CYBERQUAKE!! • BLACKS IN PRISONS • SIR ROBERT COOPER ON SHAKESPEARE

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Go Forth and Learn

As *The American Interest* begins its 13th year, magazine and online both, our original purpose remains unchanged: We seek to explain America to the world and the world to America; and to do it through an ideologically unfettered, problem-solving orientation. As always, we use history leaned forward and social science admixed with the vast and varied experience of our authors.

We aspire to go beyond explanation from time to time to propose reform in both domestic and foreign policy. As a recent case in point, the July-August issue is rich with specific ideas for *genuine* health care reform, and offers specific proposals to fix the State Department and shore up the U.S. nuclear deterrent. The issue you see before you, however, only implies policy prescriptions, for it takes on questions of great difficulty and significance—we must truly understand a challenge before we can have an inkling of how to solve it.

The first of these questions boils down to how rapid and widely spread technological change is making mincemeat of our accumulated stock of knowledge about how political and social worlds work. Disintermediation is an old phenomenon, but in its current global form, hitched to hyperconnectivity, it is propelling us outward into heretofore unimagined places. The same technologies pointed inward, so to speak, are also busy disarranging the stabilities of our personal emotional lives, creating intergenerational cleavages we struggle to grasp. Beware: These two essays, if taken to heart, may well keep you up at night.

A second question concerns the derangement of our political vocabulary of the moment. Is all nationalism populism, or is nationalism only populism when it rushes upon us in recoil from globalist idealism unhinged? Are current manifestations of what is commonly presumed to be both populism and nationalism congruent with the generic label "conservative"? The short answer is no, and knowing the distinctions is, as usual, far more useful than any number of lazy conflations. Enlightened conservatism, insofar as it still may exist, is neither static nor populist—as the two essays in our "Up and to the Right" section illustrate, each in their own way.

The third major question treated in this issue concerns the West's institutions of higher learning—specifically, what seems not quite right about them lately. The three essays in our "Academentia" cluster investigate different aspects of this subject—none of them, mercifully, obsessing on the by-now hackneyed plaint concerning political correctness and associated assaults on free speech and open debate. Not that these problems are imaginary; they're not. It's just that they do not begin to exhaust the topic, properly defined.

I have tended over the years to use the review section to broaden the shoulders of *The American Interest*, even thereby admitting some entertaining lighter fare into our pages. Not this time. If you think parsing the sources of inequality, of the mass incarceration of African-Americans and the racist history of American eugenics, and plumbing the depths of Shakespeare's approach to politics are examples of lighter fare, then you probably pursue more serious hobbies than I do.

We do not apologize for the focused and serious character of this issue. These are seriously troubled times, after all. So, as a certain ancient religious pamphlet adjures: "Go forth and learn."

CONTENTS

THE AMERICAN INTEREST • VOLUME XIII, NUMBER 1, AUTUMN (SEPTEMBER/OCTOBER) 2017

CYBERQUAKE

UP AND TO THE RIGHT

ACADEMENTIA

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REVIEWS

The unpredictability of the current global system goes all the way up, and all the way down.

Flattened: Disintermediation Goes Global

Dee Smith

> The sense of tragedy is that the world is not a pleasant little nest made for our protection, but a vast and largely hostile environment, in which we can achieve great things only by defying the gods; and this defiance inevitably brings its own punishment.
>
> —Norbert Wiener

Whatever else one can say about Donald Trump, he is the first disintermediating U.S. President. His campaign, which got him elected at relatively modest expense (much of which, in effect, he paid back to himself by hiring his own companies), sidestepped the entire political-industrial complex of pollsters, fundraisers, and political advisers, all of whom now fear for their future careers. He talks to the public through his tweets, thus cutting out not only the mainstream media (at least when it comes to communicating with his supporters) but also the traditional panoply of presidential advisers and filters. As Pippa Malmgren recently said:

> [H]e is the Uber of politics. He is disintermediating, disrupting, displacing the traditional power structures at every level. And all of these people are deeply upset and uncomfortable, just like taxi drivers.[1]

Trump's disintermediation comes with costs, of course, especially in the foreign and national security domains. The tweets, the shoot-from-the-hip statements in press conferences, the erratic behavior with heads of state, add up to what has been called "shock-jock diplomacy."[2] That's another term for Trump's

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[1] "Building a New Future Framework," video interview with Pippa Malmgren by Dee Smith, Real Vision Television, March 7, 2017.

[2] Lori Esposito Murray, "Trump's 'Deterrence Bounce' and the Dangers of Shock-Jock Diplomacy," *Foreign Policy*, March 15, 2017.

dismissal of the interagency process, which is designed to deploy institutional memory to deliberate about, design, and package sound policy. He has delegated vast stretches of those domains to the Pentagon and uses a skeletal White House staff to ignore nearly all of the rest. Trump is the Disintermediator-in-Chief.

What Is Disintermediation?

But what do we mean by disintermediation? Is it just a highbrow term *du jour* for a kind of innovation that has gone on since time immemorial, or does it really reflect something genuinely new? The answer is both.

The most general definition is that disintermediation is innovation that undermines established or incumbent structures. It cuts out the middleman or middle layers of a process. In that dispensation, it has been around a long time. The invention of the ard, or scratch plow, in the ancient Near East around 6,000 BCE—and the concomitant domestication of cattle—may have put as many as 25 percent of farm workers out of a job and sent them packing to new lands to use the ard themselves. The invention of movable type in the 15th century, leading to the availability of many more books and to rapidly rising literacy, diminished the clergy's monopoly on scriptural interpretation. Sometimes the layers done away with are subtler: The invention of the Colt 45 revolver narrowed the advantage of the strong man over the wimp to nearly nothing. It's not that layers of *people* disappeared, but layers of *power distinctions*.

Ideas as well as inventions (and technique, as distinct from technology) can disintermediate, too. Modern democracy's impact on incumbent hereditary governance—connected, usually, to religiously based authority structures—substituted a different and thinner (in terms of class barriers) form of mediation for a much thicker form. The rise of an anti-slavery norm in the West in the 19th century put an entire industry connected to the slave trade out of business.

Yet another way to define disintermediation is in terms of its economic effects: innovation that undercuts the established pricing structures of goods, services, or activities. The accelerating decline of brick-and-mortar retail shops and banks is one example. And the large retailers that preceded them, going all the way back to Montgomery Ward and Sears, not to mention Walmart and Costco, have been disintermediators, too, because they flattened supply chains with a vengeance—first nationally, then worldwide, and now in cyberspace: Online retailer Jet.com, owned by Walmart, represents the "next generation" in this chapter of the story of disintermediation.

But disintermediation is not just about price. The trend in high-end neighborhoods to establish clubs to exchange or buy "previously owned" designer clothes is partly about price but also about building *ad hoc* functions within communities in order to "thicken" those communities. People who would not be caught dead in a resale shop now regularly buy used clothes, but no vendors as such are involved and, so far, no taxes are collected. This is hyper-local disintermediation, and a form of it that *changes social behavior*, a key point to which we return below.

Disintermediation has some unfortunate effects, as do all forms of economic disruption. It kills certain jobs, even as it creates others. Consumers like AirBnB and Uber, but hoteliers and taxi drivers don't. Disintermediation also has benign effects, like undermining oligopolistic pricing structures, which amount to market manipulation and price gouging. Until recently, hearing aids were comparable in quality and consistently expensive across a range of sellers. Then, in 2012, Costco started selling hearing aids, offering devices similar in quality and often made by the same manufacturers; it also offered the same kind of in-store hearing tests as the incumbent providers—all at about half the price. To say that this has created a sense of concern within the audiology guild would be an understatement. But why should mostly elderly people, many on small fixed incomes, have to pay double for the same product and service?

Obviously, most contemporary examples of disintermediation differ qualitatively from all that have gone before. That is because they rely on the combined technologies of network connectivity with databases and modern search-engine technology and, in some cases, with radically new algorithms. Bitcoin relies

on blockchain technology, which enables any size or volume of transactions without need for accountants, lawyers, brokers, bankers, or any other aspect of established financial transaction systems. As Marco Iansiti and Karim Lakhani put it in a recent *Harvard Business Review* article:

> [B]lockchain is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. The ledger itself can also be programmed to trigger transactions automatically. . . . With blockchain, we can imagine a world in which contracts are embedded in digital code and stored in transparent, shared databases, where they are protected from deletion, tampering, and revision. In this world every agreement, every process, every task, and every payment would have a digital record and signature that could be identified, validated, stored, and shared. Intermediaries like lawyers, brokers, and bankers might no longer be necessary. Individuals, organizations, machines, and algorithms would freely transact and interact with one another with little friction. This is the immense potential of blockchain.[3]

The authors then explain why this revolution will be slow in coming and may not come in the way its prophets predict. But if it does come, its impact will be in terms of quantity instead of quality, for the history of finance is replete with examples of disintermediation: Bill brokerage in 19th-century England and the much older history of letters of credit, to consider just two examples, show how innovations in technique can replace certain kinds of players with new and fewer ones.

If disintermediation were just a fancy-sounding word to describe something that has been going on in one form or another for many centuries, it wouldn't be nearly as interesting as a social or political phenomenon—and, indeed, many supposedly revolutionary examples of contemporary disintermediation are not particularly interesting. Being able to book trips without a travel agent, for example, certainly changes the way we do things, but processes of innovation that put people working in incumbent systems out of their jobs are not new. These are the stuff of business-school clichés: the replacement of the horse and buggy by the car and what that did to horse whip and saddle manufacturers, and so on and so forth, *ad nauseam.*

But disintermediation is more than that today. If we define disintermediation as innovation that undermines established or incumbent structures *and thereby changes social behavior*, then it is becoming, perhaps, too interesting in the colloquial Chinese sense. And that definition focuses our attention on two issues in a class by themselves: the disintermediation of not just certain employment niches but of work itself; and the disintermediation not just of certain social classes defined by their siting in certain work niches, but of society itself.

The Disintermediation of Work

Whatever less well-educated and recently politically mobilized folk in the West may think, job offshoring and unbridled immigration are no longer the main sources of job loss. According to most reliable sources, about 88 percent of job loss from 1990 through 2010 has been due to increasing productivity: automation, robotics, and more efficient processes.[4] A robot does the work of seven lathe operators and needs only one person to oversee it (who, by the way, needs a different skill set than a lathe operator). Ticket machines at the entrance to an airport eliminate dozens of customer service jobs, and so forth.

More daunting, each new estimate raises the number of jobs that robotics will eliminate. A recent study based on World Bank data gives the highest number yet: 57 percent of jobs cashiered by automation within the next twenty years, and not just working-class jobs.[5]

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[3] Iansiti and Lakhani, "The Truth About Blockchain," *Harvard Business Review* (January–February 2017).

[4] "Globalization and the American Workforce: A Conversation with Gregory J. Hayes," Council on Foreign Relations, November 1, 2016.

[5] "Technology at Work v2.0: The Future Is Not What it Used to Be," Oxford Martin School/Citi (January 2016).

White-collar jobs are already being eliminated. A French company called Yseop, for example, describes itself as "an artificial intelligence enterprise software company whose natural language generation products automate reasoning, dialog, and writing in multiple languages." Its software can already write creditable reports on real estate offerings and other documents that once would have required educated humans to compose. At present, it is limited effectively to reports generated from structured data, but software engineers are working to overcome such limitations.

Like the 20th-century communists who failed to realize that their revolutions were themselves subject to revolution, work disintermediation itself is subject to disintermediation. So, in what will doubtless be seen as a huge gift to the annals of postmodern irony, software programmers are now under threat of being replaced by the software they themselves have engendered. Software that writes software already exists, and, of course, because it is much cheaper and creates no HR problems, it is a growing presence. Those whom many see as the progenitors of modern disintermediation are now in the process of disintermediating themselves.

On balance, however, there's nothing humorous about what this portends. What will human society be like if anything close to three out of every five jobs are eliminated over a relatively short period of time? Who, in societies like the United States, is responsible for considering the long-term social and political implications of the short-term and highly dispersed market decisions that might produce such an outcome?

The American political class, of course, should bear that burden. Some within that class—along with the assorted wonky associates of it—are increasingly enthused by the concept of Universal General Income, or UGI. In essence, you just pay everybody a living wage to do nothing, and in that way sustain aggregate demand. It is an old idea, of course, that used to go by the terms "negative income tax" or "guaranteed national income." Leaving aside whether the economics could possibly work amidst a cost-disease epidemic, the question it begs is what kind of society it would produce.[6]

The question isn't new either. In the early 20th century, the artist Fernand Léger dreamed of a new machine age. Machines had a dual appeal: Their functional, crisp forms struck many as beautiful, but they also generated utopian hopes for a world in which workers could be freed from the repetitive tasks that plagued their lives. But even back then, some worried that a life without work meant a life without purpose. And since that time we have produced research to back up the concern. High unemployment is irrefutably related to many social ills, up to and including crime and susceptibility to extremists' warped sense of meaning. Struggle creates meaning for human beings, and different kinds of struggle create different kinds of meaning. It's not about the money so much as the work itself. The disintermediation of work on a massive scale seems more likely to create hell on earth than a utopia.

The Disintermediation of Society

Another, even more expansive kind of disintermediation concerns society itself, and here the additive agent with which we need reckon is hyperconnectivity—a term coined by two Canadian social scientists in the late 1990s.[7] I mean by the word the technological interconnection of everything at ever-faster speeds, with ever more content, ever more exposure, and ever greater levels of incomprehensibility—in short, almost an information singularity.

The hyperconnectivity revolution has knitted the world together in a way that was inconceivable to past generations. In so doing, it has arguably disintermediated a series of critical elements on which complex human societies have always been based. This, in turn, is

[6]Scott Alexander, "Notes on Cost Disease," *The American Interest* (May/June 2017).

[7]Anabel Quan-Haase and Barry Wellman, "How Computer-Mediated Hyperconnectivity and Local Virtuality Foster Social Networks of Information and Coordination in a Community of Practice," International Sunbelt Social Network Conference, Redondo Beach, California, February 2005; Jesse Russell and Ronald Cohn, "Hyperconnectivity," Miami: Book on Demand, 2012.

changing the nature of human relations, discourse, and organizational structure so fundamentally that we are well beyond any experience of human history.

This claim may seem hyperbolic. But although this transformation is the very air we breathe each day, we are so close that it is hard to come to grips with the real scope and speed of the hyperconnectivity revolution. But let's try.

Saying there are trillions of potential connections is not hyperbole; there are more, in fact. More than five billion mobile phones are now owned by the world's roughly 7.5 billion people (to say nothing of personal computers, laptops, and other devices belonging to the growing "internet of things"). At least in theory, each of these five billion mobile phones can connect with any other: a universe of more than 10^{19} potential connections. And none of that takes account of the transformation of physical or material connectivity. Travel and shipping links have exploded exponentially during the past fifty years. Commercial airlines alone move about four billion passengers around the world every year, who carry everything from goods and skills to ideas and diseases.

While disintermediation is mainly about flattening structures, hyperconnectivity has flattened distance, isolation, and privacy, replacing them with a constant in-your-face conjunction-at-a-distance, transparency, and exposure. The problem is that these changes, although they have accelerated for the past three decades, have been just incremental enough that the causal relationships have been hard to see until now.

We are only just beginning to understand the key changes and their implications, but for now we can safely say that hyperconnectivity subverts leadership and all social authority ultimately derived from it. Throughout history, leaders have often been seen as holy, or set apart. The concept of the "god-king" as the representative on earth of a heavenly or transcendent order was a formative structure in the development of almost all known complex societies. Up to the present, with the divine right of kings now centuries past, most people have respected leaders as possessing natural qualities of a different order, whether they became leaders via democratic processes or not. The hyperconnectivity revolution has broadly exposed the fact that, as a group, leaders are just like the rest of us—albeit with better salesmanship and more skill in motivating and manipulating others. There is just as much venality, pettiness, corruption, avarice, and dishonesty among leaders as there is in the general population—maybe more.

Now, for example, ordinary citizens can spot their Minister of Education visiting the Hotel George V in Paris (on tax dollars), snap a photo, and transmit the image to millions of countrymen in the time that it takes said Minister to walk though the hotel lobby. In the past, most people would not have even known what their government ministers looked like, let alone have been able to document their lavish lifestyles and, at the press of a button, inform the world of their actions. Hyperconnectivity and transparency have changed all that.

Obviously, leadership still bestows privileges, but in the age of hyperconnected transparency, the exposure of any given leader's privileges can serve to undermine all leaders. In July 2016, for example, a French magazine published the fact that the hairdresser of François Hollande—the *socialist* President of France—earned almost $11,000 per month. The news instantly went viral, and Hollande's popularity plunged to new lows.

In short, a substantial and growing portion of the human population sees that its gods on earth have feet of clay, giving rise to a crisis of faith in all leaders. That crisis, arguably, is what enabled someone like Donald Trump to become President of the United States: He was running against a leadership class whose cachet has been radically devalued by disintermediated shrapnel.

Alas, the world that Orwell imagined, in which everyone is under constant scrutiny, does not after all need an authoritarian government to impose it from above. Indeed, some of its earliest victims are leaders themselves. How can any leader withstand the harsh glare of transparency? What leader can govern when the transparency saints are hell-bent on revealing every broken promise or leaking every private exchange? What political leader can obey the dictates of the fairness god when the

unfairness of reality is being shoved down everyone's throat 24/7? But we already know the answer to these questions: the kind of leader who cares little for consistency, keeping promises, or fairness.

Nor is scrutiny the whole of it. "Fake news" has become a *cause célèbre* almost overnight, and that is because, along with the decline of awe over leadership, the social authority of truth has itself been undermined. In his 2014 book *World Order*, Henry Kissinger was (not for the first time) prescient:

> Western history and psychology have heretofore treated truth as independent of personality and prior experience of the observer. Yet our age is on the verge of a changed conception of the nature of truth. . . . Two different people appealing to a search engine with the same question do not necessarily receive the same answers. Nearly every website contains some kind of customization function based on Internet tracing codes designed to ascertain a user's background and preferences. . . . The concept of truth is being relativized and individualized—losing its universal character. Whatever the utility of this approach in the realm of consumption, its effect on policymaking may prove transformative. . . . Can democracy avoid an evolution toward a demagogic outcome based on emotional mass appeal rather than the reasoned process the Founding Fathers imagined? If the gap between the qualities required for election and those essential for the conduct of office becomes too wide, the conceptual grasp and sense of history that should be part of foreign policy may be lost.

One can quibble with bits of this. The point about search engines is sound, but the same goes for almost any book, to wit: "Two different people appealing to a book with the same question do not necessarily receive the same answers." And indeed, what passes for "truth" by members of different political parties, religions, social classes, and other human factions has always been variable. Yet nearly all such groups regarded *their* truths as universally valid; not everything had been relativized as now seems increasingly to be the case. In any event, Kissinger's premonition about the nature of the Trump campaign still shows remarkable insight.

Neo-Tribalism and Centrifugal Society

One might think that the present global hunger for strong or authoritarian leaders contradicts the point that leadership has been undermined—but it does not. While more complex forms of leadership have been in place for thousands of years, a much older form of political order continues to this day: tribalism. The trend toward authoritarianism reflects the weakening of complex modern societies, whose defining hierarchical relationships are collapsing thanks to the combination of disintermediation and hyperconnectivity; it is a siren of premodern identity politics that amounts to a form of postmodern neo-tribalism.

Tribalism describes a characteristic social structure well known in cultural anthropology. Though actual tribes encompass a complex and hugely varied set of social phenomena, a few generally consistent elements exist: Communal agency trumps individual agency; the arts are integrated into the main religious culture; and responsibility and guilt are collective, rendering most tribal societies shame societies rather than honor societies. In-group/out-group distinctions are generally vivid, and endogamous marriage is both preferred and common.

The result is that, for many traditional societies, outsiders are enemies by default until proven otherwise. A first encounter often leads to a discussion aimed at finding relatives in common in order to avoid immediate, often violent conflict. Inter-group conflict is in fact common and frequent enough to say that small-scale warfare is often endemic and in many cases almost ubiquitous. Perhaps most important, micro-ethnic identity can be extremely strong; members of what would appear to outsiders as two almost identical villages a few miles apart often see themselves as entirely distinct, and often see the "other" as a potential threat if not as an enemy.

These interactive characteristics of tribalism predate the half dozen or so millennia of more complex, hierarchical human social

organization by as much as 300,000 years, according to the latest archaeological evidence. This kind of group or "ethnic" identity, and the behaviors that flow out of it, existed in hominids far earlier than the arrival of *homo sapiens,* and something analogous exists in primates today. Current-day authoritarian leaders often play into this deeply entrenched tribal need for group identity that appears to be biologically (or socio-biologically) innate to humans. Constructivists may argue that there are many culturally determined "human natures," and this may well be valid, but there is also much evidence for fundamental, species-wide shared characteristics. The yearning for simple, unitive solutions, the desire to be led, and the will to believe that a strong leader can solve all problems did not, after all, come from nowhere.

The only wonder is how Western leaders could remain so clueless about tribalism, the default social structure of humanity.

So while budding postmodernity makes leaders' lives near to impossible, premodern urges exalt them. Western publics have a hard time understanding how thuggish leaders like Putin and Orbán and Erdoğan can be so popular at home, but there is really no mystery about it at all. Western policies urge the territorial unity of weak states with heterogeneous societies rent by civil war, like Iraq and Syria, and then Western leaders wonder why such policies turn out to be futile. The only wonder here is how they could remain so clueless about tribalism, the default social structure of humanity (but not of an American society born in the very womb of modernity).

Hyperconnectivity makes the reversion to identity/tribal politics much easier, but that is not all it does. It also encourages the creation of *new* tribes, albeit based not on kinship but on constructed affinities: the organization of people into communities with shared attributes and beliefs. But these are not physical communities. A French friend recently told me that he had much more in common with people who shared his particular interests in Los Angeles, Buenos Aires, and Kuala Lumpur than he did with many of his compatriots in France. "So," he asked, "what does it actually mean now to be French?" When you couple a remark like that with the fact that some people in France now identify fiercely with "being French"—meaning being culturally French as opposed to the culture they ascribe to descendants of immigrants from North Africa who are nevertheless French citizens for having been born there—the complexity, contradiction, and polyvalent cognitive dissonance of what is transpiring starts to become apparent.

Hyperconnectivity allows people in the same place to differentiate their identities from one another, and people in very different places to conjoin their identities. From time immemorial, human social organization has been based primarily on place, on the physical location where people lived. There were exceptions to the rule: Jews after the second century of the Common Era became a very successful transterritorial civilization, for example. But communication and transportation challenges kept exceptions to a minimum; it could take years to complete a message cycle or a physical exchange of goods.

Now we have an astonishing "time compression" thanks to the disintermediation of hyperconnectivity, and the dialogue it enables is orders of magnitude more intense, the scope is much broader (almost everyone is participating, from drug dealers to stamp collectors), splintering is pronounced (many more affinity groups with variations that seem slight from the outside), and the possibility of group anonymity (secret societies, in other words), aided when necessary by Tor browsers and the like, has grown. Hyperconnectivity scrambles the significance of place in other ways, too; for example, the demonstration effect of showing desperately poor or oppressed people what others have, and how to get

to where they have it, is certainly accelerating migration trends, and providing for a never ending, always intensifying, and corrosive version of social comparison, now internationalized direct from the screen of everyone's device at home.

All of this is eating away at the shared core of ideas and values that have undergirded the organizational structures of modern nation-states. That in turn seems to be hollowing out the shared center of societies built on accretions of accommodation and compromise, pushing political expression to the extremes. It seems to be creating, in other words, a centrifugal world of smaller and tighter groups pushing each other apart.

The Ouroboros

That is what disintermediation-hyperconnectivity phenomena are doing at the level of discrete societies. They are also doing something similar on the larger global level.

Globalization is a condition; globalism is an ideology based on a set of beliefs holding that a globalized world produces better outcomes for more people overall than a more protectionist, isolationist world. The ideology is essentially old-fashioned functionalism raised to dizzying heights, which, of course, does not make it anymore correct than the original. The ideology gains strength and adherents as a product of the disintermediation phenomena of hyperconnectivity; the proliferation of advocacy creates it own echo, its own buzz, and hence its own self-confidence.

But there is a problem, as there has been with hubristic spirals since the days of the Tower of Babel. There is a direct relationship between complexity and unpredictability; hidden connections between tightly coupled things only emerge when the unexpected happens. The twin forces of globalization and hyperconnectivity, having created a complex world without historical precedent, have become so unpredictable that failures to forecast events have become ubiquitous. Globalization does not just apply to markets and trade. Risk becomes globalized as well and, at certain parameters, stochastic risk becomes structural uncertainty. In a world of interlinked markets, every asset is potentially correlated in some way with every other asset, at least in terms of immediate effect—even assets that are very different in kind. How do we deal with the possibility that what in the past would be a contained decline in some asset class or region can now pull everything else down with it? Under such conditions, interdependence can produce insecurity and defections, not confidence and cooperation.

Nature displays a range of failsafe breaks or buffers between and among living systems. Should, for example, some species of fish become vulnerable to a pathogen and die out, the entire food chain does not collapse. It reorganizes and adjusts. That is roughly analogous to a global economy in which various niches and regions could rise or fall without implicating the entire world. Now that we have integrated heretofore-discrete business cycles into one great system, we have destroyed the buffers that also used to exist, meaning, in a sense, that human beings are dumber than fish. We are now vulnerable to "risk cascades" because complex financial instruments tie all markets and economies together, often in ways that are undetectable until an event exposes them. Thanks to the extent of hyperconnectivity today—many times what it was a mere nine years ago—the evaporation of trillions of dollars of real estate value would cascade around the globe, very probably imploding global markets in seconds.

The problem applies not just to economics but also to geopolitics—and to the connections between the two. Even a small accidental military encounter in the South China Sea between China and Japan, or South Korea, or the United States, could disrupt just-in-time inventory supply chains in ways no one understands. A certain kind of terrorist attack, like a dirty bomb set off in a city, and even a certain kind of natural disaster, could produce similar effects.

Why are global elites seemingly oblivious to such dangers? For one thing, the cosmopolitan mindset expressed in the rules-based international order, and in economic globalization that has arisen over the past half century or so, expresses a basic human yearning for universality. And, very likely, the confirmation bias and "echo-chamber" effects easily afforded by hyperconnectivity in general, and by social media in particular, magnify this tendency within that echelon as never before.

Besides, we have evidence that this is simply "the way things are" now. People of noble intentions can organize their meliorist impulses on a global scale as never before—and what's wrong with that? Indeed, it is hard to overemphasize how much of the world we live in depends on the interconnected web and rule-set of globalization. For example, without the interlocking system of international protocols developed after World War II, modern air travel and shipping across borders would be impossible given the risk of planes regularly being shot down as they entered unfriendly airspace, or would only be possible with inordinately long delays. And in a world that is awash in rising biological threats (bio-error and bio-terror as well as emergent diseases), some kind of supranational authority at least on that matter would seem, logically, to be required. Who wants to give up all that?

But we do not have such a supranational authority and, given the strength of neo-tribalism in a riven and skittish world, we are not likely to anytime soon. What this and many other examples show is that the disintermediation phenomenon joined to hyperconnectivity has brought us to an age of discontinuity, dichotomies, and massive cognitive dissonance. Its very nature produces these. For example, not only does hyperconnectivity undermine authority, it also makes it easier for authorities to track and crack down on those undermining the social order that authorities want to uphold. It brings greater innovation, wealth, cultural awareness, and sharing, but it also brings us a world of joblessness, greater divisiveness, bias, intransigence, and even ungovernability. The technologies of disintermediation are mostly not bringing us together; they are pushing us apart. Or more precisely, they are bringing us together in ever more atomized affinity groups that are pushing themselves apart. The middle is not holding so well because the disintermediation phenomenon is inherently paradoxical: It magnifies tendencies in many things that move in opposing directions. In doing so, it creates a much more volatile situation within all communities from the personal to the business, and from the local to the global. It is the most intense expression yet in human civilization of a literally artificial proximity for which we are unprepared in evolutionary terms.

The result of the division of the world—within countries and among them—between advocates of globalism and neo-tribalism (with many a reasonable liberal centrist stranded in the middle, asking why everyone seems to have gone mad) adds a huge dollop of unpredictability to what is already a highly complex and fragile state of affairs. We may end up in a situation in which very new technologies are deployed to pursue very old enmities—if we have not already arrived there. Not only are markets and politics becoming unpredictable, so are the broad directions that we believe things like technology and "progress" are taking (techno-optimists notwithstanding).

The technologies of disintermediation are mostly not bringing us together; they are pushing us apart.

The ancient Chinese claimed that all things produced their opposites as they reached their most intense expression. It will be the paramount irony of an ironic age if the maximal expression of a globalized world ultimately proves to be its undoing.

The unpredictability of the current global system goes all the way up, and all the way down; nothing can be taken for granted. Globalization, having consumed the quaint arrangements of mere modernity as an appetizer, may soon end up eating its own tail like the ouroboros, the mythical snake of ancient Egypt. The prospect poses perhaps the ultimate question: Are we as human beings what we hope we are, or what we fear we are? No doubt the future will tell us.