

2025, An Outstanding Turning Point

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Abstract

The aim of this paper is, supported by the Historical Economics, to reveal the importance of the year 2025 in the course of our temporal becoming. It focuses on the economic conditions and phenomena of the past, but to understand them, especially the main features, for an objective, as far as it possible of the present events and, above all, to prepare/forecast the future on a most desired win-win situation or benefits for all parties involved in the complex and diverse activities.

We used information about what is happened in the world since January 20, especially events with deep and structural influences, which produce turbulents, or even a chaos in the world. At the same, very useful were the theoretical elements of the Historical Economics, elements which allow us to a better understanding of the important events throughout history and, much more, how these events have impacted life on the planet.

We are living in a "whirl" of events, actions, ambitions, even conflicts, and we consider that it is mandatory, as it is possible, the whole picture of what is happening now in the world and, not only that, but what will be the consequences of current challenges and events/facts.

I can affirm that, even from November last year, I had a feeling, based on a previous Trump Administration and on early forecasts for this year (aspect sustained by other authors within this paper), that a real shift will be produced in the whole economic structure of the economic world starting from January 20. But, important this year is for Europe, because in our region, outstanding events are taking place and will take place, in order to reshape the entire functional structure of Europe, therefore of our lives.

The recommendation is to watch each and every event or even forecasts for what will happen in the near future, dealing with tactics approaches, to solve appropriately each occurred challenge.

Keywords: turning point; History Economics; structural impacts; challenges; win-win tactics.

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1. A necessary Historical context

Thinking to the past, to the past of important features and events, Yes, 2025 is viewed by many analysts and astrologers as a potential, became real turning point due to a convergence of significant global events, technological advancements, geopolitical shifts, and even astrological phenomena. It is seen as a year of both disruption and opportunity, marked by key summits like COP30, advancements in AI, ongoing climate change concerns, and major sporting events like the FIFA Club World Cup and others.

Historical Economics, to which we refer, is a field that studies past economic events and the development of economies over time, often using economic theory and historical data. It combines methods from both history and economics to analyze topics like technology, labor, and trade, and to understand how economies have changed and developed across different eras and institutions¹.

Do to the fact that this part of the Economics examines the economic aspects of past societies, including their financial, labor, and technological circumstances, we consider that it is very important to understand the present situation and to forecast, as possible, the dynamics of the changes within economic and social systems, towards the future status/situation of the world economy starting from today.

History doesn't follow a calendar but defining ideas. The "long 19th century" began with the French Revolution (1789) and ended with World War I (1914). Similarly, the "long 20th century" began in 1917, when the U.S. entered World War I and emerged as a global power².

But, from our point of view and it seems that we have right, 2025 is a turning point starting with the new Donald Trump Administration at the White House and, particularly, the aftermath and developments of the events in USA and the whole world. Someone said³, incorrectly of course, that the 21st Century begun on January 20, 2025. In fact, it is about the economic shift, strongly determined by the politics, a shift to the economy driven by knowledge and creativity, with unexpected changes and challenges

A quick history on the "turning points" to understand the outstanding events such as wars, crises, diplomatic deals, reveals us the personality of the German historian Leopold von Ranke.

Leopold von Ranke (1795-1886) viewed historical "turning points" with caution, emphasizing that events must be understood within their own historical context rather than being judged by modern standards or seen as a simple progression toward a better future. He rejected the idea of history as a linear "progress" and believed every age had its own unique significance, like a distinct period equidistant from God, which needed to be understood on its own terms through rigorous source analysis. Therefore, a true "turning point" is not an isolated event but a manifestation of deeper, underlying structural changes that must be carefully analysed from the historical evidence⁴.

¹ See Ola Olsson, *Historical Economics*, www.gu.se/en/school-business-economics-law/economics/our-research/ retrieved October 19, 2025.

² Jovan Kurbalija, *Why did the 21st century start on 20 January 2025?* Diplo, www.diplomacy.edu/blog/ retrieved October 25, 2025.

³ The above-mentioned work.

⁴ Rudolf Vierhaus, *Leopold von Ranke. German historian*, Britannica, www.britannica.com/topic/historiography/Roman-historiography/ retrieved October 7, 2025.

Altogether, we need to mention the German important economist Gustav von Schmoller (1838-1917), member of the Historical School of Economics. He believed that the economic facts have to be based on empirical and historical conjuncture, to reshape the Economics and to give it also a social dimension.

But, the question to understand the present issue is: *the turning points are the same with the crises moments?*

No, turning points and crises are not always the same while a crisis is often a type of turning point, not all turning points are crises. A crisis is a moment of acute stress, often negative, that forces a change, whereas a turning point is a broader term for any event that causes a significant change in direction, which can be positive, negative, or even from something small and unexpected. We need to read about *Economic Cycles* (or *Cycles* in general), in order to clarify this problem. Therefore, generally speaking, *a crisis is the sharp, contractionary phase of the economic cycle*. Thus, the crisis is associated with the 3rd phase of an Economic Cycle, *the contraction*⁵. *The contraction* occurs through the contraction phase, wherein the growth of the economy slows, unemployment rates rise, and inflation tapers off. It continues until the cycle reaches a trough.

A crisis is a type of turning point that involves acute stress and a decision to be made. Examples include a serious illness, divorce, or job loss, all of which force a person to redefine themselves and their life. The word "crisis" itself comes from the Greek word "krisis", which means "decision".

A crisis is a specific type of turning point defined by its stressful nature, while a turning point is a more general concept for any change in direction.

But, to a better understanding the features of a possible crisis, we think that the *processes of collision and economic coercion* have to be viewed and taken into account.

Primarily, the world economic landscape is characterized the *collision* of the powers of the day, that is geopolitical tensions, which lead to a slowing economic growth, huge problems regarding international trade and customs tariffs, based on *economic coercion through sanctions* (see EU sanctions packages, mainly against Russia; US sanctions against those who trade with Russia) **and trade barriers**, generally speaking.

2. Methodology

We used the quantitative analysis, consisting merely by presenting examples/elements sustaining the idea that 2025 is obviously a "turning point". At the same time, our economic and political forecasts for this year and the Historical Economics as information support gave us a sound base for a better understanding of what will happen (speaking about the 2024 Autumn for 2025) and step by step the significant actions/events produced along this year.

What are considered major events? The events which are structural/qualitative and have influence over the world and regional functioning/development.

From all the examples presented, we try to synthesize and strengthen the characteristics attached to the year 2025. That is, to prove the fact that this year is indeed a "turning point", moment to be remembered and took into account.

And, above this synopsis, we are interested to see and understand the future developments and aftermath of the present actions, events, and decisions made.

⁵ Corporate Finance Institute, *Economic Cycles*, www.corporatefinanceinstitute.com/resources/economics/ retrieved October 6, 2025.

3. Aftermath of the events of 2025

Therefore, the "turning points", generally speaking, are in fact inflection points, of a stop and go manner, but in diverse ways and which structurally reshape our lives.

We see and face with numerous aspects of a structural nature which affect our lives today, starting from January 2025. It is considered⁶ that these *turning points are irreversible moments, with limited possibilities of returning to the previous status*.

All major events predicted or happened need to be seriously taken in to account and analyzed (the deeper causes interest us). Of course, the changes and the new ways of evolution, produced by the major events of 2025 will be seen in their evolving processes over few years. We don't say decades, as many analysts or historians, because due to the new revolutionary digital technologies, such as *Artificial Intelligence*, all activities evolve exponentially and the resulting transformations are of the order of a few months.

What we consider as main features to declare 2025 as a "turning point":

1. Geopolitical shifts, even collisions, due to the bellic actions, or even wars, being in discussion a multilateral world order;
2. Major economic/trade events, manifested through the high customs taxes imposed by Trump Administration to different imports, especially from China, EU, or goods under sanctions from Russia, India;
3. Climate issue, changes and preserving actions, mentioning only the COP30 (UN Climate Change Conference) in Brazil, which put the accent on the renewable energy and circular economy.

Furthermore, and with same importance, the digital, technological, economic trends, based on:

- AI with its very important impact, of a structural manner in our lives and activities;
- The necessity to observe permanently everything it is happening in the world regarding the main economic and financial variables.

It is an astrological and spiritual approach, because these things are parts intrinsic from the human nature and of human activities. First of all, it was a specific planet alignments, meaning a karmic transformation of old patterns. This spiritual level, with all its meaning, we consider that it is determinant for people, generally speaking, mainly in these times of austerity and downward standards of living⁷.

Continuing the previous aspect with a powerful mean for our analysis, we say this year, 2025, because this is the year of the *Wood Snake in Chinese zodiac*⁸. This sign means time for change, personal growth, because the snake symbolizes rebirth, new opportunities and new beginnings. In fact, we assist to aspects and movements which collide and, indeed, new trends, new ways are beginning.

At the same time and, also for the present analysis, we have to do a parallel between 2025 and 1965. Why? Because it is very important to highlight that the both years are under the sign/star (*the Wood Snake*) and, more important, the year 1965 was also *a turning point one*. Certainly, 1965 was a turning point due to major events in civil rights, the escalating Vietnam War, and significant cultural shifts.

⁶ David Motadel, *Are we at a turning point in world history?* The Guardian, www.theguardian.com/commentisfree/2025/jan/27/ retrieved October 5, 2025.

⁷ *** series for *Karmic turning point* on Facebook, www.facebook.com/groups/50442843233455/posts/ retrieved October 21, 2025.

⁸ Ruby Zhao, *Year of the Snake (...)*, China Highlights, www.chinahighlights.com/travelguide/chinese-zodiac/snake.html retrieved October 6, 2025.

Indeed, the Vietnamese War is escalated rapidly (now, the Ukrainian War is in progress for three years) and it was the epoch for many former colonies to get their independence⁹.

Probably linked to the previous approach of 60 years, an outstanding relevance is the fact that we can speak about *a centennial economic cycle, a cycle of 50-60 years*. The economist Kondratieff proposed a such long-term economic cycle, characterized by the alternate of quite long periods of expansion and, after a peak/maximum point, they follow a stagnation and recession periods¹⁰.

As a mainstream of the ideas regarding the trends from now on, even there signs as a peak of an iceberg of an imminent global crisis, this one will be increasingly in the next period, amid deep imbalances in the United States economy and the steady decline in confidence in the US dollar, the central pillar of the global monetary system. In a tense geopolitical climate dominated by conflicts, rivalries and heightened political polarization, these economic fragilities raise serious questions about the stability and resilience of the current international financial order. We see in these phrases the entire specter of the world economy in 2025 and in 2026, as well.

We already observe elements of opposition to Trump's policies and, indeed, chaotic actions of all parts of the world economy. That is, financially and economically, the present aftermath is based on what is happening in US. And, also supported by the specialists' opinions, like Bruno Colmant, the EU's role in the present circumstances is very limited, due to the lack of a common fiscal policy, an aging population, dependence on foreign technologies and the absence of a clear strategic vision make the EU more of an observer than an influential actor in the reshaping of the global financial architecture¹¹.

Another major event of 2025, a real premiere for the world economy is that *California*, the well-known State of the US is declared in April 2025 **the fourth economic power of the world**, ahead of Japan. This reality, this rank is based on California's nominal GDP of about \$1.4 trillion, behind USA, China and Germany.

This is the situation revealed by Californian source revealed below), regarding the largest economies of the world based on the nominal GDP:

1. United States \$29.18 trillion
2. China \$18.74 trillion
3. Germany \$4.65 trillion
4. California \$4.10 trillion
5. Japan \$4.02 trillion
6. India \$3.90 trillion
7. United Kingdom (UK) \$3.64 trillion

The situation is a premiere, because in our case we deal with a State of a Federal State, which is USA. Therefore, a State which is not by itself in the world, a no national economy. And all because of Trump's economic policy, in which the EU wanted, even in the

⁹ Newspaper, *A Year in History: 1965 Timeline*, Historic Newspapers, www.historic-newspapers.com/blogs/article/ retrieved October 5, 2025.

¹⁰ ScienceDirect, *Cycles in Economic Theory*, chapter, Economic Cycles, www.sciencedirect.com/topics/social-sciences/ retrieved October 3, 2025.

¹¹ Daniel Mihai Dragomir, *A global economic disaster of proportions is looming, more and more clearly. It will all start in the USA*, October 13, 2025, www.stiripesurse.ro/ retrieved October 15, 2025.

first part of the year, to do punctual trade with certain states in the USA, where customs tariffs were lower than those imposed by Trump.

California is considered the backbone of the US economy, being the nation's top state for new business starts, access to venture capital funding, and manufacturing, high-tech, and agriculture¹².

Why did it appear this situation? Because Governor, Gavin Newsom, a Democrat, filed a lawsuit in the first term of 2025, lawsuit which sought to end President Trump's tariff chaos, which has wreaked havoc on the economy, destabilized the stock and bond markets, caused hundreds of billions of dollars in losses, and inflicted higher costs for consumers and businesses. These harms will only continue to grow, as President Trump's tariffs are projected to shrink the U.S. economy by \$100 billion annually.

Furthermore, which are the Strengths points of California to become such economic power in the world?:

- a. Investments in people (the human capital);
- b. Priority for sustainability;
- c. Support for innovation and new revolutionary technologies.

The Californian such developed and diversified is an important, some even say the most important economic pillar of the USA and, therefore, it is entitled to be considered an outstanding self-sufficient economy.

Here it is the particularity of the situation, that is the whole economy (USA) and the most developed State economy within USA (California) are together in the same world ranking based on the nominal GDP.

Another turning point and something unimaginable until today is a "people movement" from the first power of the world, the USA and another country, even it is also a developed economy, France, BUT in the research domain.

Due to the funding cuts for research in the first period of the new Trump Administration and based on the fear of some American researchers that they are targeted by the Trump Administration, on July 1st, 8 American researchers arrived at the Aix-Marseille University within a program called "Safe Place for Science". Even President Macron himself required this *scientific immigration* of scientists from America to France, to the economic situation imposed by the Trump Administration¹³.

Briefly presented, it is needed for a balance between the salary discrepancies between the two countries, the research endowment and funding which is lower in France than in USA. In fact: why it is considered a possible turning point in 2025? Because it is this incredible situation of a *reverse migration*, not from other countries to the US, but from the US to other countries and, exactly, in the domain of the future: the research/scientific one.

Concluding on what is happening now in Europe, again a field of collisions and tensions, the structures of the current European order are not optimal in the new conjuncture and need to be reshaped: The Europe that exists is not the Europe that is needed. If European governments and the EU were to follow through on their assertions that the continent requires historic change, they would need to consider a more robust, more flexible, and more

¹² *** (April 23, 2025) *California is now the 4th largest economy in the world*, Governor Gavin Newsom, www.gov.ca.gov/2025/04/23/ retrieved October 20, 2025.

¹³ Victor Goury-Laffont, *The first American "scientific refugees" arrive in France*, Politico, www.politico.eu/article/ retrieved October 27, 2025.

democratic form of integration. Shifting the architecture of the European order into a new phase would require a radically redesigned political and security¹⁴.

It is announced a so-called *Europe's hour*, a necessary turning mainly in the structures of European institutions to cope with the new challenges.

Conclusions

The year 2025 is important due to several UN-declared International Years, the 80th anniversary of the end of World War II and the UN's founding, It also marks the start of new UN Decades, the 100th anniversary of quantum mechanics' development, and the Kumbh Mela festival¹⁵. These events highlight themes of peace, cooperation, and the scientific and spiritual needs of the world. Exactly, this is or would be the essence of our times, NOT the tensions between countries, the generalized war specter, the predictable or unpredictable evolution of AI, in a word the future existence of the mankind.

For Europe, especially, starting also from the vertigo of the Trump Administration's decisions, this year, but mainly the following ones will be of deep, historical and structural importance. The idea is of Re-foundation of the structure and institutions of EU, because now, even from this year, the defence domain is overrated, due to the present war in Ukraine, the Russia's menace and possible other conflicts in the world.

Exactly the new techs, AI as a propeller, determined the surname of this year as the begining of "*a new long century*" and, the other entities in collision, or events happened until now, express the desire that the world not be exclusively ruled by one single power.

Thus, the lessons of the "*pointing out*" year 2025 are to adapt people, mentally and phisically to the new technologies and new realities, considered irreversible, to embrace and manage the technological changes (especially produced by AI), adapt new economic policies to the movements in international economy and finance (including markets volatility).

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¹⁴ Richard Youngs, *A Turning Point, or Not? Principles for a New European Order*, Carnegie Endowment for International Peace, www.carnegieendowment.org/research/2025/04/ retrieved October 28, 2025.

¹⁵ This festival in India is a special event which occurs every 144 years, attracting millions of people all around the world. This anniversary leads to the importance of peace, cooperation, and global governance. The moment of the new edition is exactly 2025.

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