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Summary Statement #2

IS410: Globalization and its Discontents

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In *Globalization and American Power*, Kenneth N. Waltz explains the similarities of both eras of globalization, the power of the state in the context of internal and external affairs, and how the United States holds an unnatural amount of power, including what others may think of it. In the reading, Waltz breaks down previous ideas of globalization, such as Thomas Friedman's concept about the free market and the "electronic herd." Kenneth Waltz splits up his topics and professional opinions into a few different subheadings, which will be followed throughout this summary statement.

Waltz begins by breaking down similarities between the era of globalization before World War 1 and the 1970s second wave. One of the common denominators is the idea that interdependence is associated with peace and prosperity, as well as the democratic system. Although states grew very pessimistic during the World Wars, the optimism for this revamped as conditions improved worldwide. The market became a major component on international relations and states began to matter less as more countries became more open and participated in similar practices of globalization. Because of this interdependence, the benefits of peace rose and the costs of war was positively correlated. However, war is still a possibility at all times because even economic forces cannot quell fear and anger that nations may feel towards each other.

Waltz moves onto analyzing the role of the state in its own internal affairs, as well as in international politics. The American "way" of globalization, or free markets and liberal democracy, has become the most dominant in this new era of globalization and many people

believe that it has threatened the power of the state. Although there are many benefits to this homogenization of politics and institutions, the downfall is the power given to the “electronic herd,” a concept coined by Thomas Friedman. The “electronic herd,” Waltz states, includes the investors or members of the market that move capital into “countries with stable governments” and “progressive economies” out of countries that do not wear the “golden straitjacket” of having their budgets balanced and deregulation of the economy. If they do not comply, then they may face the consequences of losing foreign direct investment or trust of global institutions. From here, Waltz highlights that the old and new level of globalization are similar, which includes the fact that not all countries have been part of the process, interdependence was about the same in 1914, and the money markets is the economic sector that is truly global. Because of these factors, states must conform - which means that they have the power to adapt. He highlights that this means that the state still has influence and actually are very important in international affairs. The range of “governmental functions and the extent of state control over societies and economies” are much fuller than they have ever been. For example, states must still create the institutions that rule international politics, keep peace internally, protect their borders and industries, and make property available to its citizens.

In international politics, states hold a great deal of power over the integration (not interdependence) of the global system. Governments must protect and control the institutions that make it possible and differences in the capabilities of states are what really cause the most important events to occur. An example of this is found in the regionalization of economies and trading policies nowadays: although they benefit society as a whole, it is still national politics and governmental decisions that create these blocs. Since there is so much held in governmental decisions, inequalities are even further highlighted - inequalities between states continue to grow as the rich get richer and gain more power. This is why the United States has grown to hold the amount of power that it does today.

The United States is a major economic and military power that has created this way of globalization. In fact, it continued to spend as much on its “preventive defense” as it was spending during the Cold War, leaving it to be the only country with the power to create a military coalition and get its way, as it did in Iraq after September 11th. With this power, however, many enemies have been created who are unhappy with how the balance of power sits. Americans are the only people who believe that they should have this position of power, states Waltz, and they continue to push for expansion of influence. Having only 5% of the world’s population and having many enemies will eventually lead to the fall from power, as others will try to balance the condition of international politics.

Waltz concludes his analysis with a couple of strong points: inequality is the largest difference between both waves of globalization, states still have a lot of power in its national politics, and these inequalities has created a dependence on the individual actions of the leaders of globalization. The United States, with its influence to change the world with a single decision, should not take this lightly and should work on finding the best model of globalization - the one that benefits all of society.