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THE (NOT SO) ROARING TWENTIES?



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FROM THE STORM TO MORE THAN A CALM

AMERICA AND THE ROARING TWENTIES

George Friedman

THE storm and the calm are addressed here by an American. The world is vast and each decade has experienced the past decade through the eyes that their place and nation have given them. Reality—from disease, to war, to the softness of peace—exists throughout the world, but even an event such as COVID-19 is seen in different ways. Each nation has a different history, different imperatives, and different understandings of what must be and what must not be. And the dynamic which defines each country differs and is frequently misunderstood by outsiders.

For the United States, the coming decade will be a period of political, social, and economic disorder. The United States experiences such storms about every 50 years. The last occurred in the late 1960s into the 1970s. There were massive race riots, with blacks facing the Army, assassinations of great men

such as Martin Luther King, Jr. and Robert F. Kennedy, huge riots outside the Democratic convention in Chicago carried out by left wingers, anti-war demonstrations against Vietnam (a war we all knew was lost), and the resignation of President Richard Nixon who had committed a criminal act and resigned before he could be impeached.

I can go back 50 more years to the Great Depression and point to similar conditions but the point is made. The United States travels through predictable crises, the world declares the United States finished; yet it survives and redefines itself. The United States is in all respects the epitome of creative destruction, and rage and violence is the transition to a new era of peace and growth. This time it faces COVID-19 as well, and we are challenged to understand what this force from outside the machinery of the Republic does. To understand the

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Biden's inauguration broadcast live on Chinese television and projected onto a giant screen in a shopping mall in Beijing

Photo: Guiliver Image/Getty Images

impact of the pandemic on the United States, I believe we must view them through the cycles of American history.

There is a second cycle that is rarer: an 80-year cycle in which the United States transforms its institutional structure. That structure was first sketched at the founding. Then, 80 years later in the time of the Civil War, the U.S. federal government shifted power away from states and produced a more federal system. Then, 80 years later, in World War II, the relationship shifted again, with the federal government taking control of much of society and governing through expertise. This results in the emergence

of a new crisis at the heart of which we see the onset of a debate about the relation of experts to governance.

These two cycles coexist in time, increasing the tension materially. And so we come to the present, where COVID-19 comes into play.

RIDERS ON THE STORM

The storm has arrived, on time and with inevitable fury. All sides focused on one man—either Trump or Biden—as a hero or a scandal. Through them, we evaluated each other. Those who did not see these men as despicable, or who saw them as praiseworthy,

were banished from our company. We spoke only to those who hated or loved as we did. At a time when the fabric of the country was being torn apart, it was comforting to regard one man either as solely responsible or as the source of our salvation. The idea that what is happening must happen—because the nation is failing and must reinvent itself again—is too far-fetched to comprehend, and too painful to grasp.

Behind the assassinations, the collapsing markets, the crushing debts of war or the price of land, there must be a villain, loved by those who see these events as the course of things and despised by those who see an evil will perpetrating them. It is a time of anger and virtue. The country is torn apart by the virtuous who see themselves as the stewards of the principles of the country, and others as defilers.

Meanwhile, many care only for their private lives, ignoring such passions. The civic-minded others are for the moment tearing the country apart in fits and starts of righteousness and indignation. The idea that this too shall pass, and that it will pass into the hands of neither faction, is unthinkable. The nation is divided in two, and the idea that there is another choice, another reality that will impose itself on the nation regardless

of what the two now-obsolete factions think, is beyond belief. The war between Roosevelt and Hoover will always be won by one or the other. An Eisenhower or Reagan cannot at this time be imagined.

Two cyclical crises coincide in the United States. One is the crisis of a federal government that no longer functions well but defends its prerogatives. The other is a crisis of a social and

economic system that has served us well but has run its course, leaving chaos in its wake. All those we love and loath are simply the shadows of exhaustion. Paradoxically, when these socio-economic and

institutional systems lose their energy, they are seen as and believe themselves to be the center of all things, and are perceived to be the only promise for our redemption. Individuals often come to symbolize each of these crises, as presidents symbolize the political. It is useful to begin by looking at a symbol.

Our current cycle ends with something extraordinary: COVID-19, a disease that has terrified the world in part because it has been so long since we have had a pandemic. The governments of all countries were expected to assume at least part of the responsibility for its lethality and, in a real way, for curing it. Since the United States is the center of

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gravity of the global system, and also of technology, it fell to Washington to deal with the problem.

Dr. Anthony Fauci, a physician and researcher who was said to know about such things, was the head of an American federal bureau charged with keeping us safe. Diseases frequently confound even the most expert among us and so confound the U.S. federal government. No one was sure how to cure the disease or prevent its spread. This should not have been surprising, given the limits of human knowledge; but the expectations on the miracles the U.S. federal government could achieve—from winning World War II, to launching satellites into space, to making Twitter possible by inventing the internet—was a terrible force to behold. If there was no cure, then the U.S. government had been failed by its minions.

HIVE OF EXPERTS

The U.S. federal government is the hive of experts, and Dr. Fauci is among them. He did not know how to cure COVID-19, but he had an idea how to contain it. The virus spread through human contact, so eliminating human contact would solve the problem.

Humans refusing to come close to other humans and shielding their breath at a distance was the only solution available at the time, and the U.S. federal government, worshipful of expertise, adopted this as the best available solution.

Dr. Fauci's solution may have been the best available, but it did not account for the hidden costs. Humans are social animals. At all phases of their lives, they require intimacy. It was unclear how long it would take for a cure to be found, and therefore unclear what the cost of social separation would be. What would be the cost for children growing up without close contact with other children, the ritualized games of our culture banned along with the beautiful and banal?

The cost was not calculated because this was a virus, and the physician who controlled the government's response did what was required of him. The best temporary solution to the disease was social distancing and wearing masks. As an expert in viruses he focused on his field, unqualified to discuss the social consequences and unable to tell us how long it would take. He did his job precisely as he was expected to, and he

did it well. The economic, social, and personal costs were real and measurable, but not addressable.

The feds could have brought in an economist, a child development expert, or an ethicist. That Fauci's solution was not subjected to the expertise of other fields was unfortunate but not surprising. The stovepipe did not welcome company. But the ethical question could not be answered by ethicists. No amount of advanced degrees permit someone to dictate the ethical. The United States considered all citizens to be ethicists, and the political figures selected by the citizenry were forced to face the nightmare of ethical choice.

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How many deaths is a normal childhood worth? Perhaps death trumps all else, perhaps not. But that question cannot be delegated to an expert in virology, who himself must address the costs evaluated by members of a team of experts. A team of experts is no more able to address the moral question than any citizen, who is an expert in being human and in decency. Ethics is not like most subjects. It derives not from learning an esoteric subject, but from mastering the common sense of being human and embracing the obligations that flow from that. Common sense and the ethical

derive from the same virtue: being able to see the whole.

The COVID-19 pandemic was the moment where the foundations of the U.S. federal government first laid down during World War II showed their weakness. The value placed in expertise elevated a class of people to effectively rule through meritocracy. These people were frequently unknown to citizens, could

not be judged or held accountable by citizens, and could not be reached by them. They differed from politicians in that they were answerable only to politicians, who were in turn—while often critical—terrified of defying them. Dr. Fauci is neither

villain nor hero. The power wielded by experts, isolated from the public and each other, yields mayhem.

Absent was someone with a deep ethical base who could measure the consequences—intended and unintended—and who had the power and the moral authority, as well as the modesty, to evaluate the solutions offered by the medical establishment.

David Halberstam posed the problem of expertise in his 1972 book, *The Best and the Brightest*. He saw the Vietnam War as the creation of the best educated and most intelligent products of Harvard

University. Their expertise lacked the reality that a sergeant on the ground could see, which was that the war could not possibly be won using their tendered strategy and tactics. There was no one present who possessed both the common sense and the ethics needed to block what they did. The best engineered concept has to pass the test of common sense and decency. Both are complex skills that are frequently at odds with technical brilliance.

The pandemic captured the doubt and mistrust that is inherent to the American people towards their political leaders and their teams of experts. The rebellion against wearing masks and social distancing was not the rebellion of the ignorant; it was a rebellion of those who saw the costs of the medical solution as greater than the benefits. It was accompanied for many by a distrust of vaccines. It was a fear that the experts had not properly calculated the risks. And there was no one with superb common sense and decency to mediate the issue. The more intensely Dr. Fauci's opponents were vilified, the more powerful they became, making an institutional crisis both real and intense.

All the while, the pandemic wreaked havoc on our society and economy. There were many dimensions to it, of

course, but the single most important was how differently various social and economic classes experienced the crisis. Zoom has been a welcome way to conduct business at home, but for many workers Zoom was irrelevant. Construction workers, farmers, truck drivers, service industry folk, and countless others could not isolate themselves or continue their lives uninterrupted and streamlined.

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They had to risk the virus or lose their livelihoods. Countless many lost their jobs due to rules laid down by the medical community. Others had to continue their jobs amid tension, fear, and frequently anger at those who lectured them on proper behavior regardless of what it did to their

lives. This was not a crisp division, and many fell on each side, but it was a significant social division nonetheless.

Former President Donald Trump represented the growing mistrust of the U.S. federal government and expertise. Yet, the institutional crisis preceded the economic and social crisis. COVID-19 was unexpected, but the type of institutional and social crisis at hand was not. The pandemic merely accelerated the cyclical failure of the U.S. federal government and aggravated tensions between the technocrats and workers. It also intensified the instability in society in general.

TECHNOLOGY AND THE ANTISEPTIC SOCIETY

COVID-19 also revealed the weakness of our technological culture. The primary focus of our current cycle was non-biological. There has been biological research and implementation, of course, just as there had been since the late nineteenth century. However, the centerpiece of technology was based around the microchip and dealt primarily with non-biological matters. I discussed in my book, *The Storm Before the Calm* (2020) the cyclical culmination of microchip-based technology and its replacement by a biologically-focused technology that would drive the economy and society of the next cycle. My argument was that as life expectancy increases and the reproduction rates of millennials decline, the burden on society will come from the elderly and the unproductive. Given my premise that technology is a response to pressing social problems, it followed that a radical new approach to aging was inevitable.

Because COVID-19 affected virtually every aspect of society, a new imperative emerged. There was a sense of an antiseptic society in which disease may not be banished but at least would not rage out of control, taking lives and warping ordinary

human relationships with it. We expected modern medicine to keep us safe, but we increasingly became aware that the medical community was unable to—and unaware of the consequences. No one knew if the virus would mutate into something worse, something that couldn't be stopped by masks or by social distancing.

The reality of a radically misshapen demography has now been powerfully joined by the reality that communicable diseases holding all of humanity hostage is not part of the distant past but a real threat that, if it doesn't kill, distorts all life.

It follows that the primary social imperative is a comprehensive theory of medicine that simultaneously creates defenses against viruses and manages the degenerative diseases of old age. This is, of course, easier to demand than to deliver. Even so, the medical process of treating diseases is unique and highly inefficient. When something unexpected emerges, the timeframe needed to understand it can be disastrous, and the length of time to deal with known diseases that are spreading out of control is also disastrous.

To give a wholly and undoubtedly insufficient set of examples: the microchip was able to manage data and served as a

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core solution to all computing. It was a place to begin. The internal combustion engine served the same purpose in both land and air transportation. Electricity allowed the American Industrial Revolution to proceed.

Each epoch has had a core technology that facilitated the various capabilities of the age. The significance of the core technology was not recognized for its power at first, and the applications were unexpected. But the genius of each technology was its flexibility. There are many useful technologies in modern medicine, but none with the breadth of applicability of electricity, the internal combustion engine, and the microchip. I have no idea what the next core technology will be, but in looking at the history of technology, I note that solutions appear when urgently needed. In the next cycle, we will need a very different approach to medicine.

Although Jack Kilby (a key inventor of the microchip) and Nikola Tesla attended university, Thomas Edison and Nikolaus Otto did not, and all grew up in rural areas. This was to their advantage as they had not absorbed the limitations imposed by academic thinking. In particular, they did not absorb the protocols of seniority whereby they would be judged by their seniors wedded to old

ideas. All of them looked at their work from both an intellectual and a commercial perspective, whether within a corporation or as lone entrepreneurs. And when in a corporation, they behaved with the dynamic of an entrepreneur. They were not all Americans, but they were all iconoclasts with deep insight into technology and business. There were armies of such people around them, but they are worth considering when we consider the next cycle.

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For each, there was a social problem to be solved. For each, there was a solution to be fought for. For each, there was great honor and wealth to be gained, though perhaps less for the German Otto. Thousands of others followed in their footsteps as they forced solutions to a social problem.

Now the problem is biological, and if history is a guide, some iconoclast will force the way to a solution that will be obvious to all once it has succeeded. When and how I have no idea, and history may fail us. But the urgent need for a new approach to medicine—one that is agile, supple, and profitable—will continue.

For this to happen, the U.S. federal government must be restructured. The post-World War II model of a deep

interlocking of private life with a federal government helmed by experts, poorly overseen and managed by those who can't see the unintended consequences of expertise, has been outstripped by reality. It is not the size of America's government that matters but its claim to authority over the breadth of society and the inevitable clumsiness of its exercise of that authority.

Trump articulated this problem, however incoherently and ineffectively. Like Nixon, Hoover, and Grant, Donald Trump sensed the problem, but the time and his personality made a solution impossible. Solutions are stated by Reagans or Roosevelts, presidents who understand that a solution is necessary but must not be disruptive. It must flow gently from the problem, and even then vile things will be said of them. But Trump was not a Roosevelt or Reagan. Like Nixon and Hoover, he ended in disaster, while at the same time opening the door to the inherent problem of the American federal government.

The first institutional cycle did not define the relationship between federal and state governments in the United States. The second established the primacy of the U.S. federal government but did not set its limits. The third created almost complete domination of America's states. All were in their time what was needed.

It follows that the next cycle will be one that accepts the U.S. federal government's primacy but will necessarily require the creation and institutionalization of a new level of expert—the generalist—to make certain that the area experts are both effective and non-contradictory. The deeper problem is citizens' access to the government. Here, I expect that the core relationship of the U.S. federal government to states will remain, albeit with two notable changes. First, the states will have at least an informal role in federal decisionmaking. Second, the states, much closer and more sensitive to their citizens' interests, will become a channel for allowing citizens to petition their government. This will, in turn, result in curbing unilateral U.S. federal authority over states, and shift the World War II model to one that is collaborative or adversarial, both of which achieve the same end.

UNIFIED THEORY OF MEDICINE?

We are now at the point where the initial crisis has been announced but has been personalized. The first part of the transitional phase is normally political, as the Trump years were. Then the political subsidies as there is deep social and economic dysfunction under the surface. In the 1970s, this was embodied by the Ford and Carter presidencies. They were politically much calmer than the Nixon years, but the calm was an illusion. Economic and social problems festered, while relative political calm was

maintained, until the late 1980s when the Carter presidency broke and was replaced by a radical political, economic, and social force: Ronald Reagan. Where Carter focused on tax cuts for the middle class, Reagan focused on tax cuts for the wealthy because there was a massive shortage of investment capital. Out of that decision came the microchip economy. Roosevelt (who covered several phases of the process) shifted the tax cut to increase consumption. President Rutherford B. Hayes, elected in 1876, created a gold standard to encourage safe investment in the American Industrial Revolution.

The economic problem of the next cycle will be a surplus of money, driving down the cost of money and wrecking retirement plans. The great social problem is that the boomer generation that built retirement on savings is being crushed. The surplus of money in the system and the lack of a new core technology limits opportunity for investment, channeling money into equity markets that behave irrationally.

As the political calm sets in, the economic and social crisis intensifies. One or two "normal" presidents

will hold the presidency until 2028 (I doubt it can hold until 2032), at which point a new and radically-minded president will address the crushing issue of a surplus of money. The task will be contracting the money supply. That can be done only if a new core technology is ready to begin

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its slow then stunning trajectory. If I am right—that the technology will be medical—I suspect the unified theory of medicine, as I choose to call it, is already being prepared and likely ridiculed by the older paradigm. In the 1980s, the nation was saved from a cash shortage by a minor shift in taxes and the microchip. There will have to be a contraction of money through taxes, redistributed through social security. The

new president will be hated by the old orthodoxy as Reagan, Roosevelt, Hayes, and Andrew Jackson were. And then will come the calm.

The old will get older, the millennials too—the first millennials are now 40 and their declining reproduction rates will create an interesting old age. But then all epochs produce their solutions and their own problems. It is the nature of the United States. ●