



PERSPECTIVES

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The Fast-Changing Geopolitics of the Planet

by Emil Avdaliani

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EXECUTIVE SUMMARY: Just as the replacement of the steamship by container shipping slashed the cost of moving goods across borders, so the information and technology revolution has facilitated the moving of ideas around the globe, while advances in telerobotics will eventually cause geographical barriers to disintegrate. This will create a powerful force that will affect not only the behavior of humans but that of entire states. What we are witnessing now is nothing short of the coming of a new world order.

Interconnectedness

The quick sharing of knowledge and information in recent times has allowed many emerging countries to become a part of the “global supply chain” phenomenon, in which everything from tiny smartphone components to large industrial components is created. The global supply chain has produced an integrated world network of ports and inland cities across Asia, Europe, Australia, both Americas, and even the deepest reaches of the African continent. China and other Asia-Pacific countries such as Thailand, South Korea, and Vietnam have been at the forefront this phenomenon.

This interconnectedness is now so extreme that economic ripples in, say, China can have effects on economies around the world, particularly in developing countries.

This development is nothing short of extraordinary given that a mere fifty years ago, far-flung peoples and governments did not have to worry about the economies of China, the US, or any other country. The world was simply not interconnected enough.

The robot onslaught, or the fourth Industrial Revolution

Let's go back to China, which has built its economic might on labor-intensive, low-end manufacturing. This model is not going to work as effectively as it did before, but like every other country, China must sustain its productivity if it is to keep up its growth. This is where investments in technology come in, as they raise output and decrease costs.

Technology-driven economies, which depend on advancements in technology and innovation including robotics, are more competitive – but they create a dilemma. In China, low-skilled workers number in at least the tens of millions. They will be directly affected as manufacturing slowly substitutes robots for human workers. The world's most competitive countries are inexorably moving towards robotized production and maintenance, as it is more efficient and cheaper than human labor. We are living through the fourth Industrial Revolution.

World population dynamics

The third major dynamic is the aging of the world's population, a trend that is discernible around the globe. Medical treatment is becoming ever more effective, raising life expectancy, and fertility rates are declining.

In the agrarian worlds of the ancient and medieval periods, big families were an economic asset, as hard work was essential. Nowadays, women are less inclined to bear children, as it is extremely hard to keep up with the high costs. The wider availability of education has also led women to postpone having children as they look after their careers. The number of children born per woman in the developed world has declined to about one to two.

In the developing world, average birth rates vary from three to six children per woman – but there too, a red line will eventually be crossed after which fertility growth will stall. It could happen that by 2050, the global older population will outnumber children up to age 14. This will mean the labor force will decline significantly, causing governments to invest further in technological advances in order to protect their economic growth.

A much more complicated world

Fifty years ago, geographical and political maps were considered excellent tools with which to show students what the world looked like.

Those maps are still helpful to learn where rivers or states are located. But with the interlocking forces of trade, the fourth industrial revolution, and population dynamics at work, the world has become much more complicated. Imagine looking at a map that, along with rivers, mountains, and seas, also shows major

highways, bridges, large factories, trade routes, big ports, airports, and world supply chains across the oceans. By displaying major technological and scientific advances, it would offer a fuller picture of the world we live in.

New maps would also show how geography is no longer as powerful as it was for millennia. Humankind has made too many changes. Progress in military technology has enabled countries to cross mountains and deserts. Internet supply chains set up by global companies like Amazon and eBay have transformed the perception of state frontiers. True, this does not apply to every country on earth – consider, for example, North Korea and Turkmenistan. But it is nevertheless true that for the first time in recorded history, the world has become interconnected through advances in military and scientific technology.

Take the EU, where frontiers play only a minor role and economic progress trumps geography. Or North America, where Canada, the US, and Mexico are already viewed as a future trilateral economic powerhouse where frontiers will fall and joint highways, pipelines, and other infrastructure will run throughout the continent, from Alaska to southern Mexico.

The intersection of population, trade, and technology dynamics creates a powerful force that affects not only the behavior of humans but that of entire states. International affairs are already undergoing profound changes, and the creation of direct spheres of political influence is becoming ever more difficult. Although analysts like to talk about Russian foreign policy successes, Moscow has in fact experienced continued disappointment as its sphere of influence has diminished.

States, even those that are economically semi-reclusive, do not want to be cut off from global trade, supply chains, and scientific and technological advancements. The alternative would be profound backwardness. We are seeing just how much the world has changed over the past 100 years and are witnessing the coming of a new world order.

Emil Avdaliani teaches history and international relations at Tbilisi State University and Ilia State University. He has worked for various international consulting companies and currently publishes articles focused on military and political developments across the former Soviet space.

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