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The NSA, Big Data, and Hyper-connectivity:
the Economic, Security, and Social Consequences
of a Rapidly Transforming World
by
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Prior to the presentation, four new members were elected to the Society: Jonathan Brush, Catherine A. Clancy, PhD, Stephanie K. Rudd, Alan Van Fleet.

HPS President Jack Agee presented the speaker, Gordon Dee Smith.

Dee Smith founded and for the last 19 years has headed the Texas-based private intelligence agency Strategic Insight Group (SIG). He is also President of the Board of the Dallas Committee on Foreign Relations. Mr. Smith has conducted thousands of intelligence projects in more than 80 countries around the world, ranging from pre-transactional intelligence to counter-terrorism, and has worked as a contractor for the DIA (Defense Intelligence Agency) and the US National Research Council. His clients include hedge funds, institutional investors, private equity firms, global law firms, Fortune 100 corporations, and private companies. He gave a current perspective on the profound 'sea change' in the transforming world of connectivity, based on his work in intelligence, foreign affairs, and the investment and business sectors, with some striking conclusions.

Mr. Smith argued that there has been an explosion in the levels of connectivity far beyond any that have existed before. For example, Yao Chen, a Chinese actress and personality, has more than 71 million fans on the Chinese version of "Twitter"—more followers than the entire population of Britain. Entire populations support her, and she has enormous influence in a country that tries to keep those things under control. She represents the astonishing level of change we have introduced. Connectivity is not new, but it is dramatically changing and accelerating.

Hyper-connectivity has led to hyper-density. Every day we create as much information as we did from the dawn of civilization to 2000. Hyper-connectivity is

the leading cause of elements that characterize the world around us and that create instability because outcomes do not follow as they did. Our models are failing to produce reliable data.

Five key factors characterize hyper-connectivity, with tribalism being the limiting factor.

The precursor to this revolution was the printing press. Many Bibles replaced the few Bibles that then existed. First, there were many more bibles, then other books. The spread of information led to the Enlightenment and scientific and industrial revolutions. Increased information undermined institutions and created a world unimaginable before. This was the beginning of a world model of rapid change, at greater and greater speeds, until now technology is traveling at the speed of light. The social network has dramatically changed. People have explored and adopted new ideas.

These changes have led to tribalism, i.e., to shared ideas, beliefs and commitments. The people organize and become a political force. Tribalism changes a community from a place-based vertical orientation to an idea-based horizontal organization across places.

The elements of this new hyper-connectivity structure are:
(2) time compression
(3) density
(4) scope
(4) splintering, and
(5) anonymity

Through these elements, hyper-connectivity undermines authority. Totalitarian states are very scared of it because power does not look good under scrutiny. Hyper-connectivity is characterized by transparency. Formerly, society was built on the notion that leaders are different from ordinary people. Hyper-connectivity undermines leadership at a fundamental level because it makes leaders more like everybody else. It shows the flaws and undermines the ability to maintain the magic.

Legitimacy is the ability of a system to be seen by those subject to it to be something historical and to be maintained. This too is undermined by hyper-connectivity.

Modern society can be viewed as an arms race between governmental and commercial forces. Electronic communication allows governments to keep an eye on people and therefore to remain in power. The commercial side is opposed to this. Overall, governments will lose in the end, and commerce will win. But this is not always the case: sometimes commercial and governmental interests are the same.

Hyper-connectivity is also changing culture. The changing nature of social discourse is eating away at the shared cores of ideas every society has. It is also criminalizing the world by allowing criminals to steal information and allowing connections outside of authorized channels.

Hyper-connectivity changes the relationship between seeing and believing. It fosters an increase in complexity that forces confirmation bias. You feel well-informed but are only seeing what you want to believe, enabling surveillance. The result is reinforcement of the ideas you already had and disregard of everything you do not believe in. This leads to the electronic ghetto effect. You take actions that you already agree with. Models and predictions cease to work because you cannot keep up with information. Thus, hyper-connectivity is not just increased information but also confirmation bias.

Hyper-connectivity has created many disruptions, such as 3-D printing, block-chain technology and the like. But human nature has not changed. Mr. Smith agrees with the comment of Neil Wilson that we have created a Star Wars civilization of Stone Age emotions, medieval institutions, and God-like technology.

The key operative elements of human nature are individualism, emotional decision-making, short termism, aggressiveness, and the need to belong. We are driven by fear and desire. No one is in control of all of this. Groups and individuals seek to gain control but manage from the edges. The world seems out of our control because it is.

The world of future will be very different from the world of the past. And no one knows where it is going. Values we thought were universal may be just what works for us. However, unless there is a dramatic shift—from economic perturbation, for example—there are so many interests in maintaining the core American system that it will probably remain here, if not anywhere else. Mr. Smith thinks we will move beyond the two-party political system and will disintermediate authority.

He anticipates that the world will be much more unstable than it has been due to the dichotomy between hyper-connectivity and the executive summary needed to make a decision. He believes that administrators have made huge mistakes because they cannot reconcile these levels.

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