

PART III. SOME ADDITIONAL TOPICS  
(A BRIEF LOOK)

---

**GEOPOLITICAL TRENDS FURTHERED BY THE  
INFORMATION REVOLUTION COULD POSE  
CONTINUING CHALLENGES TO THE UNITED STATES**

---

In this chapter, we take a brief look at these trends—meant merely to introduce the subject to the reader.

**THE U.S. ECONOMY AND SOCIETY ARE WELL POISED  
TO MEET THE CHALLENGES OF THE INFORMATION  
REVOLUTION**

The economies, societies, and polities that will flourish in the information revolution are those most adept at dealing with change.<sup>1</sup> The United States is best positioned (among all nations) to do well in this new world.<sup>2</sup> Among other things, the information revolution will continue to enhance U.S. soft power.<sup>3</sup>

**THERE ARE LIKELY TO BE MANY LOSERS OR LAGGARDS  
ELSEWHERE IN THE WORLD, SOME OF WHOM COULD  
BECOME SERIOUSLY DISAFFECTED**

Some nations or societies will fall behind in the information revolution because they are too rigid.<sup>4</sup> Other nations or societies will fall behind because they lack the necessary physical, human, financial, and/or institutional capital.<sup>5</sup> Still other nations or societies will fall behind for other reasons. Many of these losers or laggards will become disaffected—some seriously.

**THE INFORMATION REVOLUTION BETTER ENABLES  
DISAFFECTED PEOPLES TO COMBINE AND ORGANIZE,  
THEREBY RENDERING THEM POWERS THAT MUST BE  
DEALT WITH**

The information revolution is giving voice to people who previously had little voice and is reaching people who previously were not being reached. This better enables disaffected peoples to combine and organize, thereby rendering them powers that must be dealt with—in many, but not all, cases.<sup>6</sup>

**THE EXISTENCE OF THESE DISAFFECTED  
(AND ORGANIZED) LOSERS OR LAGGARDS COULD  
LEAD TO TRENDS IN THE WORLD THAT MAY  
CHALLENGE VITAL U.S. INTERESTS**

There are many possibilities here. We mention three:

**Extreme Losers in the Information Revolution Could Become  
“Failed States”**

Such failed states could become a breeding ground for terrorists, who could threaten vital U.S. interests. This could happen, for example, to some nations in Africa, Latin America, or the Middle East.<sup>7</sup>

**Responding to the Information Revolution Will Stress  
European Economies, Societies, and Polities, Leading to  
Laggards and Losers Within Europe<sup>8</sup>**

This could over time put increased stress on the North Atlantic Alliance, thereby threatening a vital interest of the United States—i.e., that the United States and Europe remain steadfast allies.

### **The Inability of Japan to Change Sufficiently to Cope with the Information Revolution—If This Turns Out to Be the Case—Could Lead to the Failure of the Japanese Economy**

Much has been written in recent years regarding the rigidities of the Japanese society, economy, and government; the difficulties this causes Japan in coping with rapid, profound change, such as that brought on by globalization and the information revolution; and the resulting stagnation of the Japanese economy in recent years.<sup>9</sup> If this condition, which has been pronounced throughout the 1990s, persists, it could lead Japan to fall even further behind the nations in the vanguard of the information revolution and, in the extreme, could lead to the failure of the Japanese economy.<sup>10,11</sup>

The failure of Japan's economy would in turn lead to a vacuum in Asia likely to be filled by China. This would greatly enhance China's position within Asia and make it more likely that China becomes a peer competitor of the United States.

### **THESE TRENDS WOULD POSE CONTINUING CHALLENGES TO U.S. INTERESTS**

Increased breeding grounds for terrorists would exacerbate the war on terrorism. Increased stress on the North Atlantic Alliance, if continued long enough, could drive a wedge between the United States and Europe. These, to say nothing of the rise of China as a peer competitor, would pose continuing challenges to U.S. interests.

None of these have to happen—but some or all of them could happen.

### **NOTES**

<sup>1</sup>Chapter Six of this report highlights the manner in which a society deals with change as one of the major factors shaping a nation's posture vis-à-vis the information revolution.

<sup>2</sup>Chapter Seven enumerates the many advantages the United States possesses in dealing with the challenges posed by the information revolution.

<sup>3</sup>*Soft power*, as defined by Keohane and Nye (1998), is "the ability to get desired outcomes because others want what you want." See this article for a discussion of soft

power, why it is important in the information age, and why the information revolution should continue to enhance U.S. soft power.

<sup>4</sup>Several nations in the Middle East and North Africa fall in this category. (See Chapter Eleven.)

<sup>5</sup>A number of nations in Asia, Latin America, the Middle East and North Africa, and sub-Saharan Africa lack one or more of these essential resources. They are discussed in Chapters Nine through Twelve of this report.

<sup>6</sup>Arquilla and Ronfeldt (2001) discuss several recent manifestations of this phenomenon—the empowerment of disaffected peoples.

<sup>7</sup>By “failed state,” we mean a government that is unable to exercise effective control within its territorial domain.

<sup>8</sup>Chapter Eight discusses the approach that Europe is taking to the information revolution and the stresses it is causing to European society.

<sup>9</sup>As mentioned in Chapter Nine, Grimond (2002) takes a detailed look at “what ails” the Japanese economy, government, and society today; Iritani (2000) provides a briefer version; and Miyashita (1999) specifically discusses how cultural obstacles to individualism, risk-taking, and entrepreneurship in Japan impede the nation’s ability to meet the challenges posed by the information revolution.

<sup>10</sup>By “failure” of the Japanese economy we mean a persistent long-term stagnation of the economy, leading to a pronounced decline in Japan’s world economic standing—much as happened to Argentina during the 20th century.

<sup>11</sup>On the other hand, as we mentioned in Chapter Nine, some observers have noted a recent emergence of individualism and entrepreneurship in Japan—including Ono and Spindle (2000), who describe a recent stirring of individualism in Japan, depicting it as a response to the nation’s long slump during the 1990s; Lily Wu (private communication, 2002), who reports a noticeable emergence of entrepreneurship in the Japanese IT industry since 2000; and Grimond (2002), who mentions stirrings of individualism among the young in Japan. If this nascent trend persists and spreads, it would offer hope for the near- to mid-term recovery and long-term vitality of the Japanese economy and put to rest the notions of a failed economy.