GEOSPATIAL WORLD

Balance of Innovation Holds the Key to Balance of Power, says Parag Khanna



A long-form interview with Parag Khanna on everything from geostrategy to migration, connectivity to AI, urbanization patterns to tech trends for 2022

By Aditya Chaturvedi

Back in the 1930s Graham Greene wrote a travelogue about a tiny West African country that's relatively obscure in popular perception and imagination today, but punches inordinately above its weight in global shipping.

At the time of supply chain disruptions and constant emphasis on de-coupling and easing chokepoints, the book and the country it describes uncannily struck in my mind as a testament to the often-invisible power of connectivity.

Mapping today has become part and parcel of the everyday life. It drives industries, cities, governments, geographies – and strategies. In that sense there isn't any '*Journey without Maps'* anymore. The bridge to Futurism hinges on convergence and intersection of different forces.

Global politics is often called the 'art of the possible', but it's geostrategy that unearths that possible and nullifies the impossible. Though navigating the labyrinthine maze and tangles of geostrategy can get really daunting. That's where experts with multifarious interests are needed who view the world as a holistic set, rather than an agglomeration of disparate silos.

Parag Khanna dons many hats. He is an astute geo-strategist, a best-selling author, a globetrotter who has visited over 150 countries, and the Managing Partner of Future Map, a strategic consultancy that uses AI, geo-location, Big Data and visualization to navigate the dynamics of a fast-changing world. His latest book '*Move: The Forces Uprooting us'* was featured among the best books of 2021 by the Financial Times.

He has been associated with the World Economic Forum (WEF), been at distinguished Think Tanks such as Council of Foreign Relations and Brookings, and has also served as an advisor to the US National Intelligence Council.

In an exclusive interview with *Geospatial World,* *Parag Khanna discusses everything from geostrategy to globalization, supply chains to location, climate change to Industry 4.0, along with the evolving contours of society, cultures and countries, and the driving forces for the future of tomorrow.*

"Geopolitics and globalization two sides of the same coin. There's a stateless dimension to geopolitics that is evolving and the digital domain accelerates it".

The full interview:

Geostrategy is quite complex owing to the inherent unpredictability of the world we inhabit. It has to wrangle with mutually incompatible, hostile and even strangely paradoxical systems, account for the risk of sudden flare ups, and also factor in the probability of disruptive Black Swans. What has been

your guiding approach to geostrategy, and how do you navigate volatility to chart out stability?

First and foremost is the recognition that every entity is entitled to have its own global strategy. It could be a company, a country, or a civil society actor. That's part of the complexity of the world today. Strategy is not just something that's framed by governments or specific groups, or that the G2 — the U.S. and China — dictate the rules for everyone else. In fact, we have a complex adaptive system, where everyone is reacting and in turn shaping the environment to a greater or lesser degree. That's the first fact of life.

The second is that everyone, therefore, doesn't play by same set of rules.

For instance, Google has its own geostrategy. More than 15 years ago, I wrote a paper titled *What is Google's Foreign Policy?* At that time, Google didn't have enough of a lobbying presence in Washington — it has obviously overcome that. But, Big Tech in general has been slow to understand the regulatory pressures they would face in their own country, specifically the U.S., and even abroad, given industrial policy, data localization policy, and other kinds of economic or financial nationalism.

In terms of charting out stability, I believe that we need to step out of ourselves and not view the system strictly in terms of our individual agency, rather as a collective organism. We also need to ponder on the steps and initiatives that we can individually take in a coordinated fashion to bring about greater equilibrium.

This is where I talk a lot about global strategy in my work. Grand strategy and geostrategy are undertaken by specific entities, but global strategies provide some degree of reconciliation among them. It again requires that we step outside ourselves and get a view of what could bring about collective stability. That's why it is important that we think about global public goods. Global strategy is about reconciliation among all the grand strategies, so that they don't constantly undermine each other but can positively reinforce each other.

An obvious example is infrastructure. It should be seen as a global public good. Take the case of China. On one hand, from the standpoint of Chinese grand strategy, the thrust on mega connectivity initiatives is something that serves its own interests in reducing friction in transportation and supply chains.

But at the same time, it can contribute to overall global economic development and should be shaped in a way to reduce debt so that you have sustainable infrastructural finance and development. So yes, China has a strategic goal with infrastructure investment but there's also a global benefit, if it is steered correctly. This is an example of how grand strategy and global strategy can be reconciled.

In your remarkably insightful book *'Connectography: Mapping the Future of Global Civilization',* you say that we are reaching a stage where connectivity, and not national governments or global organizations, would play the foremost role in moulding the future. Is this vision of the future incumbent on mass deployment of frontier technologies such as AI, ML, AR/ VR and stepping into the Fourth Industrial Revolution? Also, what makes it different from the *'World is Flat'* globalization of a decade back?

We have actually arrived at the stage where connectivity is the biggest force shaping the future. The forces of the Fourth Industrial Revolution (4IR) and now digital technologies reinforce this.

Coming to 4IR, whether it's robotics, genomics, Artificial Intelligence (AI), computational power, they all represent the leading sectors. In geopolitical theory, going back to at least a hundred years, there has been a focus on the leading sectors of technology and their control: whether it's nuclear power or railways in the 19th century.

When people talk about 4IR, they're actually talking about the leading sectors of the 21st century. Whichever powers hold the advantage in the balance of innovation will lead the balance of power. That's not new. It has always been this way. Within this space, there's also the conversation about Augmented Reality (AR), Virtual Reality (VR), and other types of platforms and technologies.

Some of these technologies enable the rise of a transnational digital space. Power plays out within this space because so much of the world economy is becoming the digital services economy: stateless, borderless. There's a stateless dimension to geopolitics that is evolving and the digital domain accelerates it.

A fundamental argument of my book *Connectography: Mapping the Future of Global Civilization* is that the world is not flat, rather it is engaged in a constant

tug of war over the strings of connectivity – physical infrastructure, supply chains, or digital revenue.

We need to view this as not necessarily - and inherently - a force for peace and interdependence. It's really a new battlefield. That doesn't mean there aren't any win-win outcomes; there are many in fact. However, we are always competing in a tug of war. There are multiple dimensions to competition today, not just territorial. That's why Connectography is about both competition over connectivity, and about traditional geography and geopolitics.

Globalization has deepened over the years and internet and social media has certainly contributed to this phenomenon, but the resentment it incurs and the agitation of those who want to pushback against it has also intensified. How do you foresee the future of this clash between those who view globalization as essentially a zero-sum 'winner takes it all' game, and those who are optimistic about its unbounded potential?

One of the arguments I made in my first book *The Second World* was that geopolitics and globalization are actually two sides of the same coin. Globalization advances precisely because of geopolitical interests.

Whether it is Roman Empire, or the British East India Company, or Pax Americana, the imperium of global expansion exists because of geopolitical ambition. These are not opposing forces. In reality there's a world of Chinese globalization, European globalization, American globalization, Indian globalization, Russian globalization, and so forth. That's actually a world of quite significant economic growth.

There can be a net positive outcome in terms of global welfare and growth of the world economy as a result of these competing globalizations simultaneously playing out. It's a very different way of looking at globalization as opposed to the notion that it's largely a free-standing, positive, independent force that fosters interdependence.

There really isn't any independent Washington Consensus, Neoliberal, neutral globalization. That doesn't actually exist. It's perpetually contested and looks different in different parts of the globe under different set of rules. So, we need to rethink how we frame globalization. It is not separate from us, but is a

result of all of our activities, some of which are coordinated, some of which are conflicting.

We can't really generalize social media. Yes, there are national digital cultures and sovereign cultural domains that have their very large internal citizen and consumer foundations and participants that operate in an intranet like way in walled gardens. It can be either due to pushback against foreign interference in societies, data localization policies, and, of course, just local competition emerging in the communications sphere. But overall, there is no universal backlash against Big Tech or social media. That's largely a myth because the truth is that most people happily embrace the conveniences and the benefits of digital technology.

The largest number of Facebook users in the world are, of course, in India and also in countries like Brazil or Indonesia or Nigeria.

The backlash is a political one in specific places, in specific times, for specific reasons. That's the correct way to look at it. So, the American backlash against Big Tech because of executive compensation or manipulation of politics, or whatever the case may be, is a different backlash than the conversation that's happening in India, where some of the same digital tools like the India Stack bring significant benefits to society as a whole.

If you take everything from Aadhaar to Paytm, there's an advanced digital, financial, and identity ecosystem emerging for India, which is of enormous economic and social utility. And it is making India more future-ready than many countries that are way more evolved.

It's a myth that people are against globalization and international trade. The poorest people in the world are the ones who embrace globalization. All societies in Asia are pro-globalization. And Asia, of course, represents the majority of the human population. Asian countries have just signed the world's largest free trade agreement: the Regional Comprehensive Economic Partnership (RCEP). We need to be cautious when we take at face value the notion that there is a coherent anti-globalization movement because we've been hearing about it since the 1990s but it has never been a coordinated or effective movement.

Yes, it has shaped the direction of some of the legal and diplomatic rules of the game — and that's a positive thing. But it, therefore, has not been anti-globalization at all.

I don't think there's a human being, quite frankly, who is truly anti-globalization. And I am ready to debate anyone who says they are, because they probably couldn't lead their lives without globalization.

With the impending 5G rollout and billions of interconnected IoT devices operating everything from smart home gadgets to cars to entire factories, is it fair to say that the intersection of technology and people is a tectonic force that will unveil a new era of imagination in the years to come? How do you view this era of disruptive innovation and technological convergence in terms of socio-economic impact?

I do think that it will require a new kind of imagination and overall, it's a positive development because connectivity is a significant force for good in terms of enabling people to participate in global society.

In terms of socioeconomic impact, this really contributes to the expansion and evolution of what we mean by the geographical sphere of connectivity by enabling new forms of agency to emerge between connected individuals, connected entities, connected companies to form communities based on how they share data, financial acumen, and the manner in which they organize their ideas.

American political philosopher Michael Sandel is of the view that we are fast transforming from a citizen society into a consumer society or a market society, and this is a not something good. On the contrary, I believe that just because people have the power to identify with others all around the world, on the basis of economic connection or cultural bonds, it doesn't mean that it's a bad thing at all.

To privilege the local over the global is a very antiquated view. We should privilege connectivity and community association irrespective of geography.

Benedict Anderson called nations *'Imagined Communities'* in the middle of the 20th century. Zygmunt Bauman characterized the turn of the millennium as one marked by '*Liquid Modernity*'. Do you think the ongoing churn involving advanced technology and people would lead to a reimagining of the

relationship between communities, societies, and nations? And to what extent would technology be driving it?

I describe this in *Connectography* in terms of Five Cs: Countries, Commonwealths, Cities, Companies, Communities.

By countries, it is obvious that there are states and there are commonwealths or regional organizations like the European Union. Then there are cities, of greater or lesser power and influence — domestically and globally — depending on their wealth, population, economy and degree of connectivity.

There are companies: stateless, multinational, local or domestic. They all have different degrees of agency and coherence. And there are communities, what I call cloud communities — they can be diasporas organizations, hacker groups like Anonymous or WikiLeaks, and so on and so forth.

Those communities could also be movements like Fridays for Future, or even Al Qaeda or ISIS. These are all examples of communities. Some are digital, some are physical, but they're certainly either beyond or within the state.

I don't think that technology is accelerating each of these five Cs in different ways. It is rather empowering them in different ways which is making the system ever more complex. This is called systems change in international relations theory.

Structural change is when you move from one superpower to two or three superpowers. We are experiencing structural change now. But we are also simultaneously experiencing systems change, which is where you not only have states but you have commonwealths, cities, companies, and communities as well.

The structural change that we're experiencing right now is a very rare phenomenon — every 500-600 years — and it is, I think, the most interesting phenomenon in the world today. It is also a direct result of connectivity which empowers autonomy and coherence.

Covid-19 has led to supply chain disruptions which has caused both chip shortages and a realignment of the priorities of shipping companies. Be it the garment manufacturers in East Africa or electronic component assemblers in South Asia, all are felling the brunt of it, though not for the same reasons and perhaps not equally. Ever since the pandemic outbreak, there has been an

emphasis to design resilient supply chains. But it's easier said than done. What do you think needs to be done to build resilient supply chains, and what role would location, geospatial technologies and AI play in it?

it's really a reminder that we are all dependent on supply chains and globalization way more than we think. Even when countries de-globalize, they need globalization.

The example that I often give is of Apple. When Trump administration was pressurizing Apple to near-shore and build more factories and plants in the U.S, it missed the fundamental point that if you open an Apple plant in Texas, you suddenly have to import the glass screens, the chips, the keyboards, and other things from Japan or Korea or China. So suddenly you're importing more components and widening the trade deficit.

You think you're nearshoring production and making everything at home, but in fact, you're actually widening your trade deficit because you have to import so many things to make those things at home.

The joke I like to crack is, even the supply chain has a supply chain of its own and we should never forget how things are not just made at a single place. That said, if you combine the pandemic impact with geopolitical tensions, trade tensions and tariffs, you get a world that is becoming very regional.

I do think that supply chains will become much more regional in manufacturing, commodities, and other areas. While on one hand it means more friction and potentially higher costs, but on the other hand, it could also result in shorter supply chains, less need for excessive greenhouse gas emissions, transportation, or agriculture etc. So, there are both positives as well as negatives.

Geospatial technologies and Artificial Intelligence (AI) play a very significant role because we're using these tools to better map out the geographies of demand – the flow of specific goods and components around the world and to optimize those for speed and cost. That's currently one of the hot areas where geospatial technology is really proving its value.

The combination of Big Data, supply chain data, real-time data, and visualization analysis that emerges for the intersection of geospatial technologies, logistics, and finance is extremely interesting. AI can also play a

role in the predictive dimension of this when you bring in issues such as political risk or supply chain bottlenecks. It could also be relevant for re-routing supply chains on a short notice.

How do you think can innovation, stability and sustainability be best balanced, and what role can mapping, visualization and geolocation play in it?

I build a lot of scenarios in books like Connectography and *Move* where I talk about how, in an ideal world, there would be more localized and regional clustering of production, innovation, and distribution. If you automate these processes, then it becomes viable to maintain low cost, reduce supply chain dependencies, and diminish environmental impact.

I believe that visualizing a world that is more regional — but not conflictual — and adaptive as per international trade policies would be very beneficial.

If you look at North America, even though the Trump administration opposed the North American Free Trade Agreement (NAFTA), it still signed the United States–Mexico–Canada Agreement (USMCA) because there is a broad realization that these three countries should have far more integrated relations with each other. And actually, as it turns out, that it was during the Trump administration that American trade with Canada and Mexico, each became larger than American [U.S.] trade with China. This is an example of sustainable regionalism and continentalism.

We should think in those terms: the complementarities that we are not sufficiently exploiting. A good example of this is a look at India's trade patterns. India trades very little with her neighbours but there are some complementarities whether in agriculture or steel.

Mapping trade complementarities that are insufficiently exploited and focusing on their regional and local dimension is a good example of using mapping, visualization, and strategy to bring about greater sustainability.

Your latest book *'Move: The Forces Uprooting us'* casts a spotlight on mobility as a recurring theme of human history that has made and unmade societies and countries. It is also a tour-de-force investigation of the dynamics at work that will cause future human dislocation. Technological disruption, political upheaval and climate change are the three major forces

that you have identified. This is certainly a cataclysmic foreboding. But how to check climate change amidst all time high denialism, and do you think this dislocation would also prompt a dispersion away from metropolis urban centres towards peripheries, hinterlands and maybe new settlements?

A lot of people posit a dichotomy between the current pattern of urbanization of the past 50 or 100 years — or really the past 7,000 years — versus a world that will suddenly become more rural. I don't think that's actually what's going to happen. What's going to happen is something that has always been the case: the city will win. The question, however, is which cities will prevail.

Just because Los Angeles and New York are losing people, it doesn't mean that cities are losing people. Cities as diverse as Toronto, Calgary, and Berlin are all gaining people.

We have to remember that the city always wins because it has been part of the human nature for over past 7,000 years to urbanize and to cluster into cities. But the cities of the future may look different: they may be smaller cities; they may be more low-rise cities. I have visited many of those places, whether it's in Norway or Siberia. So, we may have different kinds of cities and I would welcome more sustainable cities.

I don't believe that we should be pouring cement into the ground anymore. We can have buildings that are movable. We can have buildings or communities that are circular where you grow your own food or where you have hydroponic agriculture or solar renewable power.

We need to re-envision what our urban habitats look like in a climate change scenario. But one thing is for sure, that it's not really a future scenario, in the sense that climate change already accounts for more dislocation than even civil war and conflict.

We inhabit a world where climate migration is a huge part of the 21st century migration story. And if we add up climate migration, political migration, economic migration, and cultural migration, we will probably see more than one billion people relocating over the course of this century.

If you have to pick just one major technological trend for the year 2022 that will have a far-reaching impact, what would it be and why?

In terms of technological trends for the year ahead, I do think that we are crossing the Rubicon. We are fast hitting the tipping point when it comes to Web 3.0 technologies and the ability of communities to associate with each other, to share assets, and to digitize those assets in a way that creates greater autonomy for them.

Technological and financial companies, their geography, the geography of their talent and innovation, all of those things will be affected by the rise of Web 3.0 instruments. I think this is going to be a very big theme for 2022 and far beyond.