

The Future of International Politics

POSC 1020 – Introduction to International Relations

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Puzzle(s) for Today

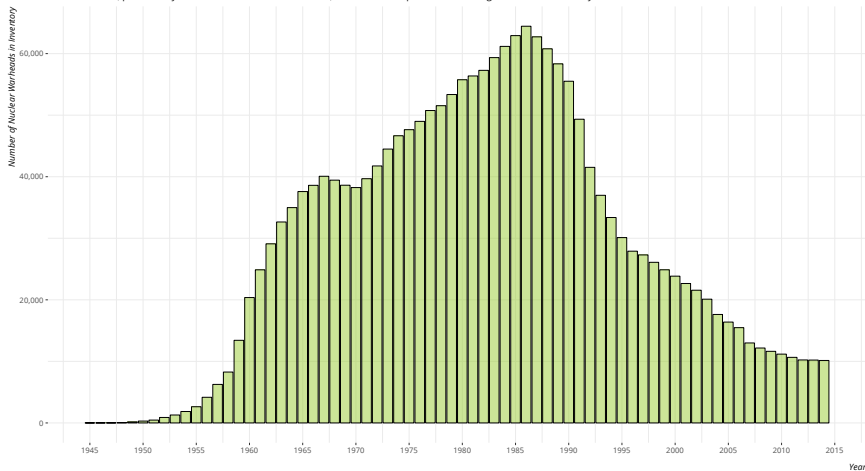
We've learned a lot of international politics' present and past, but what does the future hold?

The Future of International Politics

1. The proliferation of WMDs
2. The future of American global leadership (i.e. "The Rise of China?")
3. Globalization and its discontents

Number of Nuclear Warheads in Inventory of Nuclear Countries, 1945-2014

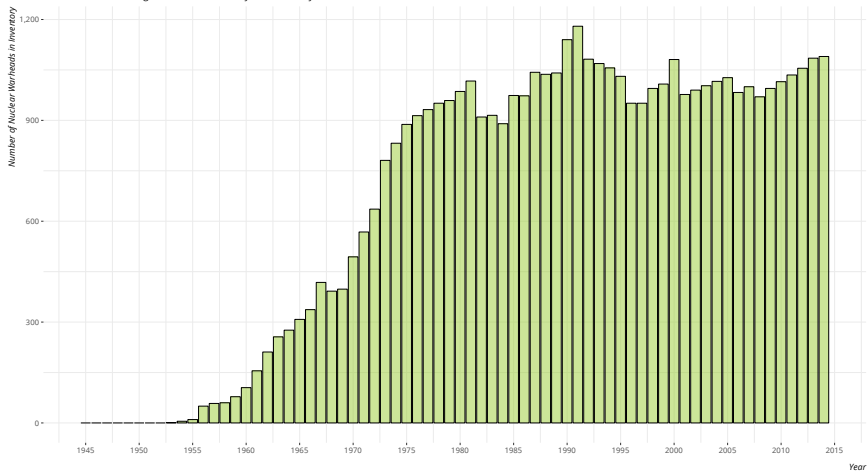
Nuclear treaties, prominently between the U.S. and USSR/Russia, have seen an important decline in global nuclear inventory



Data: Federation of American Scientists

Number of Nuclear Warheads in Inventory of Nuclear Countries (Excluding the U.S. and Russia), 1945-2014

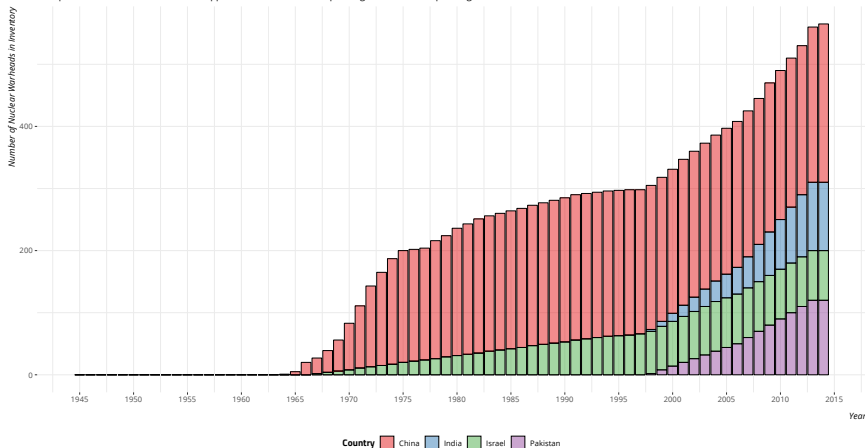
Notice that declines in global nuclear inventory are effectively functions of de-nuclearization in the U.S. and Russia.



Data: Federation of American Scientists

Number of Nuclear Warheads in Inventory of Select "Problem" Countries, 1945-2014

Non-proliferation measures haven't stopped some countries from pushing for and even expanding nuclear arsenals.



Data: Federation of American Scientists.

Qualifier: Most onlookers believe DPRK has around 20-40 warheads as of 2016.

Source for that estimation: <https://www.wsj.com/articles/china-warns-north-korean-nuclear-threat-is-rising-1429745706>

So is North Korea a Nuclear Country?



Yes, and we are *way* past that part of the puzzle.

So What Is At Stake With North Korea?

There are a few things still on the table:

1. Delivery/guidance
2. Payload
3. Second-strike
4. Acceptance/legitimacy

These are more about scope and repercussions. North Korea is already a nuclear-armed country.

Is Non-Proliferation Even a “Bad Thing?”

There is a strand of scholarship that argues for proliferation.

- i.e. “mutually assured destruction”
- “The Long Peace”

How Would Mutual Deterrence Work?

1. Guaranteed second-strike
2. Leaders must be rational/strategic (i.e. value survival)
3. Identification of first-strike initiator

Why Should We Be Skeptical of Nuclear Deterrence?

- “Small n ” and conspicuous cases
- Rivals like India and Pakistan may be only a bit more cautious, and still as conflict-prone.
- Nuclear weapons still alter distribution of power.
- Nuclear countries may not meet some of the previous assumptions (see: Pakistan)
- Proliferation into non-state actors

How Can We Prevent Nuclear Proliferation?

Same way you discourage anyone from doing anything:

1. "Carrots and sticks"
2. Prevention of access to raw materials

Providing Assurances

So many nuclear weapons programs follow direct fears from rivals.

- The U.S. developed theirs in response to Nazi Germany's efforts.
- The Soviets developed theirs in response to the Americans.
- Likewise: UK and France vis-a-vis the Soviets.
- Sino-Soviet split = nuclear weapons in China
- India in response to China
- Pakistan in response to India
- DPRK in response to the U.S.

Providing Assurances

Guaranteed security interests can dissuade states from developing their own arsenals.

- The Soviets dissuaded Syria from a nuclear program.
- The U.S. has blocked nuclear programs in Germany, Japan, Taiwan, and South Korea.

However, *these assurances must be credible and indefinite.*

- So much of the current problem in North Korea is a function of broken assurances to Libya.

Nuclear Non-Proliferation Treaty

The Nuclear Non-Proliferation Treaty (NPT) is an important milestone in non-proliferation.

- Signals strong interest from all nuclear powers, with some credible punishments.

However, the empirical record is mixed.

- NPT can't fundamentally alter state interests (e.g. India, DPRK).
- Still recognizes rights to a civilian nuclear program, which compounds commitment problem (e.g. Iran)

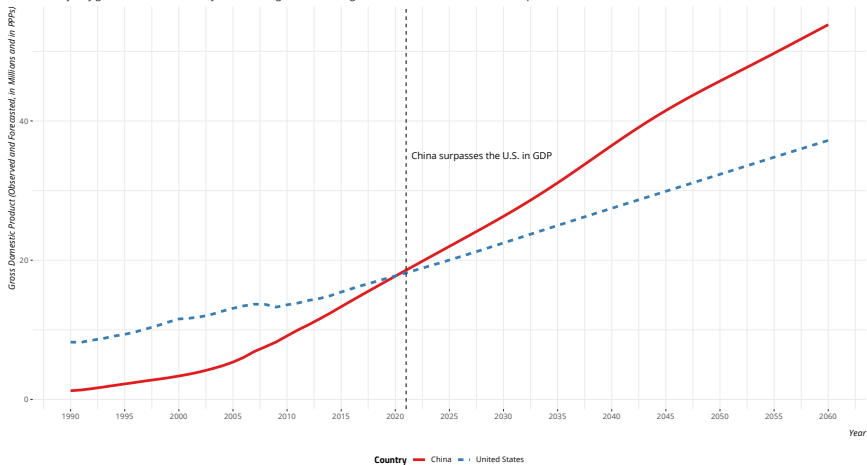
Coercive Disarmament

One final option: threat and use of military force. However, this is fraught with problems:

1. Commitment problems (see: Libya)
2. Not a good option when nuclear weapons aren't the focal point of the problem (see: Iran, DPRK)
3. Most nuclear development is *sub rosa* after the Osirak reactor bombing.

The OECD Forecasts China Will Surpass the U.S. in GDP in 2021

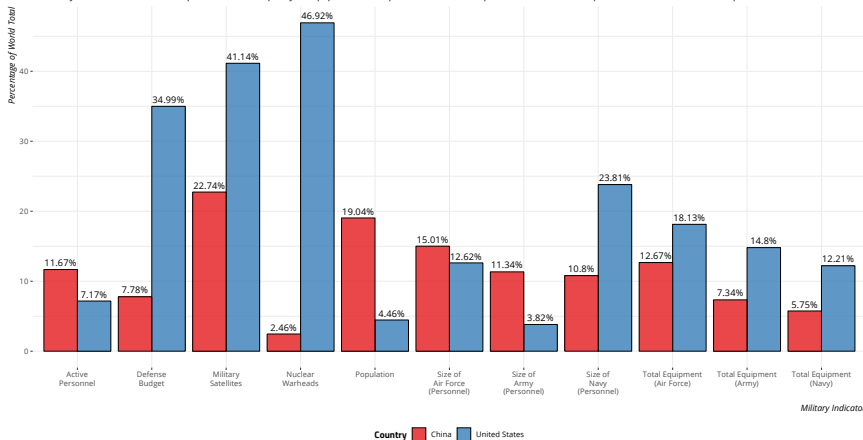
China's yearly growth in economic activity to date is far greater than the growth we observe in U.S. economic output.



Data: OECD Outlook No 95 - May 2014 - Long-term baseline projections provided by Organisation for Economic Co-operation and Development (OECD)

China's Eventual "Rise" Still Comes Amid Major Military Disparity with the United States

Generally: China beats U.S. on manpower and never quality or equipment. We expect these trends to persist even as China surpasses the U.S. in economic output.



Data: Military Balance (2015) and Federation of American Scientists (for Nukes)
 Army Equipment: Tanks, recon equipment, armored fighting vehicles, artillery
 Navy Equipment: submarines, principal surface combatants, amphibious equipment,
 Air Force Equipment: Combat-capable aircraft

What's the Problem With China's Rise?

“Rising” states expect to do better in war.

- As a result, it's more likely to threaten force to revise the status quo.
- A “risen” China is less likely to honor the terms of a pre-power transition agreement.

Indeed, commitment problems magnify the war-proneness of power transitions.

- Further, the U.S. and China have more disagreements than previous cases like Germany and Japan after WWII.

Is There Cause for Optimism?

Optimistic analysts see promise in China's globalization/leadership efforts.

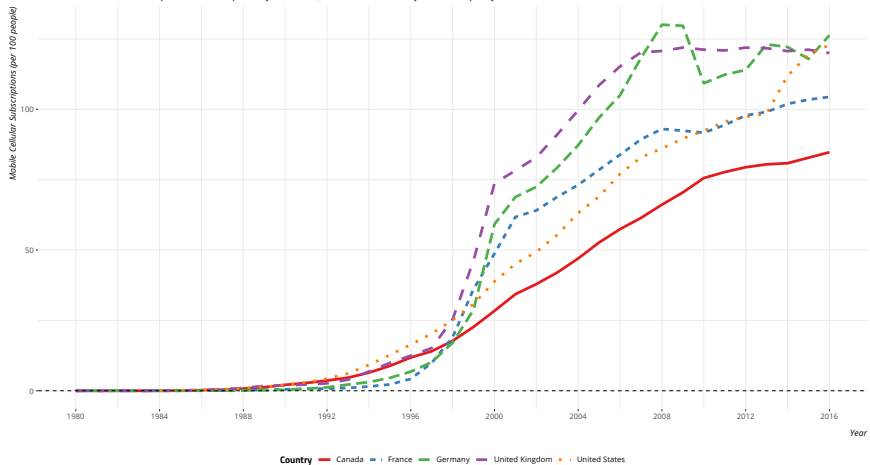
- e.g. participation in WTO, Asian Infrastructure and Investment Bank

Indeed, China seems to have a vested stake in the current economic/political order, disputes with the U.S. notwithstanding.

- However, Chinese behavior still permits major skepticism.

More and More People Are Owning Cell Phones

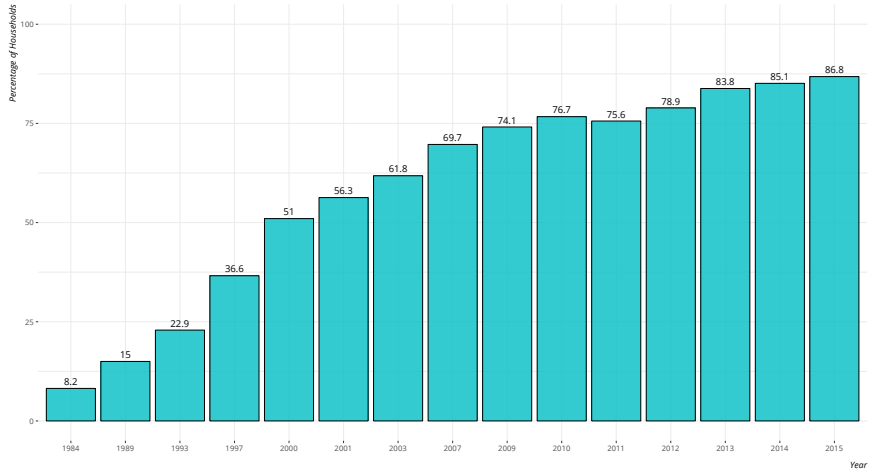
Globalization has made cell phone ownership readily accessible, which has been a major boon to quality of life in Western countries.



Data: International Telecommunication Union, via the World Bank

Almost Every Household Has a Computer These Days, Thanks to Globalization

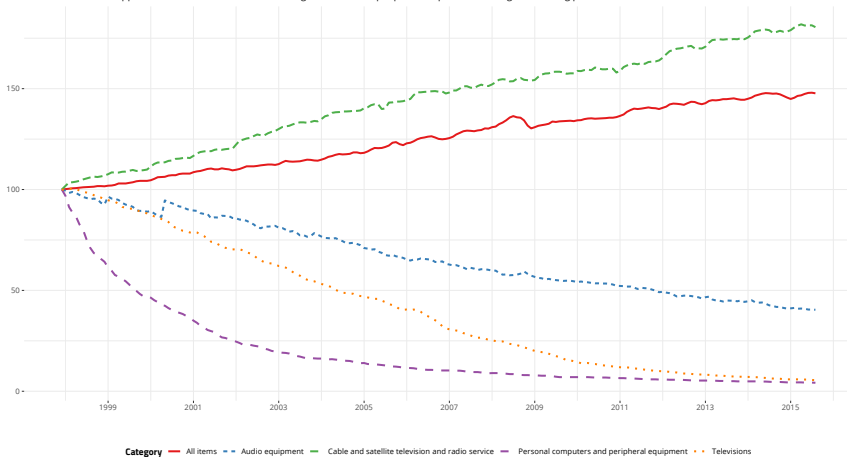
Household computers used to be a luxury item before parts could be cheaply made/imported from Asia. In fact, the old Apple Macintosh from 1984 cost more than \$6,000 in 2017 USD.



Data: Current Population Survey Estimates

The Price Indices For Computers and TVs Have Declined More Than 95% Since December 1997

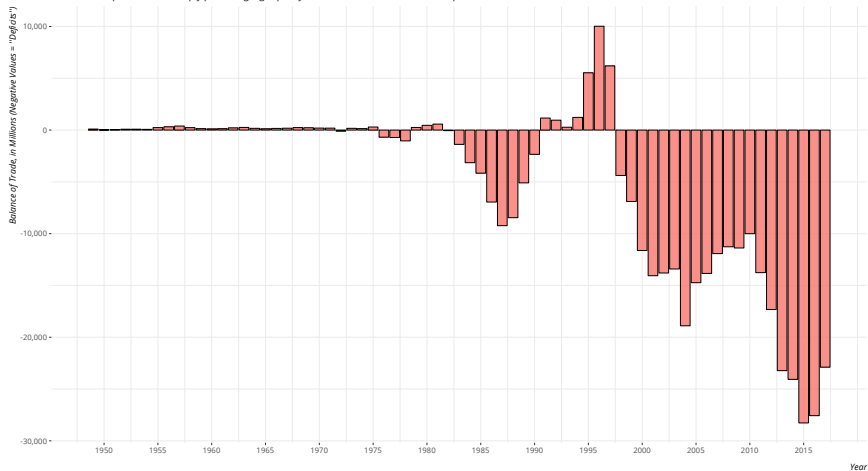
Most of the decline happened between 1998 and 2003 following a boom in cheaper parts and products coming from trading partners in Asia.



Data: Bureau of Labor Statistics. Base: December 1997.
Source: <https://www.bls.gov/opub/ted/2015/long-term-price-trends-for-computers-tvs-and-related-items.htm>

The Boom in Cheap Household Computers Followed a Surge of Imports from South Korea (Among Others)

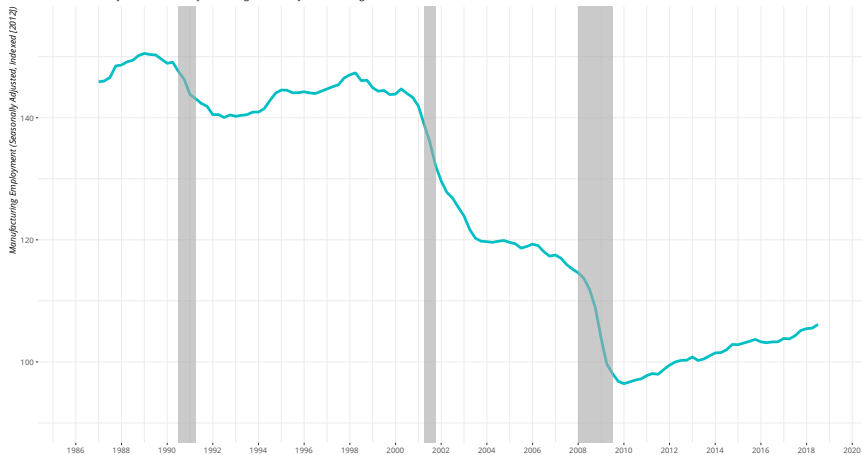
South Korea specializes in cheaply producing high-quality consumer electronics for consumption in the U.S.



Data: Correlates of War Dyadic Trade Data (v. 4.0, 1949-2014). U.S. Census Bureau: 2015-2017.

U.S. Manufacturing Employment Has Declined as Globalization Has Increased

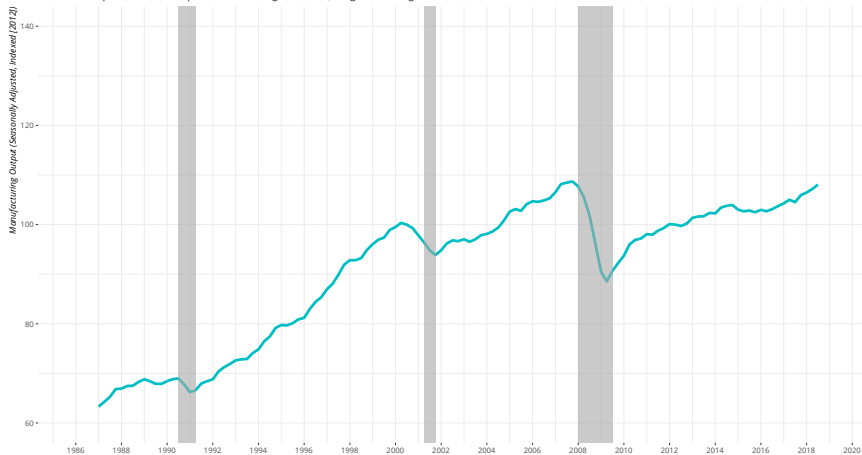
You'll almost always hear of this as "jobs leaving the country" because of globalization.



Data: U.S. Bureau of Labor Statistics. Data are seasonally adjusted with 2012 as the index year. Shaded areas are recessions.

U.S. Manufacturing Output Has Generally Risen Despite the Drop in Manufacturing Employment

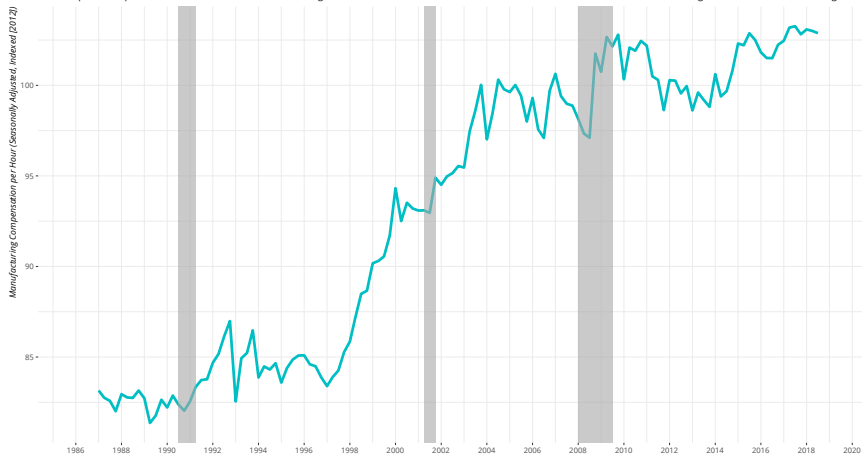
Automation explains more of this phenomenon than globalization gets the blame.



Data: U.S. Bureau of Labor Statistics. Data are seasonally adjusted with 2012 as the index year. Shaded areas are recessions.

Manufacturing Pays More Now Than It Did When There Was More Manufacturing Employment

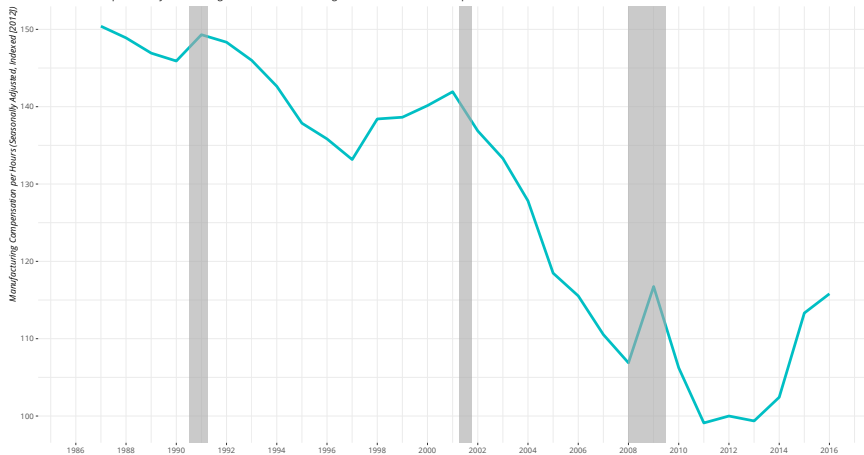
Real compensation per hour is on the rise because automation/globalization has decreased demand for low-skilled labor and increased demand for high-skilled labor. This raises wages.



Data: U.S. Bureau of Labor Statistics. Data are seasonally adjusted with 2012 as the index year. Shaded areas are recessions.

Labor Share of Income in Manufacturing Has Gone Down

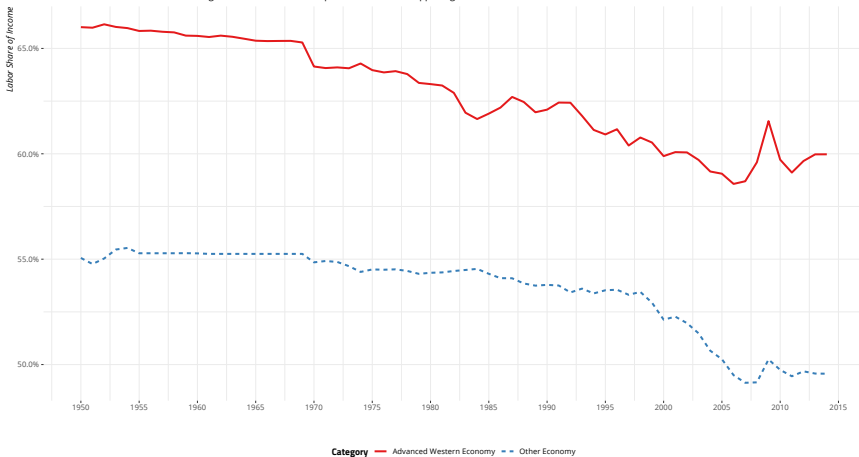
Gains in income/productivity result in wages for skilled labor/management or reinvestment in capital.



Data: U.S. Bureau of Labor Statistics. Data are seasonally adjusted with 2012 as the index year. Shaded areas are recessions.

It's Not Just the United States: Labor Share of Income is Falling Everywhere

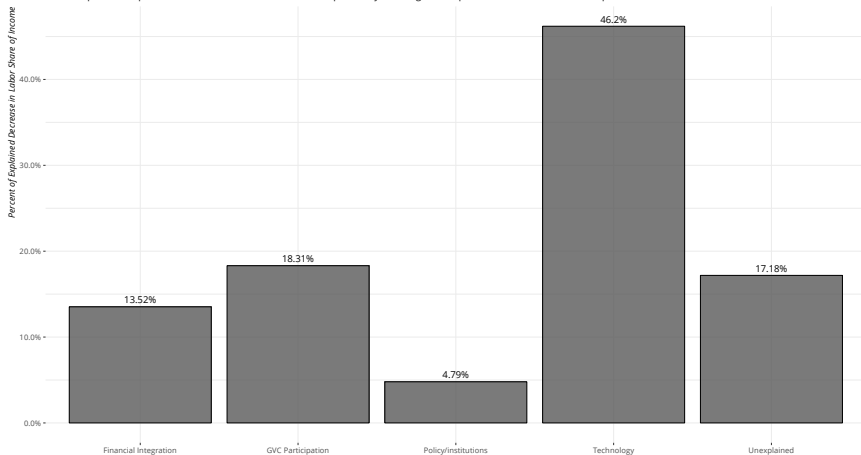
The trend has been observable as long we have data with more pronounced slides happening in the 1980s.



Data: Penn World Table 9.0
"Advanced Western Economy" determined by World Bank region for convenience. These observations are the U.S., Canada, Australia, New Zealand, and countries in Western/Northern Europe.

What Explains Declining Share of Income in Advanced Economies? Technology.

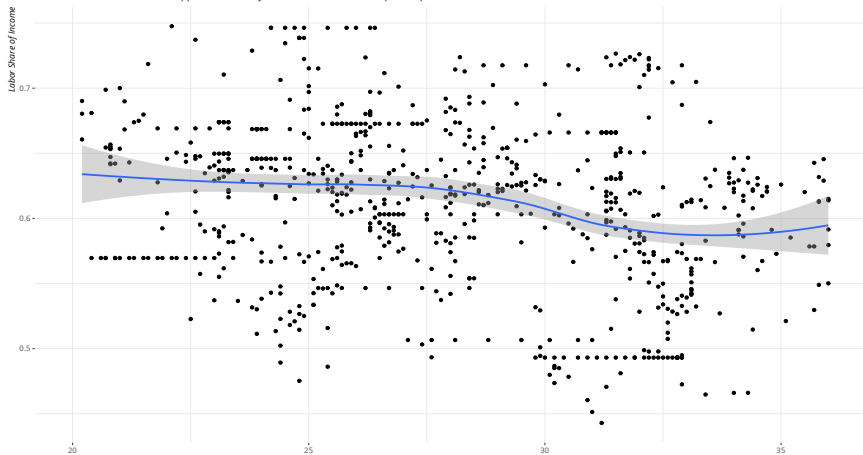
An IMF report from April 2017 found most of the movement is explained by declining relative price of investment and initial exposure to routinization across sectors.



Data: IMF. Reconfiguration of Figure 3.11 in "World Economic Outlook, April 2017: Gaining Momentum?"

Income Inequality Generally Rises in the West as Labor Share of Income Falls

Labor share of income decline happens for a variety of reasons but can have important political/economic effects.



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Data: Penn World Table (v. 9.0), SWIID (v. 6.2)

The Correlation Between Income Inequality and Labor Share of Income Is Particularly Strong in the U.S. ($r = -.702$)

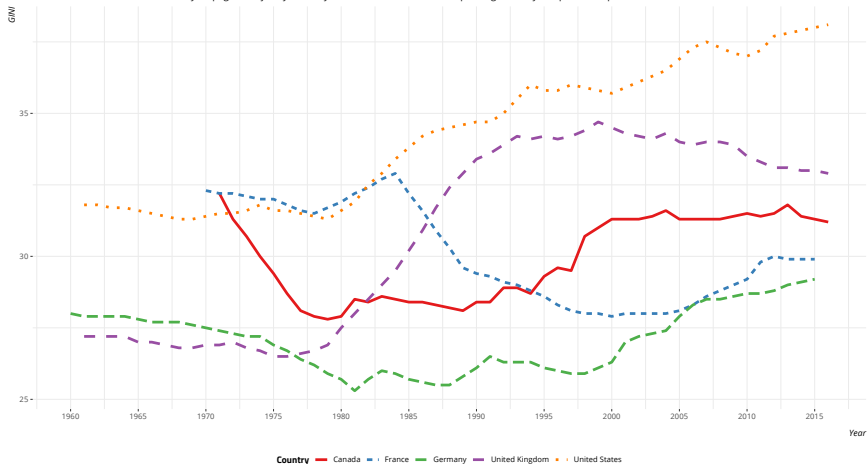
Labor share of income's decline is global and has multiple reasons but U.S. policy may be making its effects even worse.



Data: Penn World Table (v. 9.0), SWIID (v. 6.2)

Globalization Skepticism Appears Most Concentrated in Western Countries With Severe Income Inequality

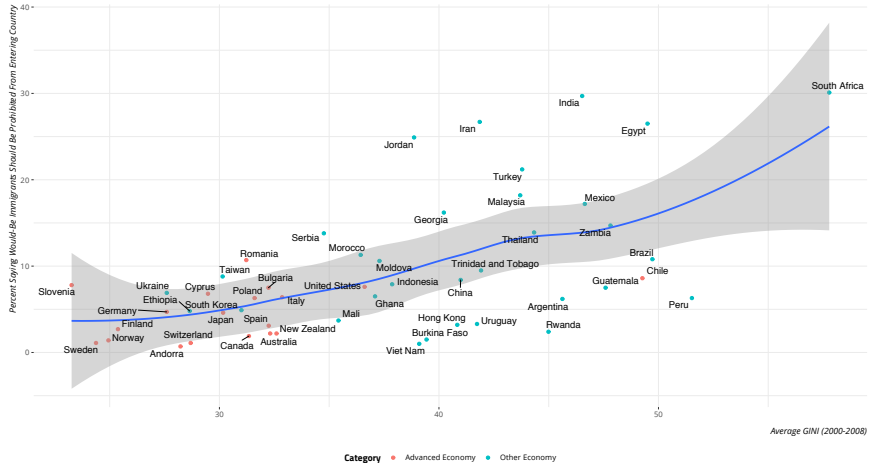
Globalization and trade become easy scapegoats to justify austerity measures and cuts to social spending that only compound the problem.



Data: SWIID (v. 6.2)

Higher Income Inequality Coincides With Societies Scapegoating Immigrants As Part of the Problem

Less-developed countries are generally more anti-immigrant but the correlation is near identical in more developed economies.



Data: World Values Survey (Wave 5), SWIID (v. 6.2)

Conclusion

- WMDs have become easier and cheaper to produce, and more countries are producing them.
 - Solutions require altering the incentives of would-be proliferators, through both carrots and sticks.
- China's "rise" may lead to war with the U.S.
 - Preventing this requires integrating China into U.S.-created institutions.
- Globalization is a force for peace, but it's a policy that creates winners and losers.
 - How you compensate the losers will condition the future of globalization.

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