious because:

- Most people do not fully understand how their purchasing power is being eroded and their property rights violated.
- The process is gradual enough that most people do not notice the full extent of the dispossession and wealth transfer.
- The complexity of monetary policy and financial systems obscures the fundamental fraud and moral issues at stake.

Within the Africonomics natural-moral law framework, monetary inflation constitutes an egregious violation of truth in economic systems. Artificially expanding the currency and credit supply distorts the value of currency, deceives market participants, and corrupts the integrity of economic exchange. This deception results in violations of justice, as it facilitates hidden wealth transfers from the many to the few—particularly benefiting those closest to the source of monetary issuance.

Moreover, it breaches the moral principle of nonaggression, as the maintenance and enforcement of inflationary systems require coercive state power. Thus, monetary inflation is a form of institutionalized economic violence. It is the central moral corruption in the contemporary world that causes intellectual confusion and economic devastation, undermines moral social order, erodes trust, destabilizes peaceful relations, and hinders human civilization.

Africonomics views the state-engineered transition from sound money to fiat money systems as a departure from more honest and less unjust monetary arrangements to coercive, fraudulent, confiscatory, and destructive monetary regimes. This situation is an atrocious structural injustice. Indeed, the worldwide institutionalization of monetary inflation by the West led by the United States under the fiat dollar standard amounts to a crime against humanity.

5.3 Expansion of State Power and Oppression

The political implications of the redefinition of inflation are equally pernicious. By enabling governments to finance deficit spending through artificial monetary expansion, the semantic fraud has facilitated the expansion of state power and the erosion of human dignity, agency, and liberty. This has entrenched statist systems that systematically violate people's natural rights to life, liberty, and the ownership of self and property.

Fiat monetary systems have become an instrumental tool for sustaining bloated bureaucracies, militarization, surveillance states, and seemingly democratic yet fundamentally autocratic systems financed through the fraudulent and confiscatory mechanism of monetary inflation. The ability to inflate away government debt has removed fiscal discipline from the political process, allowing governments to engage in perpetual spending without meaningful constraint.

This has also entrenched a deeply flawed yet widespread belief in what can be termed *fiscal salvation*—the notion that expanding government spending is the key to solving social and economic problems, given that the state can finance its expenditures through monetary creation. This illusion legitimizes persistent deficit spending and facilitates the unchecked expansion of state power. It leads to greater political and economic power centralization, enabling increasingly confiscatory, coercive, and repressive policies that erode natural rights, structural justice, and economic stability while causing widespread corruption and social decay.

In many developing regions, particularly in Africa, the political consequences of inflationary monetary policy have been insidiously devastating. Arbitrary devaluations, currency crises, debt dependency, and economic instability have fueled social unrest, political repression, and the erosion of national sovereignty. Governments, trapped in cycles of debt and monetary manipulation, have resorted to authoritarian measures to maintain control in the face of economic collapse.

5.4 The Role of the Redefinition in Sustaining a Neocolonial Order

The most far-reaching political consequence of the semantic fraud is its role in sustaining the current Western racial, statist, and neocolonial global order. The redefinition of inflation has obscured the mechanisms through which major economies, particularly those in the West, exercise coercive control and extract resources from weaker economies across much of the world.

Through fiat monetary policy, Western states—primarily the United States as the issuer of the dollar—export inflation, instability, and corruption. They impose debt conditions through institutions like the International Monetary Fund (IMF), which promote statist economics and entrench economic dependency and political subservience. The African continent, in particular, has suffered under this corrupt, oppressive, and uncivilized system, facing chronic currency crises, forex volatility, debilitating debt burdens, authoritarian governments, and economic stagnation.

The semantic manipulation of inflation has facilitated this system by depriving African policymakers and intellectuals of the conceptual clarity needed to understand and resist monetary exploitation and economic subjugation. It has normalized a statist and militarist global order in which the economic and political sovereignty of entire nations is subordinated to the interests of the imperialist states issuing the dominant fiat currencies. The U.S. dollar has long been weaponized—used as a tool of imperial domination, coercion, and punishment.

6. Civilizational Implications

The semantic distortion of inflation and the resulting institutionalization of fiat monetary systems have caused worldwide economic destruction and social harm, leading to civilizational stagnation and decline.

As Africonomics has elucidated and reframed, the essence of human civilization is not defined by material progress and technological advancement alone but primarily by moral development—reflected in truth, justice, nonaggression, and peaceful human relations. Any socioeconomic system rooted in deception, coercion, and aggression is fundamentally uncivilized despite its relative material wealth or technological sophistication.

6.1 The Link Between Sound Money and Civilization

Historically, the emergence and flourishing of human civilization have been linked to the development of sound money systems. Stable and reliable forms of money, particularly commodity-based currencies like gold and silver, provided the ethical and practical foundation for peaceful, voluntary cooperation among individuals and nations. Sound money enables long-term economic planning, fosters capital accumulation, and facilitates the growth of free, prosperous, and dignified societies.

Money is the cornerstone of indirect exchange societies, without which modern society cannot function and thrive. It is the fundamental good and lifeblood of the economy, as it represents purchasing power and intermediates economic transactions. Money communicates crucial information, incentives, and disincentives that guide economic decision-making and coordinate the economy in a noncoercive and efficient manner. Therefore, money must be honest, reliable, and stable—not subject to systematic debasement or technocratic manipulation.

The integrity of money is essential to the integrity of human civilization, as sound money is the cornerstone of a structurally just, prosperous, and civilized society. A monetary system grounded in truth, property rights, and nonaggression supports social trust, economic justice, peaceful human relations, and civilizational advancement.

6.2 Fiat Money and the Corruption of Social Institutions

The redefinition of inflation and the rise of fiat money systems have corrupted the fundamental institutions of human civilization. By institutionalizing monetary fraud, coercion, and exploitation, fiat regimes have undermined the ethical and social foundations of market economies and structurally just societies.

Fiat monetary policy incentivizes short-term consumption over long-term investment, undermines savings, and fosters speculative activity. It erodes the moral fabric of society by normalizing fraud, confiscation, and deception at the highest levels of economic governance. As inflation becomes entrenched, individuals and families are forced to live with chronic economic insecurity, eroding the sense of stability, security, and dignity necessary for human flourishing. Also, the constant monetary instability and economic crises precipitated by inflationary policies have fueled autocratic government systems, social unrest, political polarization, and the corrosion of natural individual rights, contributing to a broader process of civilizational decline.

When a national currency is debased and politically manipulated, it establishes an egregious structural injustice at the heart of the economy. This monetary corruption distorts markets, debilitates productive activity, and causes chronic instability and recurring crises. The total corruption of money under the fiat dollar standard is the central moral failure of modern society. It is a foundational transgression that breeds wider economic, political, and social corruption, ultimately undermining human peace, progress, and civilization.

6.3 Monetary Colonialism and Civilizational Suppression

Nowhere are the civilizational consequences of fiat monetary systems more evident than in Africa. Post-neocolonial Africa has been subjected to continuous economic instability, arbitrary evaluations, rampant inflation, forex turmoil, and structural underdevelopment, largely as a result of its subjugation under the fiat dollar standard and the broader Western racial and statist global fiat order.

The manipulation of African currencies, the imposition of external debt conditions, and the repeated cycles of currency crises have hindered African economic development, undermined national sovereignty, eroded social cohesion, deepened dependency, and entrenched economic poverty. This monetary colonialism has perpetuated economic instability, dependence, political subjugation, and the suppression of Africa's capacity for liberation and civilizational advancement.

The semantic fraud surrounding inflation has facilitated this dispossession, exploitation, and oppression by depriving African policymakers and intellectuals of the conceptual tools needed to diagnose and resist monetary colonialism and the pseudoscientific Western statist models that prevail in Africa (and the world). It has normalized a tyrannical and destructive statist order in which African economies are perpetually subordinated to the interests of foreign fiat monetary institutions.

6.4 Civilization and the Ethical Imperative of Sound Money

The consequences of the redefinition of inflation are not only economic or political; they strike at the essence of what it means to live in a civilized society. A civilization worthy of the name cannot be built upon systemic fraud, coercion, and economic dispossession. It must be founded on truth, justice, sound money, nonaggression, and human dignity.

In *The Nilar: The Path to African Economic Sovereignty and Prosperity*, Tacanho (2025) remarks:

> Because of its far-reaching effects on human life and relations, the monetary system must be honest, stable, and trustworthy. A sound monetary system is essential for justice and prosperity. When money is stable and based on intrinsic value—as with a gold-based currency like the Nilar—it protects the economic agency of individuals, preserves the integrity of exchange, and fosters structural justice. Conversely, when money is politicized, manipulated, and systematically debased, it becomes a mechanism of nationwide fraud, economic dispossession, structural injustice, and technocratic tyranny.

Hence, restoring sound money and the truthful definition of inflation is a moral and civilizational imperative. It is a necessary condition for the establishment of a structurally just, stable, and flourishing society, particularly in Africa, where the wounds of economic dispossession and exploitation are severe. The Nilar proposal of Africonomics is a call to return to these ethical foundations. It is a call to rebuild African civilization on principles of economic sovereignty, stability, and justice.

7. Restoring Economic Truth, Justice, and Stability

Having examined the economic, ethical, and civilizational consequences of the redefinition of inflation, it is imperative to outline the path toward rectifying this atrocious semantic and institutional fraud. The restoration of economic truth, justice, and stability requires academic clarification and a fundamental restructuring of monetary systems grounded in natural-moral law principles and sound money. This section makes the case for sound money as a necessary condition for sustainable development, social stability, and human flourishing.

7.1 Reclaiming the True Definition of Inflation

The first step toward restoring economic truth, justice, and stability is to reclaim the original, objective definition of inflation: the artificial expansion of the money and credit supply. This definition provides conceptual clarity and restores the link between inflationary monetary policy and its destabilizing and destructive social consequences.

By rejecting the distorted definition of inflation as a mere rise in prices, economists, policymakers, and citizens can better understand the structural injustices inherent in fiat monetary systems. This linguistic correction is also essential to dismantling the statist intellectual cover that enables inflationary policies and the resulting economic dispossession, exploitation, and oppression in existing statist socioeconomic systems.

The Africonomics typology of inflation provides a pedagogically necessary classification to restore intellectual clarity and truth about the fundamental economic term inflation, considering the various forms of inflation that characterize modern statist economies:

- **Monetary Inflation**: The artificial expansion of the currency and credit supply through government/central bank policy and fractional reserve commercial banks (commonly referred to as money printing).
- **Price Inflation**: A generalized, though uneven, increase in the prices of goods and services—primarily caused by monetary inflation.
- **Asset Price Inflation**: The artificial increase in financial asset prices (such as stocks, bonds, and real estate), also resulting from monetary inflation and the manipulation of interest rates and credit conditions.

Understanding these distinctions and the fraudulent nature of artificial monetary expansion is crucial for returning to sound monetary systems, establishing economic stability, and advancing an ethically grounded, structurally just, and civilized socioeconomic order.

7.2 The Moral and Economic Imperative of Sound Money

Sound money is objective, scarce, stable, and rooted in voluntary market principles. Historically, this has been represented by commodity-based currencies, such as gold and silver, which naturally limit the ability of governments and financial institutions to manipulate the money supply.

Sound money is the opposite of fiat currency. Fiat money is an unbacked, inconvertible form of currency that can be created arbitrarily and is typically imposed through government decree. It lacks intrinsic value, commodity backing, or connection to an independent anchor of honesty, stability, and reliability. Fiat money is inherently unstable and unethical because its supply is unrestricted, artificially expanded, and subject to political manipulation. Partially backed or conditionally redeemable currencies fall short of the standard of sound money and thus must be classified as unsound or semi-sound—although they are preferable to full fiat currency.

Sound money upholds the natural-moral law principles of truth, justice, and nonaggression. It protects property rights by preserving the purchasing power of money over time. It fosters capital accumulation, long-term economic planning, and sustainable development. It also limits governments' capacity for fiscal irresponsibility, debt accumulation, and monetary exploitation.

Unsound monetary systems—such as the fiat currency regimes operating under the fiat dollar standard—constitute an egregious structural injustice with far-reaching economic, social, and moral consequences. Fiat money systems institutionalize economic fraud, aggression, and dispossession. Inherently inflationary and destabilizing, they erode trust, distort markets, cause boom-bust cycles, and undermine prosperity. By contrast, sound money systems provide a principled foundation for economic truth, structural justice, economic stability, and human flourishing.

7.3 The Africonomics Alternative: The Nilar

For Africa, restoring economic truth, justice, and stability requires rejecting the fiat dollar standard and its unethical, uncivilized, and destructive monetary practices. Establishing a sound monetary system tailored to African reality and aspirations is a moral, economic, and civilizational imperative.

In the Nilar policy paper, Tacanho (2025) further remarks:

> Beyond being a sound monetary system, the Nilar is a transformative economic model designed to create a new reality of integrated, stable, and thriving African economies. It will enable Africa to restore its monetary independence, reclaim its economic sovereignty, build lasting prosperity, and establish a structurally just postcolonial socioeconomic order. The Nilar is more than a sound currency system. It is a declaration of independence and a restoration of African sovereignty and dignity.

The Nilar, a monetary system proposed by Africonomics, is a gold-based currency designed to provide African economies with a stable, reliable, and ethically sound monetary framework. Unlike fiat currencies, which are subject to arbitrary manipulation, continuous debasement, and external political interests, the nilar would be grounded in tangible value and governed by principles of truth, property ownership, voluntary exchange, peaceful relations, and economic sovereignty.

The implementation of the Nilar would eliminate the chronic currency crises, rampant inflation, debt distress, and economic dependency that have plagued post-neocolonial Africa under the existing Western racial and statist order. It would foster local capital formation, long-term investment, and economic integration, laying the foundation for a stable, thriving, and dignified Africa.

7.4 Policy Recommendations

African leaders are called to abandon the viciously unjust fiat currency systems that have destabilized and impoverished the continent for decades. African nations must transition to sound money by adopting the Nilar, which is essential for building a structurally just, stable, and prosperous Africa. To facilitate this transition, the following policy steps are recommended:

1. Redefine inflation in official and academic discourse to align with its original meaning: the artificial expansion of money and credit by adopting the Africonomics typology of inflation.
2. Educate policymakers, economists, and the public on the fraudulent, confiscatory, uncivilized, and destructive nature of fiat monetary systems.
3. Establish frameworks for implementing the Nilar, including institutional and legal reforms to ensure truth, transparency, justice, and nonaggression in the monetary system.
4. Dismantle dependency on external fiat currencies and government debt accumulation, replacing them with a principled, self-sustaining, Africa-governed monetary order grounded in natural-moral law.
5. Promote economic freedom, property rights, and voluntary exchange (free enterprise and free trade) as the moral and practical foundation for African economic integration, transformation, and liberation.

Transitioning to sound money is a moral, economic, and civilizational imperative. It is the first step toward a new reality of economic truth, justice, stability, and prosperity in Africa and the world. By implementing the Nilar, Africa liberates itself and fosters a fundamentally peaceful and genuinely civilized world.

8. Conclusion

The deliberate redefinition of inflation from its original meaning—the artificial expansion of the money and credit supply—to the superficial and misleading notion of a general rise in prices constitutes the most consequential semantic fraud in economic history. This paper has demonstrated that this distortion has been instrumental in facilitating the transition from sound currency systems from World War I, following which most currencies were only partially backed by gold, to the Bretton Woods gold exchange system (1944-1971) and finally to the United States ending the Bretton Woods arrangement, plunging the world in the current era of central bank-managed fiat monetary systems, the fiat dollar standard.

The economic consequences of this redefinition are far-reaching and destructive: the worldwide institutionalization of fiat monetary practices, chronic economic instability, systematic dispossession, structural injustice, and suppressed capital formation. Similarly, the ethical and civilizational consequences are profound. By concealing the fraudulent and violent nature of monetary inflation, the semantic fraud has normalized economic dispossession and exploitation, undermined the ethical foundations of civilized social order, and facilitated the expansion of arbitrary and autocratic government systems.

This deception has been particularly devastating in Africa. Under the fiat dollar standard, Africa has experienced persistent currency crises, hyperinflation, external debt dependency, and economic underdevelopment—all exacerbated by the semantic distortion of inflation. This linguistic and institutional fraud has perpetuated a neocolonial monetary order that continues to dispossess, destabilize, and impoverish African nations.

This paper affirms that restoring economic truth, justice, and stability requires reversing this semantic and systemic manipulation. It demands a return to sound monetary systems based on truth, justice, property rights, and voluntary exchange. The Nilar, as advanced by Africonomics, offers a concrete and ethically grounded solution: a gold-based, sound monetary system designed to restore economic sovereignty, stability, and prosperity in Africa.

The case for sound money is economic, ethical, and civilizational. It calls for dismantling the structural injustices entrenched by fiat monetary systems and building a new economic order founded on truth and justice, consistent with human dignity, agency, and liberty. The semantic fraud surrounding inflation has hidden the cause of worldwide economic and social ills for over a century. It is time to expose it and restore the ethical foundations of human civilization.

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