

From the Desk of...

Graeme P. Maxton

Writer and speaker on Asia

Issue No.50 - May 2010



© copyright The Insight Bureau Pte Ltd / Graeme Maxton

Graeme Maxton, business writer, speaker and freelance correspondent for *The Economist*, suggests that the world may be entering a new and darker era, one in stark contrast to the exuberant, fast growth world of the past two decades.

To talk about the world entering a new Dark Ages may seem a bit over-dramatic. We may have some problems but mankind seems to be progressing well enough. We all know the world economy is laden with debt but this burden is hardly going to cause a breakdown of society, you might say. Similarly, it is easy to see that the environment is in a bit of a mess. We are killing off species at an unprecedented rate and destroying our rainforests, the lungs of our world. Man's CO₂ and other greenhouse gas emissions have risen for years creating what most scientists agree is a warming of the planet. But, you might argue, the loss of a few islands and big bits of Bangladesh as sea levels rise is hardly going to result in some sort of social Armageddon, the beginning of a long period of stagnation. Moreover, if the science is right, we will soon be able to farm huge swathes of Siberia and run ships across the North Pole. Surely that is worth a bit of desertification and some flooding along the way.

We are all aware too that there are a very large number of people in the world today. In 2010 there were seven billion people on the earth and the number is rising by close to 100 million a year. Many are undernourished and extremely poor and there are all sorts of gloomy predictions about drastic shortages of food and water in the years to come which will affect billions. But then, you might argue, such fears of mass starvation have been around for centuries and they have not come to

To talk about the world entering a new Dark Ages may seem a bit over-dramatic. We may have some problems, but mankind seems to be progressing well enough ...

fruition so far. In 1800, the Reverend Thomas Malthus warned of the dangers of over population at a time when there were less than ONE billion people in the world. Later scientists have warned for decades of coming food shortages. Yet, somehow, technology has always triumphed. We have been able to feed most of the people most of the time. If that was not the case, the population would not have grown. Besides, every so often flu epidemics, wars or plagues wipe away a few tens of millions. The system is self regulating, isn't it? Too many people in the world have never been a cause of social stagnation or economic contraction, at least so far.

Moreover, any return to a Dark Ages period would require a shift in behaviour and scientific advancement. In the Middle Ages and during the centuries after the collapse of the Roman Empire technology and European society developed very slowly or barely at all. Today, the number of patents registered each year in the world is higher than ever before. We can speak to each other across the world for free, modify the plants and animals around us to suit our needs and generate power by fusing the nuclei of atoms. Rather than a Dark Ages, we are in the middle of a period of scientific wonder.

In terms of education and social development we are progressing rapidly too, you might say. More

and more of the planet has achieved basic levels of literacy. Average life expectancy has never been greater. Our median levels of wealth have never been higher. While it is true that we are, on average, no happier than we were 50 years ago, we have, on the whole, much more material wealth, improved levels of health and much more financial and social security. Of course there are billions who are still extremely poor but economic development, better healthcare funding and education thanks to globalisation makes the prospects for even these people better than at any time in history.

And what of the threat of war? Wars could result in our social and economic collapse, especially if they were chemical or nuclear. Is that where the biggest threat of a new Dark Ages comes from? It doesn't look like it. While there will remain a continuing threat from terrorism much of this has been overstated by the Neocons in Washington. There have been troops in much of the Middle East for years and the region is likely to remain a military flashpoint. There are conflicts between much of the world and North Korea, Iran and many other places. Further conflicts will surely arise. But the number of nuclear warheads in the world is much fewer than it was in the 1970s and there are all sorts of treaties to restrict their use. The creation of the European Union has made war on one of the most historically war-torn continents much less likely. Our world today is mostly based on trade not territorial expansion. This makes war much less likely.

Of course it is possible to see the world in a very different way.

It is possible to look at the economic, banking and financial problems in the world and see that the numbers just don't add up. It is not hard to see that the debts we face in the West and much of the East are simply not sustainable. It is easy to show that most of the world faces years of severe

What if we have reached a critical point in the world in terms of our use of resources? We know there is an oil and energy crisis coming. We know there is a water crisis coming too.

The threat of social instability, collapse even, as a result of the financial crisis will rise over the coming 20 years as the wealth many have established evaporates.

financial hardship or bankruptcy. It is possible too, to look at the environment and feel that we face a very bleak future. It is easy to see the risk that our inability to tackle climate change will be our undoing. The fear is that by the time we are certain that the problem is real, it will be insoluble. Similarly, we could take a different view of population growth. At some point after all, there will be too many people on the planet, too many for our resources to cope with. Malthus thought that point was two hundred years ago and he was wrong. What if it is now? What if we have reached a critical point in the world in terms of our use of resources? We know there is an oil and energy crisis coming. We know there is a water crisis coming too. What if these problems were more urgent than we are led to believe?

Our sense of smugness about our social and educational development may be misplaced too. There is substantial evidence that our level of innovation peaked more than a century ago. We register lots of patents today and can do things we could not before. But most of the clever things we do simply use improvements to technologies which were discovered more than 50 or 100 years ago. A mobile phone, the internet, a car, a nuclear power station, modified DNA, an electric car. All depend on basic technologies which are more than 50 years old. Moreover, while we have seen an overall improvement in the levels of literacy and education, there is much evidence to suggest that we have, as a species, moved to a mean level of education which is much lower than in the past. We are all better educated. But there are fewer high flyers. The best have been dumbed-down.

With that dumbing-down have come social consequences. In the past we were motivated by politics or social philosophy. Even if we did not all understand it, we knew that our society had an underlying moral doctrine. That may have been good or bad. It may have been socialist, communist or fascist. It may have been capitalist and democratic or a combination or free-market

and managed economy. In the centuries before it may have been feudal or theocratic. But there was almost always a solid framework, a design for society. What do we have today? Many would argue that we have a badly tarnished form of democracy where most people don't vote and those in power are there for the money. Our citizens are obsessed with materialism and a leisure time spent shopping. We read increasingly fewer newspapers or books. We worship celebrity. Greed is good. Where does all this take us as a species? Just as worrying, the coming decades will bring a colossal high-level skills shortage. Many of the leading engineers, scientists and thinkers in the world today come from a small group of people mostly born in the West in the 1950s and 1960s. Over the next 20 years most of those people will die. Who will replace them?

War may be more of a threat than we imagine too. There is the threat of terrorists getting hold of some sort of nuclear or chemical weapon, as we are so often told. While this threat is very small, the implications would be awful. But there are

much more likely threats which would have similar implications. The threat of social instability, collapse even, as a result of the financial crisis will rise over the coming 20 years as the wealth many have established evaporates. Millions who have been cheated out of their riches, whether fairly or not, will feel angry and demand change. Look at the streets of Athens, Reykjavik, Russia or Latvia during 2009 when unemployment and inflation removed the wealth of the masses. Similarly, the risks of social disorder as a result of climate change and over population will grow. As sea levels rise, as water becomes scarce, many people, especially those in the Third World who have not been stupefied by celebrity and the lure of flat-screen TVs, will have no choice but to move to other parts of the world or rise-up.

When all of these factors are taken together, our comfort about where we are going looks much less justifiable. We may not be heading towards another Dark Ages. But then again, there is ample reason to think we may.

About Graeme Maxton and The Insight Bureau

Graeme Maxton is a writer and commentator on world business, Asia and the automotive industry. The Insight Bureau represents a resource network of individuals, including Graeme Maxton, for speaking engagements and client events, as well as providing confidential, in-house briefings. Mr Maxton is an expert chairman and moderator of business dialogues at conferences and client forums around the world.

<http://www.insightbureau.com/GraemeMaxton.html>

The Insight Bureau provides speaker placements and briefings as a service that helps achieve a better understanding of the world in which we do business and ultimately enables companies to make better business decisions.

www.insightbureau.com

+65-6300-2495

engage_us@insightbureau.com

Disclaimer: The Insight Bureau Pte Ltd accepts no liability for the content of this document or for the consequences of any actions taken on the basis of the information provided. Any views or opinions presented herein are solely those of the author(s) and do not represent those of The Insight Bureau.