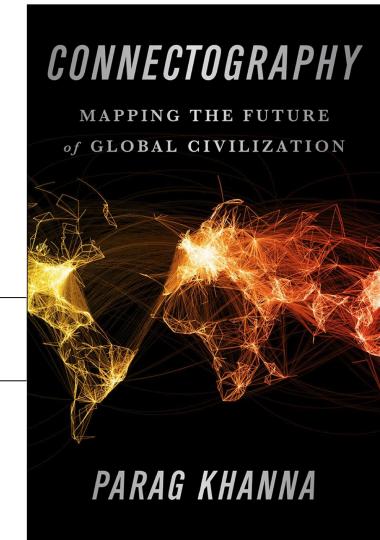
How Megacities are Changing the Map of the World

By Parag Khanna

Salini Impregilo Industrial Plan Presentation

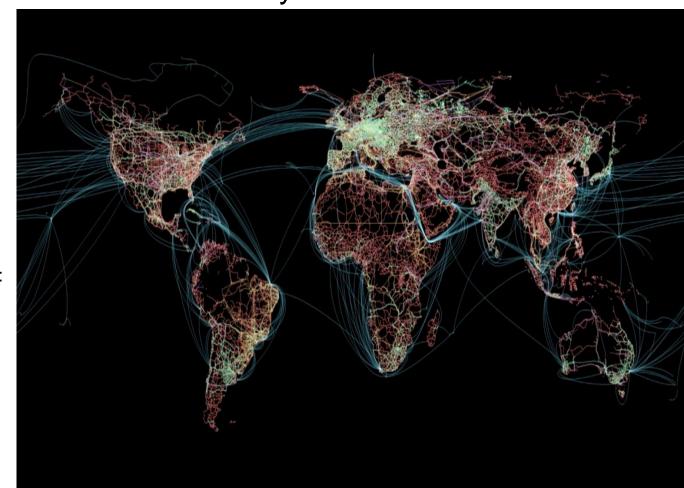
London – 23 May 2016



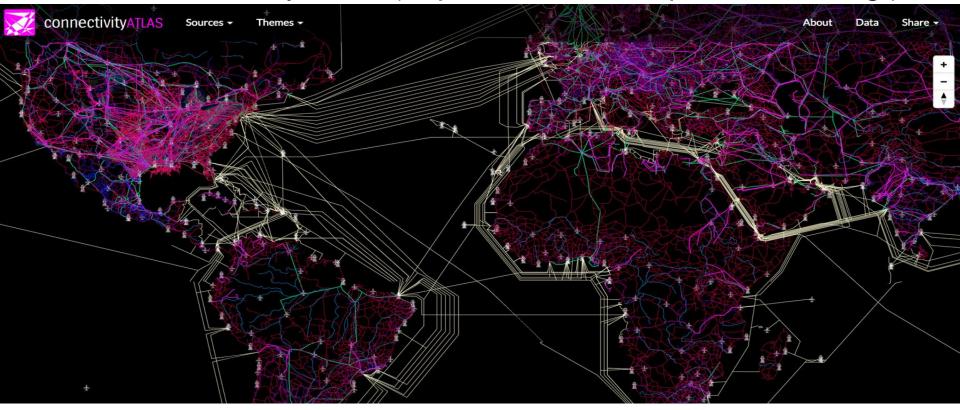
The Global Connectivity Revolution

The Infrastructural Matrix: Exoskeleton on the Planetary Body

- Skeleton System / Transportation: Highways, railways, bridges, tunnels, airports, seaports
- Vascular System / Energy:
 Oil & gas pipelines and
 refineries, electricity grids
 and power plants
- Nervous System /
 Communications:
 Internet cables, satellites,
 data centers



The Connectivity Atlas (https://atlas.developmentseed.org/)



Topographical Engineering and Mega-Infrastructures

Twin mega-trends: Urbanization and Connectivity

Connectivity is Destiny: Reimagine How Life is Organized on Earth

Arc of History: Connectivity as Meta-Pattern Across Continents, Regions and Cultures

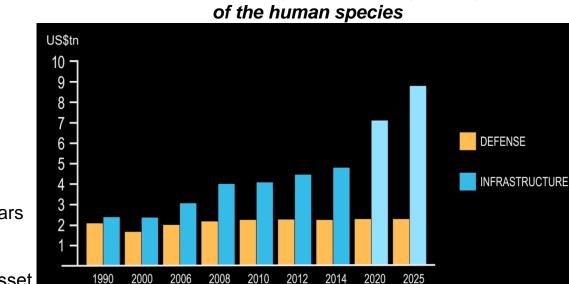
Paradigm Shift: Connectivity > Division

Bridges to Everywhere: Driving Growth

- Industrial revolution to World War I
- Keynes to Wirtschaftswunder
- Asian Tigers to China & AIIB

More Infra in next 40 years than past 4000 years Imperative: \$1T for every 1B people

"Extra-statecraft": Infrastructure as strategic asset



Connectivity - not sovereignty - is the organizing principle

Political geography (nations & borders) Functional geography (infrastructure & supply chains)

Systems change: 19thC vertical empires 20thC horizontal states 25 global network civilization

"What we build today will last centuries." - Santiago Calatrava

Toward a Supply Chain World

History's most powerful law: Supply and demand

1648 (Westphalian System) to 1989 (Supply Chain World)

1989: WWW born — but supply chains are the original World Wide Webs: Not a thing but a system of transactions

EoCW + Global capital markets + Deregulation + Infrastructure + Communications

Total Globalization: Capacity > Volume (Beyond "Hyperglobalization" versus "End of globalization")

"Perfect Capitalism" (Kaku): Inefficiency is the enemy

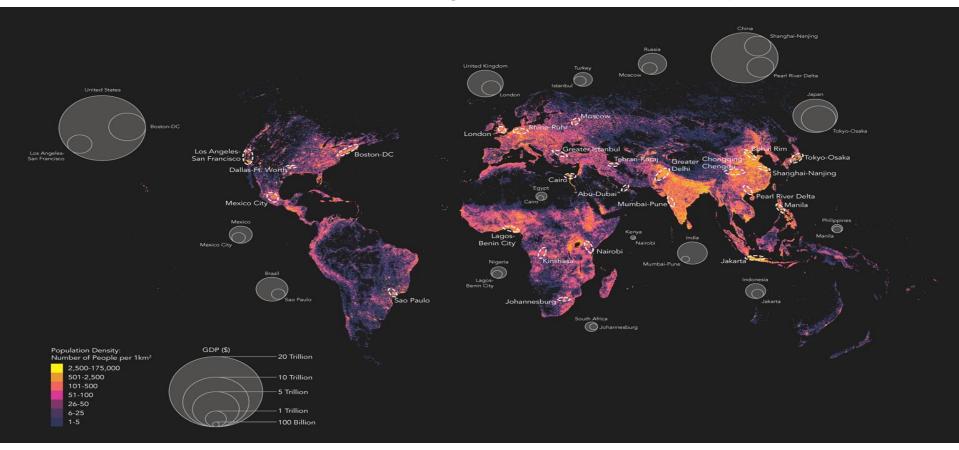
Smith (free markets) + Ricardo (comparative advantage) + Durkheim (division of labor) + Big Data Perpetual optimization of land, labor, capital, production

Trading atoms and bits: "Where" are complex global value chains? Things are "Made Everywhere"

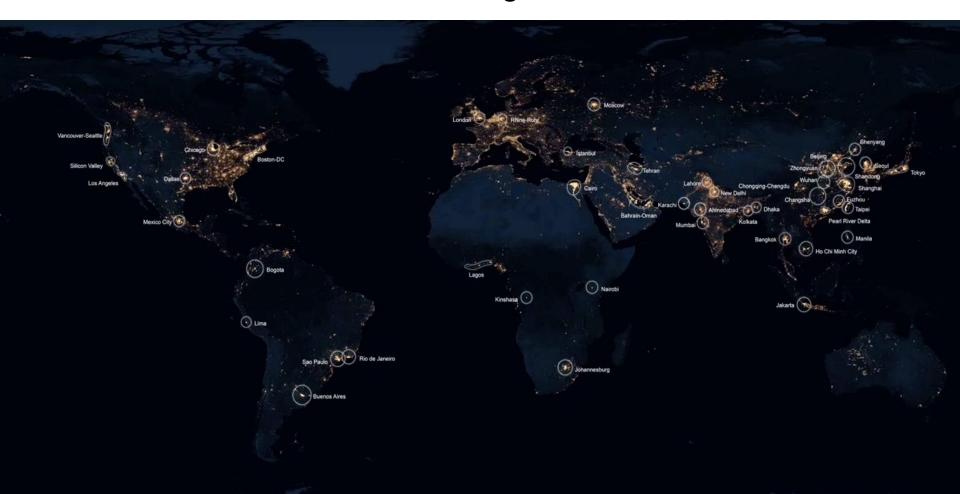




Planetary Urbanization: Urban Archipelagos Define Humanity



From Nations to Nodes: 50 Mega-Cities or 200 Countries?



Pax Urbanica: Cities Drive the Global Network Civilization



Evolution and Coexistence of Urban Archetypes



Medieval stratification

Industrial mass production

Financial capitalism



Services hub

Peri-urban slums

Mega-city archipelago

Building infrastructure will make our many divided cities become whole again

Connectivity: The Most Important Asset Class of the 21st Century

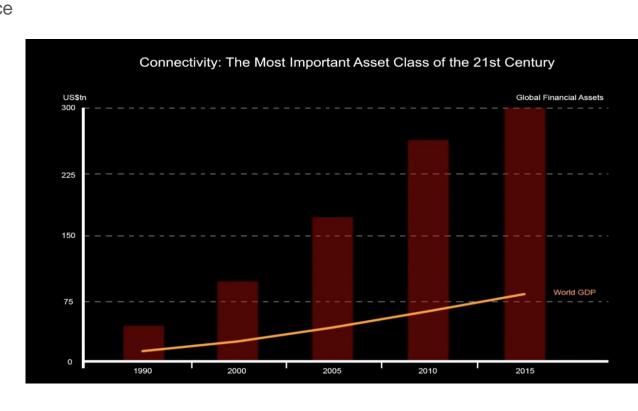
Spend now, gain later: Invest to reduce inequality, empower opportunity and raise quality of life

Turning \$300T of financial stock into tangible infrastructure: Permanent capital investing in the "connectivity asset class"

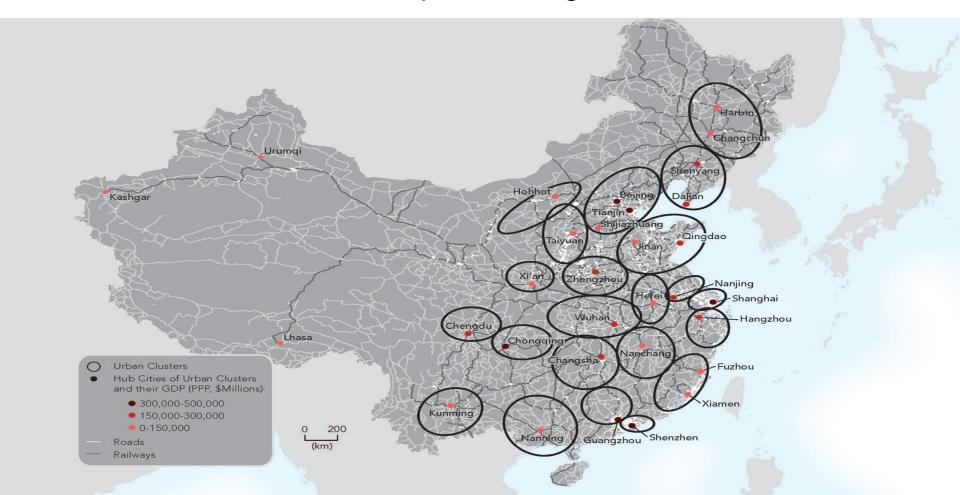
Capitalize regional banks to finance large-scale job-creating infrastructure (G-20) (Lin)

Private wealth, pensions, insurance, SWFs, private equity, hedge funds, asset managers

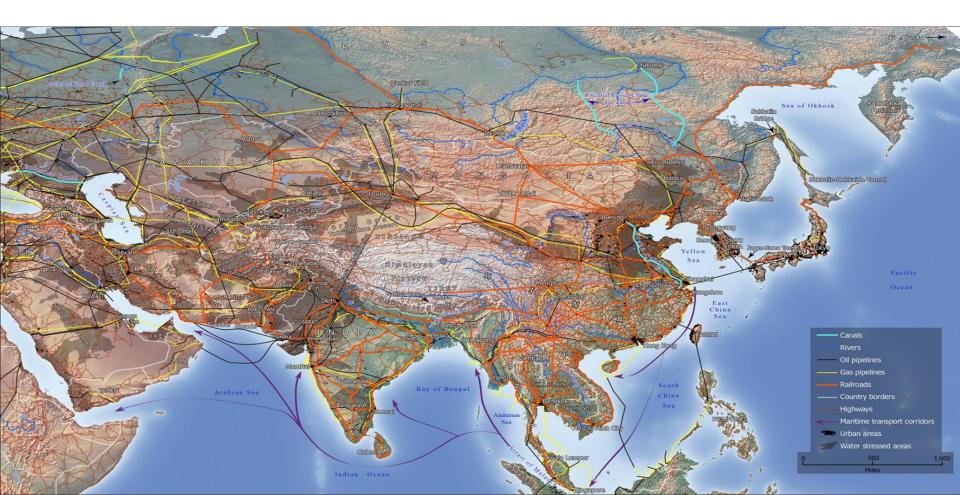
Infrastructure as the newest SDG: Sustainable infrastructure for the future



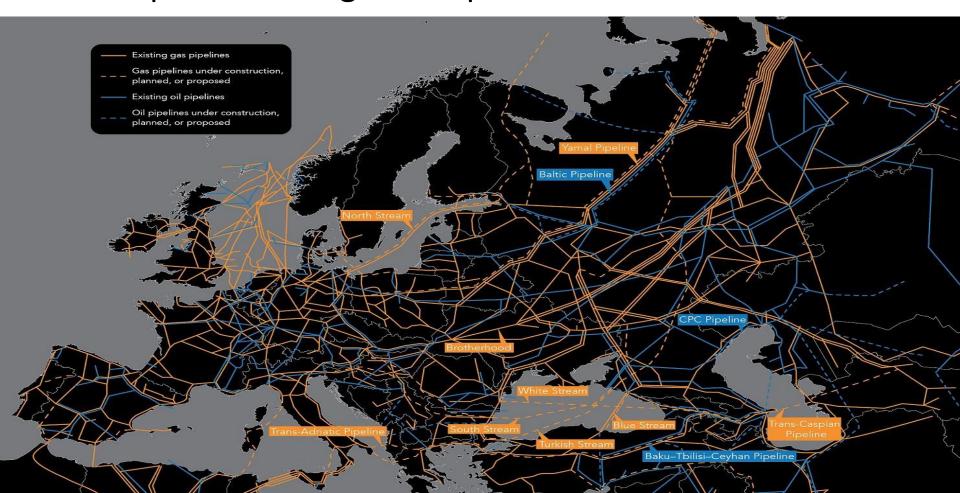
China: Empire of Mega-Cities



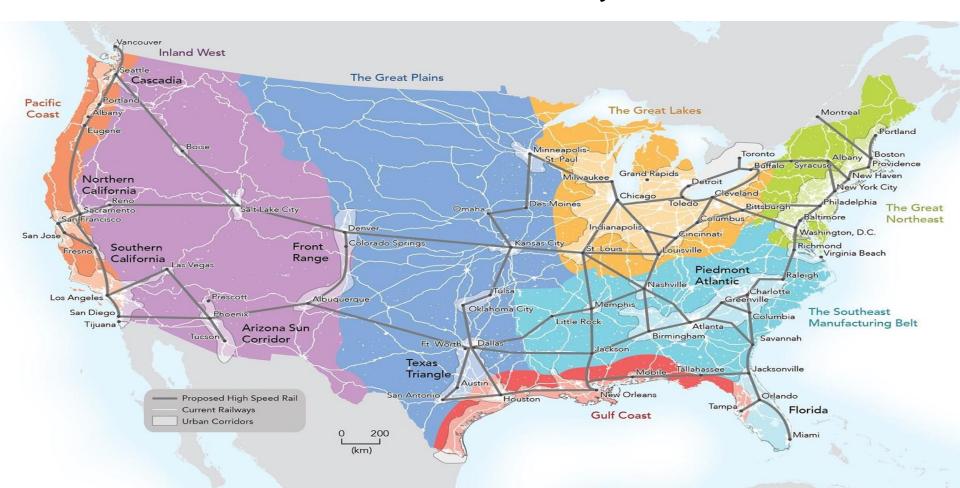
East Meets West: Eurasia's Iron Silk Roads



Europe: From Singular Dependence to Reverse Flows



Functional > Political: The United City-States of America



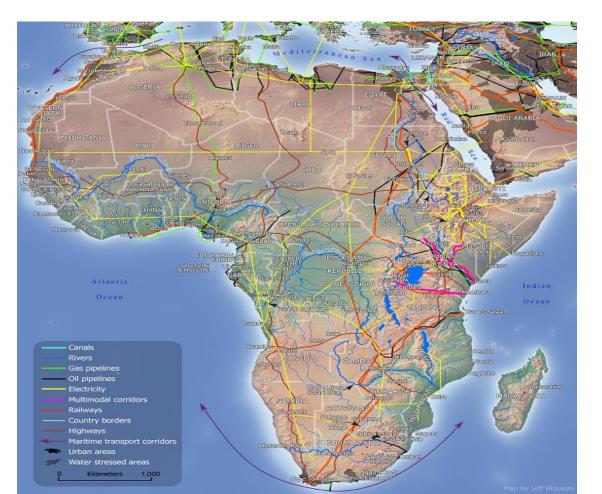
Think Geology, not Nationality: From NAFTA to North American Union



From Sykes-Picot to Pax Arabia



From "Scramble for Africa" to Pax Africana



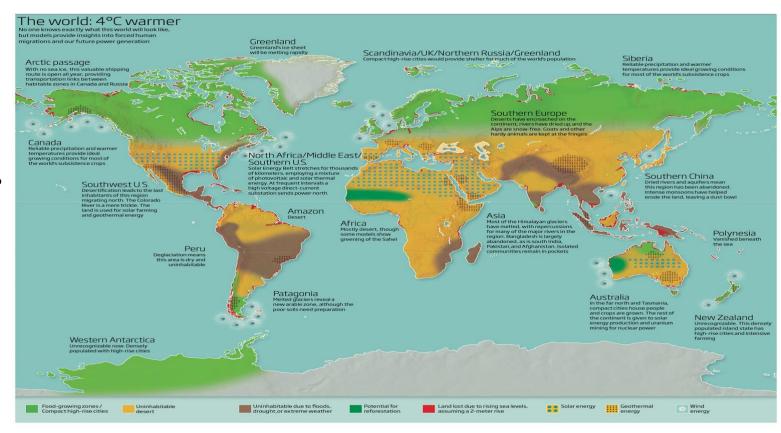
A 4 Degree Warmer World: Are We Investing in Adaptation?

Arctic ice melts, tropical cities submerge

Food in the North, people in the South?

Conserving and harnessing water

Renewables: Slow warming, build local resilience



The Arctic: Navigable and Livable



No More Chokepoints: Connectivity Creates Pathways for Stability



From Connectivity to Resilience: Building a Better World

Complementary Global Goods: American Security and Chinese Infrastructure

Connectivity leads to shared prosperity, progress and peace

No more "resource wars": From "peak oil" to "gas glut"; US selling oil to China!

Regionalism and Reciprocity: Mutual Connectivity and Co-Creation



Infrastructure companies enable connectivity and have a responsibility to improve societal quality of life through their projects

Companies that are the conduits of connectivity through large and complex projects will be the most long-lasting and profitable drivers of global growth