Globalization and mad technologies have coexisted throughout human history (Braudel, 1992, 1993; Gerschenkron, 2000; Heilbroner, 1989; Mumford, 1963, 1964; Schumpeter, 1947, 1961; Shattuck, 1996; Wallerstein, 1979). The discovery of crude oil and the invention of gunpowder by the Mongolian army enabled them to conquer most of the Eurasian continent in the course of the twelfth century (Curtin and Roosevelt, 2003). In a similar vein, the invention of pistols and other firearms by Western European armies enabled them to successfully undertake long distance wars in Asia, America, and Africa (Ellis and Ezell, 1986; Fuller, 1998; Smith, 2003). In both cases, states and their armies profited from technological innovations. With regard to these innovations in weaponry, we label them “mad,” because it was simply impossible for any civilians to stop these deadly military machines from killing human beings and engaging in long distance wars. What was worse, over a long period of time, states and their armies could no longer control the unchecked proliferation of firearms throughout the world.

Historically, however, other commercially successful technological innovations – such as casinos, pachinko parlors, pornographic movies and videos, alcohol and other patented drugs, prostitution and similar entertainment organizations, and televisions – have yielded profits for both state and private organizations (Dawson, 2003; Gambetta, 1988, 1993; Lie, 1997; Oh and Varcin, 2002; Strange, 1998). In addition, these were spread widely throughout the world, as if state or global regulations on these mad technologies had not existed. Even in the presence of strong domestic controls on these products, black
markets sprang up in all major cities, ruled by private mafia groups who, in many cases, had connections to state bureaucrats. Nevertheless, no one termed these entertainment establishments “mad” technologies, because, as we conjecture, these technological innovations found it very difficult to cross international boundaries because of strong state regulations on the one hand and the presence of organized mobs in every country on the other.

We are now living in an era characterized by new types of technological innovations that defy both (inter)national regulations and organized mobs. It is this type of new technology that we term “mad” in this book. It has witnessed the invention of the WTO, free-market or any other market essential ideologies, and three technological essentials that Susan Strange (1997, 1998) sees to have been pivotal in bringing about mad money – computers, chips, and satellites. For mad technologies, however, we want to add that computers, chips, and satellites were but a few fundamental mad technologies that constitute the whole of what we now call information technology (IT) and other risky venture industries.

The purpose of this chapter is to clarify what we mean by “mad” technologies, to explain why they appeared at this time of globalization, and to consider how states and firms are defending their traditional technology bases from mad technologies in order to prevent another technological and financial meltdown such as one that which occurred throughout Asia in 1997. In other words, as we clarified in our research question in the previous chapter, we strongly believe that mad technology, along with mad money in casino capitalism, has a clear correlation with global financial instabilities and drastic financial meltdowns, including those that occurred in the United Kingdom in the 1970s, the United States in the 1980s, and in East Asia (including Japan) in the 1990s.

“Mad” technology

To reiterate, mad technologies emerged only when the three essentials of electronic globalization occurred simultaneously – that is, computers, chips, and satellites. This means that electronic globalization was possible only after the invention of digitized money, as early as the 1960s following the invention of plastic money or credit cards.