

# Pre-prospectus: Economic Globalization and the Contemporary Issues in World Politics, Economics, and Security

George Yean, Department of Government, Harvard University

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## **Abstract**

This pre-prospectus proposes the study of how economic globalization – a fundamental structural transformation of both global economy and domestic society, particularly during the post-Cold War period – reshapes international political and security dynamics, by focusing on the causes and consequences of globalization’s issues. It consists of three interconnected projects. First, it investigates how globalization’s issues, such as global imbalances compared with a series of others, undermine the legitimacy of the liberal order dominated by democracies and shape power dynamics, fostering support for alternatives like China. Second, it examines how autocracies leverage global economic institutions like the WTO to achieve economic and geopolitical resurgence, challenging the assumption and expectation that globalization would inherently favor democracies. Third, it proposes a novel theory on contemporary economic tensions by analyzing post-equilibrium globalization dynamics, particularly how developing countries’ catch-up efforts disrupt advanced democracies, as exemplified by the “second China shock.” Employing a mixed-methods approach – combining quantitative analysis, formal models, survey experiments, and qualitative case studies, this research bridges the gaps among international political economy, international security, and comparative politics. It provides insights into the challenges stemming from and facing globalization, as well as possible solutions.

## **1 Introduction**

The post-war era of economic globalization, and especially the period following the Cold War, has profoundly reshaped global politics, the world economy, and international security. Under the current liberal international order (LIO) – championed by major democracies such as the United

States and the European Union – global trade and financial integration have accelerated, accompanied by increased migration and the diffusion of global governance and norms. Although economic globalization was initially lauded for promoting economic cooperation, alleviating poverty, and disseminating liberal values (Fukuyama 1989; Ikenberry 2001), its unintended consequences have increasingly challenged these objectives. Growing domestic and international discontent, criticism, and social resistance (Autor et al. 2020; Inglehart and Norris 2017) have accompanied with a reemergence of power politics after decades of relative dormancy.

Against this backdrop, my dissertation will investigate the interplay between economic globalization and its concomitant challenges, and how this interaction is reshaping the international political, economic, and security environments. Specifically, I will explore the causes and consequences of globalization-related issues across economic, ideational, governmental, and security dimensions. Key questions include: How does economic globalization engender these multifaceted challenges? What implications do these issues hold for the existing world order, democracy, the dynamics of power politics, and the future trajectory of global politics, economics, and security in an interconnected world?

I bring issues to the analytical forefront, not only by explaining how these issues may impact global political, economic and security dynamics – the consequences, but also seeking to explain how exactly they may come into being – the causes. This dissertation will be structured around three interconnected projects:

### **Globalization’s issues and the LIO**

Key Questions: Why do certain globalization’s issues, like persistent global imbalances and financial instability not others, lead states to disengage from the U.S.-led LIO and support rising-power challengers like China? Under what conditions may these issues manifest and what does the process look like?

### **Explaining autocratic rise and the post-1990 performance reversal**

Key Questions: How does recent autocratic rise relate to economic globalization? What mechanisms allow autocracies to leverage globalization to thrive, despite expectations that democratic institutions and globalization would favor democracies?

### **Explaining economic tensions using the after-equilibrium logic**

Key Questions: How do countries (primarily advanced industrial democracies) respond to external shocks such as the “second China shock” when developing trading partners catch up and challenge their advantageous sectors, contra the expectations of free trade models? Why does the after-equilibrium logic, not pre-equilibrium, better explain tensions? What are the competing theories that can explain the policy-shaping public opinion in this scenario?

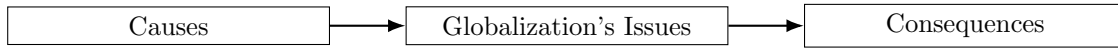


Figure 1: General Overview of Interested Components in Globalization.

Overall, my dissertation will put the issues of globalization in the analytical forefront. Project 1 studies the link from varied issues to consequences. Project 2 examines how economic globalization leads to the issue in which autocracies manage to revive. Project 3 connects trade integration to the issue of economic conflicts, through the lens of public opinion.

## 2 Project Details

### Project 1: Globalization's issues and the LIO

The first paper will explore when and how globalization-related issues emerge within the LIO and shape state behavior and world politics. Many of these issues are known to be disruptive and persistent, fueling long-term grievances and weakening support for the LIO. My focus will be on global imbalances with cross-comparison of a series of issues. Global imbalances are an ideal issue with several defining characteristics: it is structurally distorting, raises widespread concerns, connecting to existing order's rules and outside options such as China, and spans multiple issue domains such as trade and finance. Global imbalances reflect a deeply asymmetrical globalization that has persisted for decades, with external imbalances at the state-level driving significant turmoil in contemporary world politics. Moreover, it shares key analytical similarities with other pressing global issues – namely, stubbornness, severity, attribution to the LIO, and addressability. These features make global imbalances a window for comparative analysis.

I propose an issue-based theory to examine state behavior. I hypothesize that states experiencing issues like persistent external deficits are more likely to perceive the U.S.-led liberal international

order (LIO) as unfavorable due to its rules that contribute to these issues, leading them to view China as an alternative leader. However, these effects should vary by domain: while China's financial appeal, such as investments and loans, may increase support, its mercantilist trade practices could weaken the support. Additionally, I conceptualize "helpless issues" – systemic, persistent challenges that individual states cannot resolve on their own. I argue that such issues are particularly likely to drive disengagement from the LIO. These findings underscore how issue heterogeneity shapes state responses to the adverse effects of globalization.

Methodologically, this project will employ a mixed-method approach, integrating causal inference, formal modeling, survey methods, and case studies. Causal inference techniques will be used to identify the effects of external imbalances on support for Chinese leadership. Given that my dependent variable (DV) measures state support, I will employ Probit models (perhaps Bayesian-based due to small sample size) under the assumption of conditional exogeneity to test the independent impact of external imbalances. To ensure robustness, I will conduct sensitivity analyses and additional tests to address omitted variable concerns. For potential endogeneity issues, such as reverse causality, I will apply an instrumental variable (IV) approach, using historical industrial intensity as an instrument for recent external imbalances. Formal models and game-theoretic approaches will complement these empirical tests by providing structured representations of causal mechanisms, grounded in rationalist assumptions. Since existing scholarship often overlooks the political effects of external imbalances, I will develop a macroeconomic model illustrating how cumulative imbalances reduce public service provisions and wages, fostering nation-wide public dissatisfaction. To capture individual-level sentiment, I will conduct a public opinion-based experiment, testing whether disengagement from the LIO and support for alternatives emerges only when four key issue conditions are met, ideally in one swing state and one ally state. While direct experimentation on elites is not feasible, this micro-level evidence will reinforce the broader theoretical framework. Additionally, I will analyze Italy – an ideal case as a G7 country that both joined and later exited the Belt and Road Initiative (BRI) – to illustrate the dynamics theorized in this study.

This project contributes to the literature on globalization backlash and its resulted power distribution by incorporating issue-specific dynamics. The nuanced findings enrich the parsimonious power transition theory. It also advances the study intercepting economy and security by linking globalization's issues to interstate politics and great power competition.

## **Project 2: The Globalization Origins of Autocratic Rise**

The second paper examines whether and how globalization has facilitated the resurgence of autocratic regimes, enabling them to reverse pre-1990 economic declines and outperform democracies. Does authoritarian regime type have a positive causal effect on trade performance?

I start teasing out pro-performance factors based on existing growth and trade theories. I argue that autocracies thrive in the post-1990 globalized economy due to what I conceptualize as “autocratic advantages.” These advantages may stem from their institutional and non-institutional abilities to implement strategic trade and industrial policies, reallocate resources from welfare to industry and export sectors, and leverage trade-related benefits through centralized decision-making, while operating with more centralized power and without the constraints of democratic accountability. However, these advantages are not unconditional; they depend on two key scope conditions. First, autocracies must participate in global trade institutions like the WTO, which provide them with access to markets, trade rules, and economic networks. Second, they must implement domestic reforms that strengthen growth-enhancing institutions, such as property rights protection and rule of law. Without these conditions, the structural advantages of autocracy in a globalized economy may fail to translate into sustained economic performance.

Theoretically, trade (particularly exports) performance is collectively determined by demand (expanded market through signing a wider range of trade deals) and supply (firms’ production enhanced by institutional improvement and ad-hoc policy incentives). While policy interventions, where autocracies may hold an advantage (as I will theorize), can enhance export performance, they require certain institutional preconditions, including property rights protection, rule of law, and integration into global markets. Specifically, I focus on two key most trade performance-enhancing structural transformations in the post-1990 globalization period: economic institutional reform and trade integration.

Empirically, I will test whether autocracies that embraced market-oriented reforms and WTO-led trade liberalization have experienced disproportionate growth in exports and external balance compared to democracies. Beyond WTO accession, domestic institutional reforms also play a crucial role, and I assess whether they systematically benefit autocracies. If both factors – global trade integration and domestic reform – favor autocracies, this would provide a useful explanation for their economic resilience and competitive rise. To substantiate these claims, I will employ sectoral-

level analysis alongside state-level aggregate trends to capture variation across industries and test the underlying mechanisms. For example, if autocracies excelled by being integrated into the global value chain, then we may expect their exports in more intermediate goods. Moreover, I will examine the mediating effects of autocratic advantages, including centralized decision-making, labor cost suppression, and strategic mercantilist policies. Finally, comparative case studies of countries with similar economic starting points but differing political regimes further will corroborate the theoretical framework.

The project will also employ a mixed-method approach combining causal inference, formal models, and qualitative case studies. Causal inference techniques are powerful tools to tease out causal effects of specific factors. In this project, I will employ both model-based inference (e.g., using specific models such as gravity models and hierarchical models, and non-parametric methods such as differences-in-differences (DiD) with weighting and matching. They are particularly useful to deal with observational data that would require a proper modeling or identification strategy for causal effects (e.g., average treatment effects of the treated – ATT). Apart from the identification of causal effects, mediating analysis is used to explore the causal pathways linking the explanatory variables to outcomes. Moreover, to establish testable hypotheses, I will borrow formal trade models from economics to illustrate what could be derived to illustrate my main hypotheses based on existing assumptions. Other techniques that may be used include network analysis. Robustness test techniques such as sensitivity analysis and bootstrap will be used when necessary. Additionally, game theories such as Nash-equilibrium normal-form games and bargaining models may also be useful to help illustrate certain behavior of firms and policymakers in a competitive globalized economy. Lastly, qualitative methods will be used to compare similar country-pairs to corroborate possible causal factors. Case studies provides in-depth insights into the mechanisms and contextual factors underpinning the relationships I examine.

This project advances our understanding of the long-standing debate on regime type and performance, and a new puzzle over why autocracies, after a prolonged decline, have suddenly resurged, especially economically. It extends the literature by highlighting the critical role of external factors in shaping performance, challenging the assumption that globalization inherently benefits democracies, and informing debates on the relationship between regime type and economic outcomes. Moreover, the study deepens our insight into the evolution of today's sobering security environ-

ment and the dynamics of global power competition, demonstrating how autocracies may leverage globalization to consolidate domestic legitimacy and contest the existing international order.

### **Project 3: Post-Equilibrium Trade Preferences and Economic Conflict**

Economic conflicts are increasingly becoming a central feature of contemporary world politics – reminiscent of the trade tensions of the 1980s between the U.S. and Japan, albeit differences. While recent literature typically attributes trade conflicts to distributional impacts of trade, where domestic losers drive anti-trade politics (Autor et al. 2020; Walter 2021), I contend that a more suitable explanation emerges from examining the “post-equilibrium” phase of trade liberalization in classic trade economics. Traditional factor-based trade models describe a period during which states move from autarky to a liberalization equilibrium, benefiting both developed (e.g., advanced democracies) and developing countries, through the main idea of division of labor and opportunity costs. This pre-equilibrium phase has long been the focus of international political economy scholarship. My third project shifts attention to the post-equilibrium phase, where some developing countries exceed this equilibrium and continue to progress along the global value chain. The advantages partly come from that the rest of the country remains still less developed and thus cost-competitive, especially when the rapid expansion of the global value chain by multinational firms further amplifies the technology convergence. Tensions may arise at this time. Traditional IPE frameworks, which emphasize the pains and gains of the pre-equilibrium phase, have largely overlooked the enduring impacts of post-equilibrium dynamics and the state practices – such as the adoption of mercantilist policies – that accompany them.

I contend that the “second China shock” – characterized by China’s expanding progress in advanced sectors – has fundamentally transformed the logic and dynamics of trade tensions and policy responses. Policymakers are increasingly confronted with the skeptics of traditional free trade assumptions – such as mutual gains and balanced trade – to materialize in practice. For example, in 2024, China produced nearly half of the world’s automobiles even if its factor abundance (that is, comparative advantage) in auto sector is scarce. This tension is better explained by a post-equilibrium framework rather than by a distributional logic, which helps account for why the “first China shock” was hotly debated yet largely tolerated. In advanced democracies, where voters cherish advanced industries (Iversen and Soskice 2019) and face intensified competition in their

established sectors, protectionist measures arise not solely from sub-national – domestic lobbying by firms or industries, but also from broader economic imperatives. These imperatives emerge when the anticipated benefits of free trade fail to manifest, compounded by geopolitical and nationalistic concerns. For instance, advanced democracies like the U.S. fight the trade war not because comparative disadvantageous sectors are replaced, but advantageous sectors. It won't give up industries like automobile or aircraft. U.S. tariffs on Chinese goods reflect deeper grievances over the erosion of national competitiveness and security.

I will primarily employ a combination of survey experiments and observational data – notably, Trump's tariffs on Chinese goods – to examine how post-equilibrium dynamics shape trade preferences and policy responses across economies. The analysis considers both advanced and developing economies, offering a comparative perspective on trade-related policy shifts. The survey experiments are grounded in competing theoretical frameworks, including security externalities, product differentiation, economic competitiveness, and sociotropic nationalism. By leveraging public opinion on trade preferences, this approach can predict subsequent policy responses and conflicts. Well-designed survey methodologies not only facilitate systematic data collection but also allow for real-time experimental treatments of key variables, while minimizing confounding factors. Survey methods will be deployed in two key scenarios. First, respondents will be assigned vignettes that frame trade-related challenges their country faces (e.g., issue severity, relevance to outside options). Their responses will be analyzed using statistical techniques to assess underlying trade preferences. Second, survey experiments will explore public attitudes toward trade conflicts, particularly in cases where a trading partner is rapidly catching up. These experiments test competing explanations for protectionist sentiments. By systematically varying question framing, these experiments will provide robust causal insights into the motivations behind trade preferences and the sources of trade-related tensions.

This project addresses a critical gap in the literature by examining overlooked phase of globalization and its implications for international economic conflicts, particularly in the context of geopolitics and trade relations with China. Existing frameworks often emphasize the distributional consequences of trade shocks, yet they fail to fully account for the persistent nature of these shocks in shaping state behavior. By moving beyond a purely economic logic, this study explores how strategic, political, and institutional factors contribute to the durability of trade-related tensions,



offering a more comprehensive explanation for why the effects of trade shocks persist rather than dissipate over time.

### 3 Academic Contributions

My dissertation makes several contributions to the fields of international relations and comparative politics.

My first project speaks to a timely question (the LIO's issues) and a timely issue (global imbalances). I develop a framework to explain why certain globalization-driven challenges, such as global imbalances, exert distributive impacts on the international order and state behavior. The findings contribute to the growing literature on globalization backlash, yet move beyond the prevailing focus on domestic politics. Instead, I bring the contention of the order – issues – to the analytical forefront by examining how they manifest in interstate political dynamics, rather than solely within national political arenas. Second, this research advances power transition theory by demonstrating that while problematic issues influence support for the hegemon's order, the process is more nuanced than previously assumed. Specifically, the extent to which states contest or accommodate the existing order depends on the focal issue at hand and the availability of viable outside options, introducing an additional layer of complexity to conventional power transition narratives. Finally, this study contributes to the expanding literature on the intersection of economics and security, particularly regarding how globalization shapes patterns of international conflict and cooperation. While existing research has explored the trade-politics nexus, I highlight how external imbalances introduce distinct and sometimes overriding implications for international stability, shaping the conditions under which states engage in cooperation or confrontation.

The second project addresses a longstanding puzzle in political economy: Why have autocracies demonstrated economic resilience and revival in the post-Cold War era? The findings challenge the conventional wisdom that democratic institutions inherently outperform autocratic regimes in economic development (Acemoglu, Johnson, et al. 2001; Acemoglu and Robinson 2012) and that globalization inherently favors democracies. Instead, this study demonstrates how autocracies have adapted to and thrived in an increasingly interconnected global economy. While institutional quality remains an important scope condition, this research highlights the critical role of external economic forces in shaping performance trajectories. Access to global markets or, conversely, exposure to

external shocks can significantly weaken the expected advantages of democratic institutions. This perspective reframes the democracy-autocracy debate by shifting attention toward the external economic conditions that sustain autocratic regimes. Furthermore, this theory provides a compelling explanation for China’s sustained rise and its persistent trade surpluses with over 90% of its trading partners, illustrating how an authoritarian regime can leverage globalization to consolidate its position. It also sheds light on the declining competitiveness and appeal of democracies, particularly in the context of post-1990 democratic backsliding. By integrating external economic conditions into regime analysis, this project offers a novel framework for understanding the evolving dynamics of global political competition.

In the third project, I address a significant gap in the literature by offering a novel perspective on contemporary global economic tensions, shifting the focus to the under-explored post-equilibrium trade dynamics. Unlike traditional analyses that emphasize the benefits of trade liberalization and the pre-equilibrium, distributional logic explaining trade tensions, this project highlights how the “catch-up” of developing economies fundamentally alters the landscape of global trade. Specifically, I examine how advanced economies respond to the increasing competitiveness of developing countries in sectors where the former traditionally hold a comparative advantage. This shift challenges conventional frameworks in the political economy of trade, which often overlook the long-term consequences of trade liberalization and the structural tensions that arise when developing countries close the economic gap.

## 4 Policy Implications

In addition to academic contributions, my dissertation provides actionable insights for policymakers grappling with the challenges of economic globalization and its impact on the post-war liberal international order, as the research is closely connected to these contemporary issues.

First, on globalization backlash. The increased globalization backlash stems from globalization’s issues. Global imbalances reflect persistent inter-state inequality in which some gain at the cost of others. This is especially concerning when the majority of surplus countries are autocracies. Moreover, understanding the persistence of “helpless issues” enables policymakers to anticipate the types of grievances likely to emerge from economic globalization. Furthermore, continued de-industrialization that destabilizes societies in advanced democracies due to the post-equilibrium

logic warrants caution. Policies that mitigate trade imbalances (aggregate not bilateral), such as forcing exchange rates adjustment by binding them to punitive tariffs, align more with conventional trade models' assumptions (e.g., balanced trade) and can help relieve the structural consequences.

Second, on the future of globalized economy. Issues like global imbalances dim the prospect of continued economic globalization and reflect distributional impacts at the state level. The findings on the rise of autocracies suggest that the international community should rethink its approach to economic integration – should this trend continue, autocracies may continue to advance. Whether it's democracy vs. autocracy or U.S.-China competition, my findings suggest that global market force facilitated by the global trade system seem to stand on the side of autocracies, and the deindustrialization of advanced democracies thus continues. There's an argument that democracies may build their own trade bloc (Friedberg 2025). Indeed, the post-1990 expansion of the WTO, which omitted democratic governance as one conditionality, inevitably shaped the outcome. Ends justify means – rather than dismantling status quo or pushing for continuing economic integration, institutions like the WTO should address the conditions that allow autocracies to exploit globalization. Policymakers may consider existing trade frameworks such as the CPTPP and transform it accordingly to a more modern trade pact.

Third, on the current geopolitical tensions. My research unveils how autocracies can rise and threaten the global order precisely through the order itself. Global imbalances and other persistent issues that reveal structural, distributional effects particularly among great powers will sustain tensions. As China agglomerates global production, the U.S. tariffs on Chinese goods that redirect demand to other countries might inadvertently strengthen developing nations, increase U.S. influence, and create a more balanced globalization. Yet, the U.S. trade issue needs a global solution rather than unilateral tariffs, as isolationism likely makes China continue to dominate the rest of the world through trade.

In sum, recognizing the drivers and consequences of contemporary global issues provides a road-map navigating the future. Policymakers could leverage these insights to design targeted, cooperative frameworks that address the systemic issues driving heightened global political tensions.

## 5 Conclusion

This dissertation seeks to deepen our understanding of globalization's transformative effects on contemporary international economy, security and politics. By focusing on the rise of autocracies, globalization issues such as the persistence of global imbalances, and the evolving nature of trade conflicts, my research offers a comprehensive framework for analyzing the challenges facing globalization and the liberal international order, particularly on democratic backsliding, autocratic rise, and global economic tensions. It also provides practical insights for policymakers navigating the complex interplay of globalization, security, and political economy.

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