

# Fishing for the Fourth Institutional Cycle

by George Friedman - January 24, 2024

I have written a great deal about socio-economic cycles but far less on institutional cycles, specifically how the fourth institutional cycle in American history will emerge. But now some issues in the new cycle are beginning to take shape – revealing themselves over a fishing dispute, of all things.

In “The Storm Before the Calm,” I summarized institutional cycles as follows:

“The first cycle created the federal government, the second redefined the relationship of the federal government to the states, the third cycle redefined the federal government’s relation to the economy and society, and the fourth cycle will redefine the relationship of the federal government to itself. By this I mean redefine how the federal government sets priorities, how it focuses on achieving the priorities, and how it is held accountable. This sounds like a relatively minor shift. It is, in fact, as radical as the shift after World War II.”

The third institutional cycle emerged from World War II, which was won by experts who built bombers, landing craft and atomic bombs. The heroes were the men who fought, but the experts were the winners. President Franklin D. Roosevelt used experts in a wide array of tasks that had previously been given to simply intelligent people. Knowledge of the rare became key.

During the war and after, the federal government organized itself around expertise on various subject matters. But the inherent weakness of expertise is that it is narrowly focused. It can solve a problem without grasping the broader consequences of the solution. The COVID-19 pandemic was a great example: It required medical expertise, but heading the search for solutions were medical experts focused on medical solutions. They did not take into account the consequences of their solutions, such as stunted social development among children not being able to play with other children at an age when this is critical to their learning and experience.

Embedding experts into the federal system defined a problem too narrowly and falsely. There was no one with power to step back to see the unintended consequences. There was rarely control over experts who saw only the problem they were trained to solve, rather than the consequences of a plan that needed modification.

It seemed to me that an institutional structure generated 80 years before in World War II had solved many problems but was increasingly unable to deal with the complex realities it was now dealing with. In other words, the experts were successfully focused on the things they knew without any “wise man” looking at the cost of the solution, let alone having the power to do anything about it. The landscape had become littered with solutions lacking common sense, and the wise men who had founded the nation were excluded from what was considered.

Institutional cycles last 80 years, and now the time has come for a transformation – 80 years after 1945. No sign of transformation had yet appeared until I read about a fishing dispute currently being heard in the Supreme Court that could overturn the way federal agencies and regulations work.

When the U.S. Congress passes a law, an expert is appointed by a senior official to manage it. Over the years, these experts’ rulings were nearly absolute, though they did not always understand the issue. A recent law required that herring fishermen must monitor various aspects of fishing and report them. An expert ruled that the fishermen also have to pay for the monitoring ordered by the expert, though the price of implementing this order would cripple the fishermen’s business.

At a time when doctors are recommending that fish be eaten instead of red meat for good health, carrying the cost of monitoring ruined one fisherman and affected many others. There were health and economic dimensions that the appointed expert didn’t grasp. The expert saw the need for monitoring and chose a path that would make it easy to cover the cost of monitoring. But that path put the fishermen into a financial crisis, meaning they might be unable to produce anything to monitor. The measure and the inability to reform were exposed. The expert and his staff might well have had a good idea but lacked the training to recognize its implications.

The point of the story is that the case is going to the Supreme Court, with the argument that an expert cannot make a law that includes punishment because that is solely the right of the courts, and that such decisions must pass through the federal legal system.

This position has been attacked as threatening the ability of government experts to manage the activities of citizens. The argument I would make is that government management by experts fails to manage correctly because it is unable to grasp the total impact of their orders. This is part of the institutional shift, but the heart of the matter is the value of oversight by people not sharing the limited knowledge of experts, free from tunnel vision and sensitive to certain consequences. I wonder if federal judges are the right choice, but they likely have been told by their doctors to eat more fish and, knowing that this is important, will have the authority to impose order on the system. The issue is not expertise. It is oversight.

As for me, I see the beginnings of the fourth institutional cycle that adheres to my model. It is not here yet, but I think it is coming. And that's my problem. Experts think they are right in all things. My wife provides oversight to my ego.

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