

Back to the 1930s

A wild ride straight downhill.

BY NORMAN A. BAILEY

The contemporary world is characterized by the following attributes:

- A precipitous decline in moral and ethical standards of behavior as well as religious observance.
- An equally precipitous decline in standards of civilized social interaction.
- An unprecedented level of public and private debt.
- A large increase in violent behavior as well as theft and destruction of property.

■ Polarization of the population into extremes of the left and right, both of which are authoritarian in nature.

■ A sense of existential rage on the part of a majority of the population, which resents extreme concentration of wealth (defined as income-producing assets) and technological change so rapid and pervasive that it is hard, if not impossible, for them to deal with, much less to understand—from a world made of bricks and steel to one made of algorithms.

■ Finally, the largest and most destructive war in Europe since World War II, and credible threats of violent interstate conflict elsewhere.

The commentariat in general and economists in particular have come up with multiple explanations for these phenomena, as well as opinions ranging from “It’s not very dangerous” to “It’s cataclysmic and will only get worse.”

I will pose the possibility that what society is faced with is a combination of the research and insights of two prominent economists, who wrote almost a century apart.

In 1925, the Russian economist Nikolai Kondratieff published the book *The Major Economic Cycles*, in which he posited a “long cycle” (often referred to as “wave”) of more or less a half-century. His theory spawned many imitators emphasizing differing periods and causes, and is by no means universally accepted.

In 2013, the French economist Thomas Piketty published *Capital in the Twenty-First Century*, in which he described in great detail the unprecedented concentration of wealth in the hands of a tiny group of individuals, aided and abetted in avoiding taxes and regulations by a group of professionals, bankers, managers, and non-governmental organizations, who also service the criminal and terrorist networks (Bailey and Touboul, *Servants of the Devil*, 2021).

Kondratieff and many of the other long-wave theorists included rapid technological change and concentration of wealth among its causes.

It is the thesis of this essay that the world is on the cusp of a long cycle in the Kondratieff sense and reinforced by Piketty’s research (questioned by some economists).

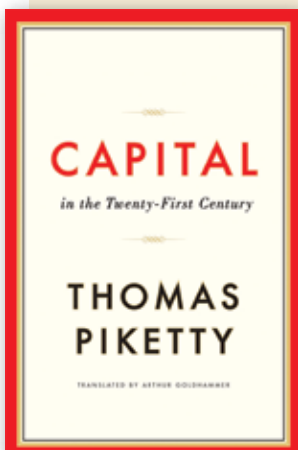
If this is so, the world is, indeed, in for a wild toboggan ride in the not-distant future, straight downhill, reminiscent of the 1930s, but more dangerous precisely because of the technological developments, not least in the instruments of war. ♦

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Two Prominent Economists



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