TRENDS

Balance in a Tilted, Technicolour World

Samir Saran & Abhijnan Rej

Futurists often hedge their prognoses with Yogi Berra's dictum that prediction is difficult, especially when it comes to the future. And yet, when it comes to drawing the broad contours of how the future would look like in the medium run, all one needs to do is revisit yesterday's news. The past year saw five meta-narratives emerge around 'asymmetries' between means and abilities, 'multiplicities' of malign and benign norms, and glaring 'contradictions' between aspirations and capabilities. This is true—in equal measures—both at home and abroad.

If predicting the future is a difficult exercise, doing so for Asia is doubly so. Looking at the continent, one sees certain centrifugal forces dominate the centripetal forces that would promote status quo ante when it comes to continuity of norms and practices. These forces correspond to five meta-trends—the consolidation of geopolitical asymmetries; the rise of big economies that are poor in per capita terms and weak states with demographics which are double-edged swords; competing models of globalisation; the continued tug of war between the pre-modern and post-modern; and economic

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The Era of Dangerous Asymmetries

Asia is home to states that have significant military capabilities, but very limited stakes in the liberal international order. Such states cultivate hard military power—and the consequent ability to upend the geostrategic status quo—but have very little ability (and desire) to shape the collective economic order. From the global governance perspective, the challenge, therefore, is to discover means by which these 'military-maximalist' states can be integrated further into international processes.

Consider this. On one hand, out of the nine nuclear powers in the world, six are Asian, including Russia. On the other hand, Asia's share of global gross domestic product (GDP, computed at purchasing power parity levels) is only 35.6 percent, Russia included.[1] The Russian atomic arsenal is actually bigger than that of the United States (US, at 7,500 weapons against 7,200)[2] but its GDP is a small fraction compared to the US GDP.

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China has the world's largest military but it has only 3.8 percent of voting shares at the International Monetary Fund.[3] Pakistan's nuclear arsenal can be put to apocalyptic use, and yet it remains a non-starter as a responsible player in global governance. Then there is North Korea, a nuclear power with absolutely zero stakes in global governance.

This asymmetry—between military capability and limited global governance stakes—becomes more pronounced as one traverses Asia from the North to the South and from the West to the East. To integrate these states into an open world order, it becomes an imperative to further empower the few initiatives in which these states have a stake. For example, Russia has been enthusiastic about BRICS (acronym for association of Brazil, Russia, India, China, South Africa) since it perceives the grouping as a balancing coalition. Irrespective of its perceptions, however, empowering BRICS does increase Russia's involvement in the global governance architecture.

Big, Poor, Young and (In)capable. The Rise of Testosterone Politics

Two of the largest Asian economies, China and India, are poor in per capita terms, the middle-income tag notwithstanding. This tyranny of arithmetic is compounded by the fact that such big economies with relatively poor populations are also growing at the fastest rates. Such states also face significant demographic challenges in terms of growing old and young populations

1 Computed by summing the 2014 GDP share of individual Asian G20 countries in global GDP. "GDP as a Share of World GDP at PPP by Country," Quandl, accessed February 1, 2016, https://www.quandl.com/collections/economics/gdp-as-share-of-world-gdp-at-ppp-by-country.

2 "World Nuclear Weapons Stockpile," Ploughshares Fund, accessed February 1, 2016, http://www.ploughshares.org/world-nuclear-stockpile-report.

3 "IMF Members' Quotas and Voting Power, and IMF Board of Governors," International Monetary Fund, last updated February 1, 2016, accessed February 1, 2016, https://www.imf.org/external/np/sec/memdir/members.aspx#C.

and gender imbalance.

Traditionally, big economies that were also rich in per capita terms assumed significant responsibilities in managing global crises. Today's 'big and poor' Asian countries are unable to respond similarly due to their understandable 'domestic development-first' agendas.

Demographics would continue to limit the commitments that these 'big and poor' states can make to their own populations as well. The United Nations estimates that by 2050, India will have 300 million elderly, more than the current population of the US, while its median age will be 37.[4] This means that the Indian state will have to provide for substantial young and old populations by then. How we design our institutional mechanisms today—from pensions to skilling, from social sector redesign to incentivising market forces to play a greater role in what has been the province of the state—will determine and foil the crowding-out of the old by the young in the future.

If the rise of the young and the old is one challenge, gender imbalance is the other. China's preference for male children—a deep-seated Asian prejudice—has led to 118 boys for every 100 girls (against the global average of 103 to 107).[5] India's gender imbalance now stands as the worst in recorded history—93 girls to every 100 boys.[6] This imbalance points to the rise of testosterone politics, where the voices and imperatives of men will crowd out those of women. They also point to the possibility of deep structural changes in the very fabric of Asian societies.

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The Multiverse of Globalisation

Between the fall of the Berlin Wall in 1989 and the destruction of the New York World Trade Centre in 2001, there was broad consensus that Fukuyama's Last Man having arrived and overseen the end of Hegelian history, Globalisation (with an uppercase 'g') was the magic bullet that would lift billions out of poverty and be the vanguard of liberal internationalism. Things have not turned out to be as simple: What Asia is seeing now are multiple globalisations, characterised by exclusion of the Other.

At the same time, the world is witnessing the rise of a Middle-Kingdom version of globalisation, promoted by China. In this version, China's 'opening outwards' will create a physical web of land and sea routes linking inner China to Europe, cutting through the Asian heartland and the seas. Through its One Belt, One Road (OBOR) initiative, China seeks to export a model of authoritarianism at home and part of global value chains. The US-led Trans-Pacific Partnership (TPP), signed in 2015, is a reactive geoeconomic rebalance to OBOR, which seeks to homogenise trade and remake economic activity in the

4 Prachi Priya and Anuj Agarwal, "India's two-speed demography," *The Financial Express*, January 16, 2015, accessed February 1, 2016, http://www.financialexpress.com/article/fe-columnist/indias-two-speed-demography/30570/.

5 Sui-Lee Wee, "China says its gender imbalance 'most serious' in the world," Reuters, January 21, 2015, accessed February 5, 2016, http://uk.reuters.com/article/uk-china-onechild-idUKKBN0KU0V720150121.

6 "India's gender imbalance 'worst in recorded history'," LifestyleNews, April 15, 2011, accessed February 5, 2016, https://www.lifesitenews.com/news/indias-gender-imbalance-worst-in-recorded-history.

member-states in its own image. Both OBOR—and the partial policy connectivity support, the Regional Comprehensive Economic Partnership (RCEP) will provide it—and the TPP are similar in their exclusionary nature: The US is absent in RCEP, China in the TPP.

Which universe would India choose to inhabit? Would it actively participate in the US-led one, as a "Western power"[7]? Would it be co-opted into China's vision? Or would it—through the dent of soft power and influence—create its own? The forthcoming years will see answers emerging.

Digital Engagements, Feudal Mindsets

The state is back. The patriot is back. The misogynist is back. One of the paradoxical features of the social media explosion is that it consolidates the obnoxious and the obsolete instead of transplanting us into a virtual classless international utopia as it was billed.

One of the reasons behind this is premature de-industrialisation that promoted a leap-frogging from the pre-modern to the post-modern. Whether it is the use of matrimonial sites in India to arrange marriages according to class and caste lines, or the remarkable efficacy of Twitter as free advertising for the Islamic State (IS), social media has consolidated old prejudices instead of upending them.

Authoritarian states have learned—àpres China—that the best way to contain the challenges of social media is by selective and tailored access. The Chinese are happy with Weibo because it offers the surrogacy of experience; the Communist Party of China exists, because of its total control over it.

These bring up an important point. Karl Popper famously identified ideologies such as Marxism as enemies of open societies; could the cult of the Digital—in the sense of being a pawn of constricting mindsets—be another one?

7 C. Raja Mohan, "India and the Balance of Power," *Foreign Affairs*, July/August 2006, 18.

Fissuring of the Link Between Innovation and Consumption

That innovation is key to economic growth is now recognised. The role of technology innovation in increasing individual purchasing power and consumption, however, is becoming weaker than ever, thanks to the ever-important role of global value chains. Simply put, the fruits of innovation, originating in advanced economies, are not contributing to the upliftment of consumers of high-end technology, mostly in poor countries in the global South.

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The Fordist model of industrial organisation was such that the fruits of innovation—the assembly line, to begin with—translated to higher incomes for workers, which in turn made them consumers of the very products they were manufacturing. This virtuous cycle promoted higher standards of living and incentivised continuous innovation. The breakdown of this cycle necessitates course-correction for the current technology and intellectual property rights regimes.[8]

8 Samir Saran, "The Tyranny of Technology: Time to Change Old Systems to Align With New Realities," *The Lowy Interpreter*, December 4, 2015, accessed February 1, 2016, http://www.lowyinterpreter.org/post/2015/12/04/Tyranny-of-technology-Aligning-the-old-with-the-real.aspx.

Conclusion

The five meta-trends identified here can be situated within five crises of global governance the world faces today.[9] These crises are of legitimacy—of international institutions and even national governments failing to deliver lifeline support to their populations; of sovereignty—the ongoing clash between the state and the world; of the collective—the push-and-pull of aggregation and devolution; of identity—where globalisation, instead of dissolving identities, consolidates it; and finally, of representation—where the global South finds itself with a disproportionately small voice in the global governance architecture. The crises of legitimacy and the collective have led to multiplicities of globalisation. The crises of identity have led to the hijacking of information and communication technology to promote global extremism à la IS. The crisis of sovereignty is reflected by the unenviable choices members of mega-free trade agreements such as the TPP face. Finally, the crisis of legitimacy points to nations that have great power to harm the international order without fulfilling their basic domestic obligations.

One needs to watch how these crises are resolved in the coming years—if at all—to determine Asia's, and the world's, trajectory.

9 Samir Saran, "The Global Crisis of Governance: India's Options in a Polycentric World" (Lecture at the Nehru Memorial Library, October 7, 2015).

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