

America's Sixth Socio-Economic Cycle

by George Friedman - February 4, 2025

In my books “The Next 100 Years” and “The Storm Before the Calm,” I introduced a model of U.S. history consisting of political cycles and socio-economic cycles – the former tracking presidential elections, the latter explaining a 50-year process that coincides with the election of new presidents. These cycles included broad social, economic and geopolitical evolutions. I will now lay out the sixth cycle expectation for the next 50 years. Its purpose is to link the evolution of U.S. politics to the general social and economic patterns we anticipate.

In the United States, a new socio-economic cycle shows its hand, its flaws and its power over time as a president, sometimes heedless of the emerging reality, manages the political system that will govern it and, in turn, be reshaped by it.

It's important to remember that the president of the United States presides. He does not rule. His power rests in a profound awareness of the spirit of the nation and the forces that will shape it, ranging from the domestic economy to global interests. It is these forces and the president's grasp of them that define the presidency, but the forces – be it technological innovation or unforeseen economic calamity – are not of the president's own making. He presides over and facilitates the necessity that emerges and faces the inevitable. President Ronald Reagan politically engineered the financial foundation of our current cycle by creating a climate to increase investment capital and oversaw the founding of a new financial and social order following one of the models that new presidents employ on taking office: the ruthless and even reckless overthrow of the old.

The old order dated back to before World War II. Franklin Roosevelt took office in 1933 amid the Great Depression and the coming of a great war. He did not know how to solve the problem; he just knew that national security required an economic and social shift in American society. He set himself a target, which appeared reckless to his enemies and supporters, of creating a program for ending the Depression. To do that, he had to break the economic orthodoxy that had dominated political thought, an orthodoxy that essentially argued that a balanced budget, among many other things, was the key to prosperity. He undertook what was seen as a wild, haphazard and reckless set of shifts in how the government and the financial system worked. He did not end the Depression right then, but he set the stage for solving it, challenging and wrecking the orthodoxy, and opening the door to a fundamental shift in the U.S. economy that in turn set the stage for reshaping the way the world

worked. The opposition was appalled, but the public was relieved that someone had grasped the magnitude of the crisis.

Deliberately or not, President Donald Trump has followed the Roosevelt model. Roosevelt set about signaling that the old order was exhausted and that all that had been solid had to be overturned. He recognized what his opposition did not: that the system was broken and that something had to be done. He faced great opposition, from those who denied that the Great Depression was the result of a systemic failure that would solve itself, from those who thought his plans too mild and from those who thought the intent of the 100 days laudable but were convinced that caution was still essential.

Roosevelt's solutions were not eternal. They eventually fell with the coming of the cycle ushered in by Reagan, but they saved the country by creating a middle class and financing a global war. Although his opponents never conceded and continued to revile him, Roosevelt and his heirs made no concessions.

Trump is now in his 100-day period. Roosevelt's goal was to strip the old order of its power to rule by moral principles made obsolete and harmful. The current apparent randomness, unpredictability and recklessness should be seen in this light. Roosevelt's goal was to shatter the old elite blocking evolution. That is Trump's goal, albeit expressed radically differently. For Roosevelt, the elite represented the old orthodoxies on economics and the inevitable inequality that followed. Trump's main antagonist is an ideology, which for the sake of argument I will call hyper egalitarianism, that was, in his mind, demonizing the country and its citizens and imposing an order on cultural institutions and values to solve the inequities of the old order. It was also redefining moral obligations and even medical norms. In a real sense, Trump's goal is not to restore the country to what it was but to lay a new framework, which, I suspect, he has yet to devise. He is, for now, presiding over apparent disorder rather than aligning with what had been normal.

What will follow is a new economic cycle, shifting now as it has every 50 years. Each cycle was anchored in a new technology based on necessity. Andrew Jackson saw the creation of canals to bind the nation's economy together. Rutherford B. Hayes presided over the railroad revolution, Roosevelt over the automobile revolution and the emergence of the middle class, and Reagan over the new financial order that would give way to what I call the microchip era. Each of these technologies had its roots in economic and social necessities and was accompanied by many other innovations, but they are symbols of unheard-of solutions that are the essence of America. Crucially, once a president presides over the transformation, the nation is not bound by any president but proceeds to solve and create new problems on its own accord.

The era being created under Trump will also have pivotal technologies reshaping it, many of which I can't imagine. I'm confident that they will relate to the coming demographic crisis. The number of elderly Americans is growing while birthrates are falling. The elderly need to be taken care of, physically and financially. That means that a revolution in medicine and its understanding is indispensable, not only for certain diseases but also for the structure of life. If life is essential, then a new medical culture and technology will emerge, causing the usual anger and pain. But that is not all that is needed. The declining workforce will need to be supported by new technologies that combine genuine artificial intelligence with a new material science so that the constant reinvention of America, both a cultural and economic necessity, can take place. This will also require a reconsideration of all that was obvious in the past – that immigration is not essential for a shrinking workforce that is supplemented by technology.

The solutions I casually posit may well be wrong, insufficient, insufficiently imaginative or not well thought out. Yet the one thing our history assures is that they will, in due time, be dealt with. It is now the task of the president, as it was of all presidents, to preside over the process, clear the pathway for others to solve problems and duel with the inevitable enemies in battle. Presidents do not rule, but they clear the ground. The historical probability is that consistent successes in cycles since the founding, and allowing for the inevitable conflict, will continue.

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