

38 VALDAI PAPERS

December 2015



THE NETWORK AND THE ROLE OF THE STATE

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Introduction: The Network and Freedom

Earlier this year in California I had a conversation with an investment banker, looking out from his 40th floor office over San Francisco Bay. We talked about the information economy. The information economy is the engine of 21st Century capitalism. It underpins global economic growth and opportunity.

The information economy both rides on, and fuels, the growth of what I am calling the Network – which includes the Internet (including the coming Internet of Everything), social media, and all the connected devices that send, receive, store, or process information in digital form.

Our conversation centered on the effects the information economy is having on global society, reflecting that, for twenty years, much has been said about how globally connected devices and information are changing, flattening, and democratizing social structures. To cut to the chase, in this lofty conversation we concluded that, while the Network has many liberalizing effects, they are neither uniform nor universal.

In development literature, the concept of the “revolution of rising expectations” suggests that increasing awareness of how others live creates a new vision of the possibilities of human existence. And the Internet, like radio and television before it, feeds that revolution in developing economies around the world.

For the foreseeable future, capitalism in some form will be the economic system on which that revolution depends. That future feeds, and feeds on, the Network.

However, the linkage between the Network and the political revolution that is democracy is less direct. Certainly the voice of citizens as consumers, as members of the emerging global middle class, speaks loudly in national capitals. Yet contrary to what has been an article of faith since the Internet’s origin – the Network can be used not only to move societies to greater freedom, but to greater centralized control.

On the freedom side, we remember fondly John Perry Barlow, a musician for the rock band the Grateful Dead, who in 1996 wrote the “Declaration of the Independence of Cyberspace,” which began:

Governments of the Industrial World, you weary giants of flesh and steel, I come from Cyberspace, the new home of Mind. On behalf of the future, I ask you of the past to leave us alone. You are not welcome among us. You have no sovereignty where we gather. We have no elected government, nor are we likely to have one, so I address you with no greater authority than that with which liberty itself always speaks. I declare the global social space we are building to be naturally independent of the tyrannies you seek to impose on us. You have no moral right to rule us nor do you possess any methods of enforcement we have true reason to fear.¹

¹ John Perry Barlow, “A Declaration of the Independence of Cyberspace,” Electronic Frontier Foundation, February 8, 1996, <https://projects.eff.org/~barlow/Declaration-Final.html> (accessed November 18, 2015).

More recently, I had a long conversation with a senior U.S. government official who agreed that the Network feeds liberalization in the economy and promotes economic freedom. He argued that this economic change leads to the rise of an entrepreneurial class, upon which follows the emergence of civil society, a precursor of political freedom. This worldview underpins the position expressed by U.S. Secretary of State John Kerry speaking in Seoul in May 2015:

The United States believes strongly in freedom – in freedom of expression, freedom of association, freedom of choice. But particularly, this is important with respect to freedom of expression. We want that right for ourselves and we want that right for others even if we don't agree always with the views that others express. We understand that freedom of expression is not a license to incite imminent violence. It's not a license to commit fraud. It's not a license to indulge in libel, or sexually exploit children. No. But we do know that some governments will use any excuse that they can find to silence their critics and that those governments have responded to the rise of the internet by stepping up their own efforts to control what people read, see, write, and say.²

Yet, there is evidence that the Network is not so clearly biased towards freedom. In this guise, a paragraph from the latest Russian Military Doctrine is informative. Under a section entitled, Specific Features and Characteristics of Modern Military conflicts, the Doctrine argues that military command and control is undergoing:

Strengthening of centralization and automation of military forces and weaponry as a result of a transition from the rigidly vertical command management to global, networked, automated systems of management over military forces and arms.³

That is to say, in the hands of command-oriented, connected managers, the Network can be used to create a highly distributed control system that strengthens centralization of management.

The U.S. has also learned this lesson in its recent wars. The Network creates a “revolution in military affairs” in several dimensions. First, making “every gun a sensor” can empower local field commanders with greatly enhanced situational awareness, and potentially autonomy, subject to the nuanced discretion of the central command authority. Similarly, the ability of the center to know in real time what is happening in-theater sometimes depends as much on CNN as on chain-of-command reporting. At times, mid-level field officers may get queries from headquarters regarding incidents they have not yet heard about from their own front-line troops. These dynamics feed the center’s tendency to take over operational management of far-flung situations.

² John Kerry, “An Open and Secure Internet: We Must Have Both,” Remarks at Korea University on May 18, 2015, U.S. Department of State, <http://www.state.gov/secretary/remarks/2015/05/242553.htm> (accessed November 18, 2015).

³ Military Doctrine of the Russian Federation. Subsection 15, para (e) – http://www.mid.ru/foreign_policy/official_documents/-/asset_publisher/CptlCk6BZ29/content/id/976907.

This cluster of innovation is also being adapted to civilian life – in this case, to national governance.

Today we can observe this shift most clearly in China, where a new form of network-enabled governance is having its field trials. Most Chinese have access to mobile phones. These devices tell the center where they are. They also create an unprecedented sensor network – to the point that President Xi Jinping’s fierce campaign against official corruption, including in State-owned enterprises, is taken to a new level of effectiveness by the ability of 600 million “citizen journalists” to take pictures of inappropriate behavior by hapless officials caught in the act.

In some ways, little has changed. For centuries Beijing and provincial capitals held sway across the Middle Kingdom through a network of local functionaries – merit-selected civil servants from across China, and later, party cadres. A principal function of these agents was to act as the local eyes and ears of the center, and as its representatives in matters of rule interpretation. Today this middle management layer is being “disintermediated” in governments around the world, in the same way that layer has already been eliminated in Internet companies in favor of direct, Network-enabled communications between customer and seller.

This disintermediation is the foundation of the new organizational structures that are a key factor in the success of Silicon Valley. As Walter Isaacson argues in *The Innovators*, one of the most important innovations was a non-hierarchical culture of organization. Some argue that this new form of network-enabled governance is merely paving the cow path, that is, automating the old ways, in this case those of repression. A Russian colleague told me recently, “the KGB always knew what people were doing, and thinking. That information informed its actions and those of the center. The Network merely enhances this capability.”

Yet, I do sense, at least in China, the emergence of a new form of democracy, if one can call it that. It is not the Western, representative, parliamentary democracy that comes out of Enlightenment values which celebrate the individual and lead to “one man, one vote.” Nor is it the dictatorship of the proletariat. Instead, it is a pragmatic, network-informed centralization that, on a good day, recognizes that you can get more done if the people are with you than if they are against you.

What You Read Is Who You Become

Of course it can be easier to keep the people with you if you can influence what information they consume.

Contrary to myth, Chinese authorities do allow anti-government comments to be posted on the Internet. Chinese netizens may and do complain on the Web about policies at every

level of government. What is blocked is not opinion, but its uncontrolled propagation – which could have the effect of organizing unrest. Bloggers whose posts are read by more than a certain number of people may be subject to prosecution. This approach is consistent with the foundational precept of the modern Chinese political system – that the Party is responsible for the welfare of the People, and that anything that would undermine the Party – in particular, political instability or unrest – is antithetical to social welfare.

The concern about Internet content is not limited to the East. Every June in Strasbourg, France, 300 police, prosecutors, judges, diplomats, attorneys, and engineers from Western countries and their former colonies meet to explore better ways to combat cyber-enabled crime. I call it “cyber-enabled” because there is really very little “cybercrime.” Most cybercrimes are just regular crimes – theft, fraud, trespassing, destruction of property – committed with electronic tools over the Internet. It’s still the safest way to rob a bank.

But this year, the energy had shifted in a new direction: criminal speech. How to prevent terrorist recruitment and violence facilitated by the Internet was Topic A among cyber cops, especially in Europe. As it moves to balance the role of the State in controlling free expression, Europe, the cradle of human rights, must now find its own middle ground.

It is not only the State that exercises power over content. On the Network, information is power, and the Network amplifies the voices of the powerful. This phenomenon is demonstrated in modern advertising, where the use of big data analytics, the tracking of every click, one’s geolocation, and tailoring information to the individual is being taken to new levels. In the past this kind of targeted information campaign has been called propaganda if it is conducted by the State. But corporate advertising can be just as powerful, and perhaps more pernicious in its way.

In the U.S., these commercial practices are viewed by most with nonchalance, although some data suggest privacy concerns are increasing in importance. In Europe there is more angst, given the confluence of some of Snowden’s revelations and the market power of what is known in Europe as GAFA –Google, Apple, Facebook, and Amazon.

The Old Order

In cyberspace, as in other areas, power is held by corporations as well as States. Western technology companies are major powers in cyberspace, comparable in their overall influence to the governments of China, India, Russia, and the United States. This can be seen in the growing debate about transparency in data collection and use – perhaps stimulated by Snowden’s revelations about government surveillance, but increasingly, especially in Europe, augmented by popular concerns over companies’ activities and the invasiveness of the big data revolution. So there is an increasingly uneasy alliance now between Western governments and Western

Internet companies. In this way, the Internet has become a proxy, and a catalyst, for a larger global conversation and disagreement around political, cultural, and social values. In other words, it is not about the Internet, it's about the information.

Indeed, cyberspace is in some ways at the leading edge of a set of global problems that require urgent solution. As Obama's national security advisor Susan Rice commented last year in an address entitled America's Future in Asia, today's "most vexing security challenges are transnational security threats that transcend borders: climate change, piracy, infectious disease, transnational crime, cyber theft, and the modern-day slavery of human trafficking."⁴ To this list one might add unmanageable migrations of people and violent extremism.

For each of these risks a patchwork of formal and ad hoc arrangements is struggling to address the risks. Yet, these arrangements, which supplement the industrial age institutions, are key to the transition to a new order.

Meanwhile, the nation-State will be with us for a while longer. The current situation has perhaps best been characterized in remarks made by Kofi Annan at the 2015 Munich Security Conference (MSC), who quoted Italian revolutionary Antonio Gramsci writing 100 years before to the effect that, "The crisis comes when the old order is dying and the new order is not yet ready to be born. In this period, many toxic forms arise."

As far as toxic forms, one might imagine the so-called Islamic State, which is trying to take its part of the world quite literally back to social and political values developed in the VIIth Century.

But the broader point reflects a broadly emergent, non-Western, reformist point of view, as Indonesian President Joko Widodo told several dozen heads of state in April 2015:

*We, the nations of Asia and Africa, demand UN reform, so that it could function better as a world body that puts justice for all of us before anything else.*⁵

At the 2015 Munich Security Conference, the overriding theme was reflected in the MSC's first annual security report, entitled "Collapsing Order, Reluctant Guardians."⁶ Much handwringing could be witnessed in the hallways about the Russian flouting of international law by violating the Ukraine's territorial integrity. (Recent Western actions that might appear similar have relied on a justification of clear and present danger of large scale loss of life, see, e.g., Bosnia. Nor is this the place to recount Russia's history of loss at the hands of Western invaders.)

⁴ <https://www.whitehouse.gov/the-press-office/2013/11/21/remarks-prepared-delivery-national-security-advisor-susan-e-rice> (accessed November 23, 2015).

⁵ Opening Statement by H.E. Joko Widodo, President of the Republic of Indonesia, "60th Asian African Conference Commemoration. Indonesia 2015", available at <http://www.aacc2015.id/?p=detspeech&id=2> (accessed November 18, 2015).

⁶ "Munich Security Report," January 26, 2015, Munich Security Conference, available at <http://www.eventanizer.com/MSC2015/MunichSecurityReport2015.pdf> (accessed November 18, 2015).

Meanwhile, perhaps ironically, those who question the post-World War II institutions adhere the more strongly to the primary Westphalian principle – the State’s sovereignty within its borders – which States variously extend to people, companies, and information originating in or otherwise registered with the State, as determined by mother tongue, legal registration, and provenance, respectively.

The ponderous motions of States and the glacial movements of international organizations are neither agile nor creative enough to respond in a timely manner. This is the real old order that is dying. That is, merely adjusting the composition of the United Nations Security Council or altering the capital allocations of the International Monetary Fund and the World Bank will not be enough. What is needed includes deep structural adjustments and shifts in the relative power of the individual and collective, and in the intermediating roles of institutions and organizations of all types, in surprising ways. These adjustments will take several decades to emerge.

A Shrinking Planet and the Resurgence of Community

The world is becoming smaller every day. As Adlai Stevenson foresaw more than 50 years ago, we can no longer afford to live as strangers. In this time of transition, a need arises for individuals to take more responsibility for the welfare of the larger community.

The international post-World War II governing institutions are increasingly seen as having been created without the real participation of those living in eight of the world’s ten most-populous nations. These institutions, formed by the victorious Allied powers, have served humanity remarkably well for 70 years. But in their current form they are losing legitimacy, and the breakdown in respect for the rule of international law is a symptom of an accelerating global shift in concepts of power and order.

As the founding partner of the existing world order, America today hangs on to a fragile claim of moral and political leadership on the global stage. It remains the most sought after immigrant destination. Yet its national government suffers from its own crisis of legitimacy, created primarily by the legislature’s inability to accomplish the basic tasks of governance such as enacting budgets, and fed by increasing partisanship and the loss of a sense of common purpose.

This crisis is accelerated by technology, with its explosion of transparency, its stimulation of expectations of participation, its power to flatten organizational management structures, and its ability to support collaboration across boundaries of all kinds. This democratization of information access will remain a threat to industrial-age structures of every scale, whether private or public.

All parties have a role to play in seeing the planet through this transition to more sustainable forms of governance. National governments must take a patient, nuanced approach, become catalysts for change and innovation, and avoid heavy-handed, simplistic “solutions.” Companies must listen to a broader set of stakeholders and look beyond the quarterly bottom line. And individuals must put aside their less important differences and work across boundaries on the greater challenges facing the species.

Each of these parties must struggle to play such roles in daily life. None is wired this way. Governments are not designed for nuance. It’s “sovereignty over my territory and the rest keep out.” Corporations are not designed to share or cooperate. It is winner-take-all on behalf of the shareholders.

Fortunately, as individuals, we are more agile and flexible than the institutions we have created. Our individual and collective human challenge is to find balance in response to the various forces affecting our lives. How do we live in the world? By starting with ourselves, and working our way outward in our families and our communities. For this is what has already changed: “community.” We are shifting our allegiances from the State to other collectives, however loosely defined.

Increasingly, each of us is a member of one or more global communities. You may be connected to others around the world through an academic society, a diaspora, a religious faith, a corporation, or a cultural community. The Internet makes these global affiliations, these global affinities possible. It opens up the chance for dialogue and collaboration on a global scale, across boundaries of all kinds.

And that is why it is so important to make the Network, and the world it intermediates, safer and more secure, a place where people can build a future for the planet that is sustainable, peaceful, and cultivates the great potentials of the human spirit.

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