

# KAIROS FUTURE

## The Wheel of Seasons

Economist Nikolai Kondratiev put forth his influential theory of the long wave in the 1920s. His original work was all about nut-and-bolt economic activity, but long waves have also been used to explain cycles of investment and innovation, and even patterns in institutional, cultural and social changes.

His description of techno-economic development from the 18th century to the 1920s have been extended by other economists in an attempt to incorporate the events of the 20th century. They claim to have found confirmation that there is an underlying pattern of approximately 40-year cycles of growth and prosperity vs. unraveling and disruption.

Kairos Future introduced the "wheel of seasons" model in 2002, integrating several ideas about economic, cultural and institutional long waves. We began our story in the aftermath of the second world war: Optimism and long term thinking reigned, investment was up and engineers were heroes. The decades from 1960 onwards were described as both the completion and the rejection of what had come before: countercultures springing up in the middle of unprecedented prosperity. By the mid-70s, however, "summer" was coming to an end and the economy was thrown into crisis.

The highly regulated system came under pressure and gave way, leading to an era of market liberalization, making the late 1980s a time of harvest and renewed prosperity as entrepreneurs became the new heroes. While this was going on, the social model of the '50s, with its strong society and stable ideals, had disintegrated. By the 1990s individualism and postmodernism reached its apex as the harvest season kept going until the early 2000s when the dotcom-bubble's pop and 9/11 mark the end of the party.

We said that in 2002, drawing the conclusion that the economy and society at large was approaching a long and serious crisis. The question was when, in what way, how long and how serious? We foresaw the partial return of the 1930s: polarization of political life, growing populism, calls for simple solutions and strong leaders, growing inequality and a shift in values towards traditionalism and nostalgia. The catastrophic financial crisis erupting in late 2007 further validated our suspicions, and the turmoil in its wake confirmed them further.

Our wheel of seasons could, using Kondratiev's terms, be thought of as two connected long waves with elaborations from several other disciplines. We were not alone in highlighting the cyclical nature of two consecutive Kondratiev waves – Lennart Schön, professor of Economic History at Lund University, had applied the model on Swedish conditions ten year earlier. Neil Howe and William Strauss brought in an American perspective when they added generational and cultural dimensions to the cycle.

Enjoy this representation of the Wheel of Seasons as a work of art, an illustration of the building and disintegration of institutions, the churn of generations and the oscillation between cultural emphasis on cohesion and fragmentation.

### Reading

The Major Economic Cycles, Nikolai Kondratiev  
 Generations: The History of America's Future, N. Howe & W. Strauss  
 Tankar on Cykler, Lennart Schön

