

The American Crisis Intensifies

by George Friedman - April 11, 2023

As I ooze back to consciousness after COVID-19 had me in its grip for the past few weeks, it has occurred to me that the real story unfolding in the world is in the United States. China and Russia matter a great deal, as do other countries. But none of them pivot the world. The United States has the largest economy, as well as the most powerful military force, including its navy. The U.S. remains a leading innovator in technology.

This is why the United States is a decisive power, but also a dangerous one. The concentration of power and capabilities, and the degree to which they are globally interconnected, means that an American failure would likely have disastrous consequences globally.

This is not a new global vulnerability, but it now coincides with the systemic crisis that the U.S. faces, as I laid out in my book “The Storm Before the Calm.” That book predicted a social crisis early in this decade, followed by a massive economic crisis. Along with that, there would emerge a political crisis and a major, once-in-every-80-years institutional crisis in the federal government. Finally, it predicted a profound change in government near the end of the decade, driven by political and economic forces.

Looking at history, what is striking is that in previous cycles, the social issues tended to subside a bit before terminal economic issues took over. In 1980, as economic issues dominated, the intense social issues of race and sexual culture in the 1970s had subsided somewhat. In 1932, the social aspects faded with the death of Huey Long and the onset of the Great Depression. The strength of the Ku Klux Klan subsided, and social issues linked to immigration gave way to economic concerns.

The intensity of the ongoing social issues is striking. Issues that are moral, religious and cultural are still tearing at the American system. Bank failures, and the reality that caused them, are compounding instead of overtaking these old events. Significantly complicating the situation is the 80-year institutional cycle. The synchronization of the end of this cycle and the socio-economic cycle is a first in U.S. history. Questions about the relationship between federal institutions like the Supreme Court and Congress compound the normal distrust between the public and institutions.

Nothing about this process is mechanistic, but there are patterns in how we live and govern ourselves. The failure of social issues to lessen, the intensification of economic issues, and the

extreme intensity of the friction between federal institutions are markedly different from patterns in the 20th century with the election of Franklin Roosevelt and Ronald Reagan. Both of them transitioned effectively from social and economic crises that were distinct. But the rage and mutual loathing of today – and their failure to recede – are odd, particularly when the institutional issue, which neither Roosevelt nor Reagan had to deal with, is included. The degree and type of rage and contempt today's American public has for other members of the public are different.

This leads me to conclude that the model I used in “The Storm Before the Calm” has to be slightly modified. The transition points in political life had, since America's founding, been 50-year cycles, and 80 years for institutional shifts. The pivotal moment has been the election of a president. I assumed that this cycle would be the same and, therefore, that the last presidential election before the end of the decade would be the pivot point.

I should emphasize that while presidents are important, they are not the driving force of history. The driving force is the patterns of division built around social, economic and institutional issues. It is the major division and massive dysfunction that force a fundamental shift on all levels. One president presides over this shift, leaving the new president the credit.

I do not believe the situation will hold beyond the coming election. The brutal social issues, from race to gender to guns, create a public division that affects the functioning of government. Relations within the political system at all levels are increasingly venomous. The financial system has left an economic crisis. As forecast, the technological system will become increasingly inefficient, and the public appetite for its goods will be in decline. The financial system portends economic decline that will breed increasingly desperate and simplistic solutions, further drawing capital out of the financial system. For the first time in history, the institutional cycle and the social cycle will coincide. While wars tend not to influence domestic cycles, the impact of the Ukraine war will likely be magnified.

The current political system cannot manage this situation. A solution must emerge now, to be presided over by the next president. It is impossible to explain all the details of a system failure or the need for a new political order. At this point, the only thing that can be said is that we are heading into failure, and a new president, filling everyone with joyous hope, will oversee what must be done. But what must be done remains murky, taking its bearing only from the breadth and seriousness of the failure.

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