

How Globalization Went Bad

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From terrorism to global warming, the evils of globalization are more dangerous than ever before. What went wrong? The world became dependent on a single superpower. Only by correcting this imbalance can the world become a safer place.

The world today is more dangerous and less orderly than it was supposed to be. Ten or 15 years ago, the naive expectations were that the “end of history” was near. The reality has been the opposite. The world has more international terrorism and more nuclear proliferation today than it did in 1990. International institutions are weaker. The threats of pandemic disease and climate change are stronger. Cleavages of religious and cultural ideology are more intense. The global financial system is more unbalanced and precarious.

It wasn't supposed to be like this. The end of the Cold War was supposed to make global politics and economics easier to manage, not harder. What went wrong? The bad news of the 21st century is that globalization has a significant dark side. The container ships that carry manufactured Chinese goods to and from the United States also carry drugs. The airplanes that fly passengers nonstop from New York to Singapore also transport infectious diseases. And the Internet has proved just as adept at spreading deadly, extremist ideologies as it has e-commerce.

The conventional belief is that the single greatest challenge of geopolitics today is managing this dark side of globalization, chipping away at the illegitimate co-travelers that exploit openness, mobility, and freedom, without putting too much sand in the gears. The current U.S. strategy is to push for more trade, more connectivity, more markets, and more openness. America does so for a good reason—it benefits from globalization more than any other country in the world. The United States acknowledges globalization's dark side but attributes it merely to exploitative behavior by criminals, religious extremists, and other anachronistic elements that can be eliminated. The dark side of globalization, America says, with very little subtlety, can be mitigated by the expansion of American power, sometimes unilaterally and sometimes through multilateral institutions, depending on how the United States likes it. In other words, America is aiming for a “flat,” globalized world coordinated by a single superpower.

That's nice work if you can get it. But the United States almost certainly cannot. Not only because other countries won't let it, but, more profoundly, because that line of thinking is faulty. The predominance of American power has many benefits, but the management of globalization is not one of them. The mobility of ideas, capital, technology, and people is hardly new. But the rapid advance of globalization's evils is. Most of that advance has taken place since 1990. Why? Because what changed profoundly in the 1990s was the polarity of the international system. For the first time in modern history, globalization was superimposed onto a world with a single superpower. What we have discovered in the past 15 years is that it is a dangerous mixture. The negative effects of globalization since 1990 are not the result of globalization itself. They are the dark side of American predominance.

THE DANGERS OF UNIPOLARITY

A straightforward piece of logic from market economics helps explain why unipolarity and globalization don't mix. Monopolies, regardless of who holds them, are almost always bad for both the market and the monopolist. We propose three simple axioms of “globalization under unipolarity” that reveal these dangers.

Axiom 1: Above a certain threshold of power, the rate at which new global problems are generated will exceed the rate at which old problems are fixed.

Power does two things in international politics: It enhances the capability of a state to do things, but it also increases the number of things that a state must worry about. At a certain point, the latter starts to overtake the former. It's the familiar law of diminishing returns. Because powerful states have large spheres of influence and their security and economic interests touch every region of the world, they are threatened by the risk of things going wrong—anywhere. That is particularly true for the United States, which leverages its ability to go anywhere and do anything through massive debt. No one knows exactly when the law of diminishing returns will kick in. But, historically, it starts to happen long before a single great power dominates the entire globe, which is why large empires from Byzantium to Rome have always reached a point of unsustainability.

That may already be happening to the United States today, on issues ranging from oil dependency and nuclear proliferation to pandemics and global warming. What Axiom 1 tells you is that more U.S. power is not the answer; it's actually part of the problem. A multipolar world would almost certainly manage the globe's pressing problems more effectively. The larger the number of great powers in the global system, the greater the chance that at least one of them would exercise some control over a given combination of space, other actors, and problems. Such reasoning doesn't rest on hopeful notions that the great powers will work together. They might do so. But even if they don't, the result is distributed governance, where some great power is interested in most every part of the world through productive competition.

Axiom 2: In an increasingly networked world, places that fall between the networks are very dangerous places—and there will be more ungoverned zones when there is only one network to join.

The second axiom acknowledges that highly connected networks can be efficient, robust, and resilient to shocks. But in a highly connected world, the pieces that fall between the networks are increasingly shut off from the benefits of connectivity. These problems fester in the form of failed states, mutate like pathogenic bacteria, and, in some cases, reconnect in subterranean networks such as al Qaeda. The truly dangerous places are the points where the subterranean networks touch the mainstream of global politics and economics. What made Afghanistan so dangerous under the Taliban was not that it was a failed state. It wasn't. It was a partially failed and partially connected state that worked the interstices of globalization through the drug trade, counterfeiting, and terrorism.

Can any single superpower monitor all the seams and back alleys of globalization? Hardly. In fact, a lone hegemon is unlikely to look closely at these problems, because more pressing issues are happening elsewhere, in places where trade and technology are growing. By contrast, a world of several great powers is a more interest-rich environment in which nations must look in less obvious places to find new sources of advantage. In such a system, it's harder for troublemakers to spring up, because the cracks and seams of globalization are held together by stronger ties.

Axiom 3: Without a real chance to find useful allies to counter a superpower, opponents will try to neutralize power, by going underground, going nuclear, or going "bad."

Axiom 3 is a story about the preferred strategies of the weak. It's a basic insight of international relations that states try to balance power. They protect themselves by joining groups that can hold a hegemonic threat at bay. But what if there is no viable group to join? In today's unipolar world, every nation from Venezuela to North Korea is looking for a way to constrain American power. But in the unipolar world, it's harder for states to join together to do that. So they turn to other means. They play a different game. Hamas, Iran, Somalia, North Korea, and Venezuela are not going to become allies anytime soon. Each is better off finding other ways to make life more difficult for Washington. Going nuclear is one way. Counterfeiting U.S. currency is another. Raising uncertainty about oil supplies is perhaps the most obvious method of all.

Here's the important downside of unipolar globalization. In a world with multiple great powers, many of these threats would be less troublesome. The relatively weak states would have a choice among potential partners with which to ally, enhancing their influence. Without that more attractive choice, facilitating the dark side of globalization becomes the most effective means of constraining American power.

SHARING GLOBALIZATION'S BURDEN

The world is paying a heavy price for the instability created by the combination of globalization and unipolarity, and the United States is bearing most of the burden. Consider the case of nuclear proliferation. There's effectively a market out there for proliferation, with its own supply (states willing to share nuclear technology) and demand (states that badly want a nuclear weapon). The overlap of unipolarity with globalization ratchets up both the supply and demand, to the detriment of U.S. national security.

It has become fashionable, in the wake of the Iraq war, to comment on the limits of conventional military force. But much of this analysis is overblown. The United States may not be able to stabilize and rebuild Iraq. But that doesn't matter much from the perspective of a government that thinks the Pentagon has it in its sights. In Tehran, Pyongyang, and many other capitals, including Beijing, the bottom line is simple: The U.S. military could, with conventional force, end those regimes tomorrow if it chose to do so. No country in the world can dream of challenging U.S. conventional military power. But they can certainly hope to deter America from using it. And the best deterrent yet invented is the threat of nuclear retaliation. Before 1989, states that felt threatened by the United States could turn to the Soviet Union's nuclear umbrella for protection. Now, they turn to people like A.Q. Khan. Having your own nuclear weapon used to be a luxury. Today, it is fast becoming a necessity.

North Korea is the clearest example. Few countries had it worse during the Cold War. North Korea was surrounded by feuding, nuclear-armed communist neighbors, it was officially at war with its southern neighbor, and it stared continuously at tens of thousands of U.S. troops on its border. But, for 40 years, North Korea didn't seek nuclear weapons. It didn't need to, because it had the Soviet nuclear umbrella. Within five years of the Soviet collapse, however, Pyongyang was pushing ahead full steam on plutonium reprocessing facilities. North Korea's founder, Kim Il Sung, barely flinched when former U.S. President Bill Clinton's administration readied war plans to strike his nuclear installations preemptively. That brinkmanship paid off. Today North Korea is likely a nuclear power, and Kim's son rules the country with an iron fist. America's conventional military strength means a lot less to a nuclear North Korea. Saddam Hussein's great strategic blunder was that he took too long to get to the same place.

How would things be different in a multipolar world? For starters, great powers could split the job of policing proliferation, and even collaborate on some particularly hard cases. It's often forgotten now that, during the Cold War, the only state with a tougher nonproliferation policy than the United States was the Soviet Union. Not a single country that had a formal alliance with Moscow ever became a nuclear power. The Eastern bloc was full of countries with advanced technological capabilities in every area except one—nuclear weapons. Moscow simply wouldn't permit it. But today we see the uneven and inadequate level of effort that non-superpowers devote to stopping proliferation. The Europeans dangle carrots at Iran, but they are unwilling to consider serious sticks. The Chinese refuse to admit that there is a problem. And the Russians are aiding Iran's nuclear ambitions. When push comes to shove, nonproliferation today is almost entirely America's burden.

The same is true for global public health. Globalization is turning the world into an enormous petri dish for the incubation of infectious disease. Humans cannot outsmart disease, because it just evolves too quickly. Bacteria can reproduce a new generation in less than 30 minutes, while it takes us decades to come up with a new generation of antibiotics. Solutions are only possible when and where we get the upper hand. Poor countries where humans live in close proximity to farm animals are the best place to breed extremely dangerous zoonotic disease. These are often the same countries, perhaps not entirely coincidentally, that feel threatened by American power. Establishing an early warning system for these diseases—exactly what we lacked in the case of SARS a few years ago and exactly what we lack for

avian flu today—will require a significant level of intervention into the very places that don't want it. That will be true as long as international intervention means American interference.

The most likely sources of the next ebola or HIV-like pandemic are the countries that simply won't let U.S. or other Western agencies in, including the World Health Organization. Yet the threat is too arcane and not immediate enough for the West to force the issue. What's needed is another great power to take over a piece of the work, a power that has more immediate interests in the countries where diseases incubate and one that is seen as less of a threat. As long as the United States remains the world's lone superpower, we're not likely to get any help. Even after HIV, SARS, and several years of mounting hysteria about avian flu, the world is still not ready for a viral pandemic in Southeast Asia or sub-Saharan Africa. America can't change that alone.

If there were rival great powers with different cultural and ideological leanings, globalization's darkest problem of all—terrorism—would also likely look quite different. The pundits are partly right: Today's international terrorism owes something to globalization. Al Qaeda uses the Internet to transmit messages, it uses credit cards and modern banking to move money, and it uses cell phones and laptops to plot attacks. But it's not globalization that turned Osama bin Laden from a small-time Saudi dissident into the symbolic head of a radical global movement. What created Osama bin Laden was the predominance of American power.

A terrorist organization needs a story to attract resources and recruits. Oftentimes, mere frustration over political, economic, or religious conditions is not enough. Al Qaeda understands that, and, for that reason, it weaves a narrative of global jihad against a "modernization," "Westernization," and a "Judeo-Christian" threat. There is really just one country that both spearheads and represents that threat: the United States. And so the most efficient way for a terrorist to gain a reputation is to attack the United States. The logic is the same for all monopolies. A few years ago, every computer hacker in the world wanted to bring down Microsoft, just as every aspiring terrorist wants to create a spectacle of destruction akin to the September 11 attacks inside the United States.

Al Qaeda cells have gone after alternate targets such as Britain, Egypt, and Spain. But these are not the acts that increase recruitment and fundraising, or mobilize the energy of otherwise disparate groups around the world. Nothing enhances the profile of a terrorist like killing an American, something Abu Musab al-Zarqawi understood well in Iraq. Even if al Qaeda's deepest aspirations lie with the demise of the Saudi regime, the predominance of U.S. power and its role supporting the house of Saud makes America the only enemy really worth fighting. A multipolar world would surely confuse this kind of clear framing that pits Islamism against the West. What would be al Qaeda's message if the Chinese were equally involved in propping up authoritarian regimes in the Islamic, oil-rich Gulf states? Does the al Qaeda story work if half its enemy is neither Western nor Christian?

RESTORING THE BALANCE

The consensus today in the U.S. foreign-policy community is that more American power is always better. Across the board. For both the United States and the rest of the globe. The National Security Strategy documents of 2002 and 2006 enshrine this consensus in phrases such as "a balance of power that favors freedom." The strategy explicitly defines the "balance" as a continued imbalance, as the United States continues "dissuading potential competitors ... from challenging the United States, its allies, and its partners."

In no way is U.S. power inherently a bad thing. Nor is it true that no good comes from unipolarity. But there are significant downsides to the imbalance of power. That view is hardly revolutionary. It has a long pedigree in U.S. foreign-policy thought. It was the perspective, for instance, that George Kennan brought to the table in the late 1940s when he talked about the desirability of a European superpower to restrain the United States. Although the issues today are different than they were in Kennan's time, it's still the case that too much power may, as Kennan believed, lead to overreach. It may lead to arrogance. It may lead to insensitivity to the concerns of others. Though Kennan may have been prescient to voice these concerns, he couldn't have predicted the degree to which American unipolarity would lead to such an unstable overlap with modern-day globalization.

America has experienced this dangerous burden for 15 years, but it still refuses to see it for what it really is. Antiglobalization sentiment is coming today from both the right and the left. But by blaming globalization for what ails the world, the U.S. foreign-policy community is missing a very big part of what is undermining one of the most hopeful trends in modern history—the reconnection of societies, economies, and minds that political borders have kept apart for far too long.

America cannot indefinitely stave off the rise of another superpower. But, in today's networked and interdependent world, such an event is not entirely a cause for mourning. A shift in the global balance of power would, in fact, help the United States manage some of the most costly and dangerous consequences of globalization. As the international playing field levels, the scope of these problems and the threat they pose to America will only decrease. When that happens, the United States will find globalization is a far easier burden to bear.

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