

An interview with Leo A. Nefiodow, December 1st 2006

“Large numbers of new, high-value jobs can only be created through the healthcare market.”

The future researcher Leo A. Nefiodow on the growth potential in the healthcare market, why this potential has been prevented from developing fully to date and what is wrong with our society.

You say that the healthcare market is the growth vehicle for the 21st Century, which will provide for full employment. How did you reach this prognosis?

I developed this prognosis with the help of the theory of long waves. According to this theory, there are not only short and medium-term economic cycles, but also very long economic cycles, which occur regularly and last approximately 50 years. These are called Kondratiev cycles. According to historians, these Kondratiev cycles have existed for over 1,000 years; we have just completed the nineteenth and are at the beginning of the twentieth cycle. According to the economists' calculation method, the fifth Kondratiev ended around the turn of the century and we are now at the beginning of the sixth. Experience has shown that in every Kondratiev-cycle, full employment is attained in those countries that play a leading role, because these countries exhaust the full innovative and productive potential of the respective cycle for themselves, thereby creating full employment.

The healthcare market, including environmental technology and biotechnology, is carrying the new wave. Why this area in particular?

Kondratiev cycles are triggered by groundbreaking inventions and basic innovations. It is easy to observe basic innovations. It is possible to measure how they develop, where they lead to the establishment of new companies, which new products enter the market, the direction in which research and development are heading etc. These are the characteristics that identify Kondratiev cycles. If one applies these characteristics today, the result is that the sixth Kondratiev-cycle (according to the economists' calculations) will be a cycle dominated by health. The demand for health will be the motor that influences the main direction of economic and societal development in the next 50 years. By health I mean holistic health – physical, spiritual, mental, environmental and social health. Almost every second job created in the USA since 2000 arose in the healthcare system, i.e. in the sixth Kondratiev, and this is the reason that America quickly overcame the recession of 2001 and is today enjoying full employment.

You put forward this theory ten years ago in your book “The sixth Kondratiev”. What has changed since then?

The theory has become more precise. In the first edition, in 1996, I thought that psychosocial health, i.e. health in the spiritual and social areas, would be at the centre. After all, we have experienced huge losses across the globe as a result of the destructive and sickening way people treat each other. At the same time, huge growth potential lies latent at the person-to-person interface. We need psychosocial knowledge in order to release this potential. In the meantime it has also become clear that, in addition to psychosocial health, biotechnology will also be one of the main foundations of the sixth Kondratiev.

Full employment is still a long way off in Germany. What has to happen in order for us to reach this target?

We are unable to leave high unemployment behind us because we are blocking the sixth Kondratiev. Indeed, our politicians are proud that they are keeping the lid on it. Where would we be today if our politicians had “put a lid on” the automobile market in the fourth Kondratiev? The consequence of forcing this limit on the healthcare market is that the employment market is unable to grow, and if it is unable to grow then there will not be enough new jobs. No other branch of the economy would be able to create as many full-value jobs subject to social insurance contributions as the healthcare market could.

So there would have to be a change in policy?

The healthcare market needs more freedom and more money. It should not be possible to continue to prevent more funds from flowing into this market. This does not mean that the companies have to pay in more; it has to be made clear to people that they have to pay more for their health. In 2005, the average American paid over 6,200 Dollars for his health; the average German paid less than 3,000. There is, however, room for manoeuvre here. The state would also have to contribute. After all, investments in health are the most worthwhile and the most effective investments for the creation of jobs nationwide.

So the sixth Kondratiev will not be able to develop fully until there has been a societal re-think?

The sixth Kondratiev cannot be stopped. Although the re-think is already underway, unfortunately it is too slow and too hesitant. There is a danger that we will be left behind because we hesitated for too long.

Will conventional western medicine have to re-think?

Conventional western medicine plays a very important role here. Physicians are the most qualified representatives of the healthcare system; it would not exist without them. In my view, however, they are making the mistake of barricading themselves inside ideas of conventional western medicine too much and, in doing so, they are ignoring the many new ideas and

approaches that originate outside conventional medicine, and discounting these as unfounded medicine. As a result, many interesting new approaches cannot prove their worth.

You named psychosocial health as the most important basis of the sixth Kondratiev. How can it lead to the creation of new jobs?

If one adds together the damage caused by corruption, crime, violence, drugs, disputes, broken families, terrorism, military intervention, the destruction of the environment etc. etc, this amounts to around 14,000 billion Dollars a year. That is more than the gross national product of the United States. This damage is caused not by machines or technology, but by people –by people who are spiritually and socially unwell to be precise. 15 percent fewer spiritual and social breakdowns and illnesses would provide us 2,000 billion Dollars per year. That would be enough to finance the sixth Kondratiev and to create millions of new jobs. Spiritual and social dysfunctions and illnesses are currently the largest productivity and growth reserve in the world.

Allow me to continue: this huge worldwide disruption and destructiveness is not a technical or a medical problem, but rather an ethical one. The greatest challenge today is teaching resilient community-oriented values. But who can provide such education? In Europe, the Christian church was and is the most important institution for the provision of resilient community-oriented values. It is a proven empirical fact that virtues such as honesty, thoughtfulness, helpfulness, fidelity, conscientiousness and self-restraint can be found considerably more often among practicing Christians than among atheists. Turning away from Christianity was a serious mistake and it is about time that we recognise and remedy this situation.

Beatrice Hamberger interviewed Leo A. Nefiodow

Leo A. Nefiodow is one of the most well known proponents of the theory of long waves and is seen as one of the most respected masterminds of information society. One of his main emphases is future research. He has been active in the field of research and development since 1965, as well as being an advisor to the Federal Ministry for Research and Technology, to several federal state governments, international organisations and to private companies. Nefiodow has written more than 90 publications. His most recent work, the updated sixth edition of “The sixth Kondratiev – ways toward productivity and full employment in the information age” was published in December 2006.