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**NAVAL
POSTGRADUATE
SCHOOL**

MONTEREY, CALIFORNIA

THESIS

**GLOBALIZATION AND ITS EFFECTS
ON HOMELAND SECURITY**

by

Christopher M. Thomas

September 2022

Co-Advisors:

Cristiana Matei
Lauren Wollman (contractor)

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GLOBALIZATION AND ITS EFFECTS ON HOMELAND SECURITY

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ABSTRACT

This thesis examines how the economic and social effects of globalization have impacted U.S. homeland security. Economic globalization, which is a shift from a regional or national economy toward global economy, has helped to create increasing economic inequality, impacting homeland security. This thesis examines literature on globalization, economic inequality, and homeland security, and reviews these ideas in light of two events in the United States: the Flint, Michigan, water crisis and the January 6, 2021, riots in Washington, DC. It finds that globalization has led to a decline in measures of well-being of the U.S. population and a loss of faith among some segments of that population that believe the U.S. economic and political systems no longer serve their interests. It finds that these declines are consistent with homeland security risks, provides recommendations on how to address the impacts of globalization in the future, and suggests areas of further study. These recommendations include ensuring that homeland security considerations are integrated into economic policy debates; adjusting economic policies to improve the distribution of income to Americans near the bottom of the income scale; reconfiguring how the cost of corporate failure is allocated, particularly with respect to critical infrastructure; and significantly revamping the U.S. Tax Code so that corporate actions that are antithetical to homeland security interests are disincentivized or penalized.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
	A. PROBLEM STATEMENT	1
	B. RESEARCH QUESTION	3
	C. SIGNIFICANCE	3
	D. RESEARCH DESIGN.....	4
	E. THESIS ROADMAP	5
II.	LITERATURE REVIEW: BACKGROUND AND DEBATES ON GLOBALIZATION AND ITS IMPACT ON HOMELAND SECURITY	9
	A. GLOBALIZATION AND ITS IMPACTS ON THE ECONOMIC REALM.....	9
	1. Economic Effects.....	10
	2. Social Effects.....	16
	3. Political Effects.....	20
	B. HOMELAND SECURITY.....	29
	1. Defining Homeland Security.....	30
	2. Threats and Challenges to Homeland Security.....	31
	C. CONCLUSION	36
III.	CASE STUDIES OF ECONOMIC INEQUALITY AND ITS EFFECTS ON COMMUNITIES IN THE UNITED STATES.....	39
	A. FLINT, MICHIGAN.....	40
	1. Background: Flint, Michigan, Water Crisis.....	40
	2. Analysis: Impact of Globalization on Homeland Security and Flint, Michigan.....	43
	B. U.S. CAPITOL RIOT.....	49
	1. Background: U.S. Capitol Riot.....	49
	2. Analysis: Impact of Globalization on Homeland Security and the U.S. Capitol Riot.....	51
	C. CONCLUSION	61
IV.	CONCLUSION AND RECOMMENDATIONS.....	63
	A. FINDINGS.....	63
	1. Globalization Exacerbates Economic Equality	63
	2. Economic Inequality Leads to Political Instability	64
	3. Globalization Increases Social Isolation and Alienation	65
	4. Populist Leaders Thrive in Political Instability	65

5.	Conclusion	66
B.	RECOMMENDATIONS.....	67
1.	Make Economic Decisions through a Homeland Security Lens	68
2.	Create Policies that Improve Economic Redistribution.....	69
3.	Consider Long- and Short-Term Economic Policy.....	71
4.	Revamp the U.S. Tax Code	72
C.	FUTURE RESEARCH.....	73
D.	CONCLUSION	74
	LIST OF REFERENCES.....	77
	INITIAL DISTRIBUTION LIST	87

LIST OF FIGURES

Figure 1.	Globalization/Homeland Security Overlap.....	36
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EXECUTIVE SUMMARY

Economic globalization, defined as a shift toward economic activity dependent on a global economy as opposed to a regional or national economy, has been an increasingly important phenomenon within the United States because it has massively altered the country's economic patterns in both positive and negative ways. New technologies and goods have affected markets and labor. Whether these changes are positive or negative is often a matter of perspective. For example, transferring production of a given item outside the United States may result in significant benefits to corporate shareholders through reduced labor costs while simultaneously producing negative effects on the workers that were formerly employed by the corporation. As a result, the economic and social impacts of globalization have affected the economic and social prospects for U.S. citizens. Speaking broadly, returns to labor (workers) have suffered in recent years, while returns to capital (investors) have improved. The resulting increased economic inequality has led to events that have negatively affected the homeland security of the United States in profound and potentially unpredictable ways.

Globalization is defined by non-local competition for resources. Dr. Nayef R. F. Al-Rodhan and Gérard Stoudmann proposed that “globalization is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities.”¹ As a result of these dynamics, globalization has significant effects in many realms, including altering trade, increasing economic inequality, incentivizing a shift to a knowledge-based economy, and negatively impacting supply chain redundancy.

The relationship between economic globalization, economic inequality, and homeland security in the United States is more than an academic question. The United States has been experiencing increasing levels of economic inequality for 50 years in tandem with increasing globalization of the U.S. economy. If economic inequality is

¹ Nayef R.F. Al-Rodhan and Gérard Stoudmann, *Definitions of Globalization: A Comprehensive Overview and a Proposed Definition* (Geneva: Geneva Centre for Security Policy, 2006), 2, <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.472.4772&rep=rep1&type=pdf>.

associated with homeland security problems, then the significant rise in economic inequality within the United States may presage a significant rise in homeland security issues.

Globalization has changed economies in four main ways: (1) globalization alters trade relations among nations by changing how and where goods are produced²; (2) globalization increases economic inequality in developed nations³; (3) globalization results in a shift from capital to knowledge as a source of wealth⁴; and (4) globalization affects supply chains.⁵ These factors tend to work together to favor larger, international corporations as they seek to streamline operations and reduce costs.

Socially, the main effects of globalization are the disruption of local community and the degradation of infrastructure. Disruption of community involves the sudden severing of long-term relationships and support networks that arose over time within a society.⁶ This effect includes both disruption from the economic collapse of communities as well as disruption due to gentrification.⁷ Degradation of infrastructure involves the loss of societal willingness to support broader infrastructure goals that will benefit citizens as a whole, as opposed to more local initiatives that will benefit the funders immediately.⁸

² Michael Collins, “Is U.S. Manufacturing Losing Its Toolbox?,” *IndustryWeek*, August 16, 2019, <https://www.industryweek.com/supply-chain/article/22028096/is-us-manufacturing-losing-its-toolbox>.

³ Nina Pavcnik, “Globalization and within Country Income Inequality,” in *Making Globalization Socially Sustainable*, ed. Marc Bacchetta and Marion Jansen (Geneva: International Labour Organization and World Trade Organization, 2011), 238–39, https://www.wto.org/english/res_e/publications_e/glob_soc_sus_e.htm.

⁴ Richard E. Baldwin, *The Globotics Upheaval: Globalization, Robotics, and the Future of Work* (New York: Oxford University Press, 2019), 71–72.

⁵ Henry Schacht, “How Did the Corporation Become Global?,” Yale Insights, September 16, 2013, <https://insights.som.yale.edu/insights/how-did-the-corporation-become-global>.

⁶ Arlie Russell Hochschild, *Strangers in Their Own Land* (New York: The New Press, 2016), 141.

⁷ Laura Silver et al., “In U.S. and UK, Globalization Leaves Some Feeling ‘Left Behind’ or ‘Swept Up,’” Pew Research Center, October 5, 2020, <https://www.pewresearch.org/global/2020/10/05/in-u-s-and-uk-globalization-leaves-some-feeling-left-behind-or-swept-up/>.

⁸ Charlotte Cavaille, “Why Does Growing Income Inequality Matter to People and Politics?,” Scholars Strategy Network, June 1, 2013, <https://scholars.org/contribution/why-does-growing-income-inequality-matter-people-and-politics>.

In addition to social effects, globalization has impacted nations politically. These effects include reducing the ability of nations to control corporate behavior, empowering elite classes at the expense of the larger population, creating internal instability within the nation, and encouraging a rise in populism.⁹

Because of the political and societal effects of globalization, there is a significant degree of overlap between the results of globalization and threats to homeland security. “Homeland security” it should be noted is a specifically American term.¹⁰ Uncertainty over the proper scope of homeland security has been a recurring theme in the field since the term was first coined in 2002. These definitions range from broad views that encompass a variety of hazards—most notably those that upset the normal social order such as natural disasters, political disruption, or economic crises—to narrower views largely confined to responding to terroristic acts.¹¹

This thesis examines various definitions of homeland security and explains how a broad definition of homeland security best encompasses the negative externalities produced by globalization.¹² It then examines the threats that arise from four of these externalities: political instability, populism, the degradation of infrastructure, and the difficulty of risk management. Apart from terrorism, other major threats and challenges to homeland security include political instability, rising populism, degradation of infrastructure, the potential failure of governmental organizations to properly evaluate the stability risks engendered by these changes, and the rise of social media.

⁹ Julian Ku and John Yoo, “Globalization and Sovereignty,” *Berkeley Journal of International Law* 31, no. 1 (2013): 210–35, <https://doi.org/10.15779/Z38T076>; Acemoglu and Robinson, *Why Nations Fail*, 81; Ian Bremmer, *Us vs. Them: The Failure of Globalism* (New York: Portfolio/Penguin, 2018), 9; Barry Eichengreen, *The Populist Temptation: Economic Grievances and Political Reaction in the Modern Era* (New York: Oxford University Press, 2018), x.

¹⁰ This research is concerned with the homeland security project and enterprise, rather than any government bodies involved in it.

¹¹ Christopher Bellavita, “Changing Homeland Security: What Is Homeland Security?,” *Homeland Security Affairs* 4 (June 2008): 1–30, <https://www.hsaj.org/articles/118>.

¹² Ramesh Thakur, “A Political World View,” *Security Dialogue* 35, no. 3 (December 2004): 348, <https://www.jstor.org/stable/26298631>.

Like many countries, the increasingly globalized United States has continued to experience the rising levels of economic inequality and social issues that arise from globalization. This trend raises the question of whether the United States could consequently experience the homeland security issues associated with high levels of globalization.

This thesis examines two events to determine the relationships between globalization and homeland security in the United States. The first event is the water crisis in Flint, Michigan. Flint experienced a series of problems plaguing the city's water supply beginning in 2014. This case study examines how globalization decimated Flint's industrial base and thereby undermined not only the economic but also the social and physical foundations of the city, in particular its water supply infrastructure. These declines in economic prospects for residents of Flint have led to marginalization and a health crisis, causing residents to lose faith in the willingness and ability of government to provide services, thereby increasing instability and negatively impacting homeland security. The Flint water crisis was the culmination of a series of events brought about by corporate and government actions. First was the government's reduced ability to control corporate behavior, as evidenced by General Motors' moving production of products formerly made in the United States to other locales, most notably Mexico. General Motors simultaneously increased production in Mexico while idling plants in the United States. Second was the economic bolstering of elites as a consequence of globalization; moving production outside the United States lowered labor costs and raised shareholders' returns. If the form an economy takes is a series of policy choices, then the economic disaster that befell Flint and other manufacturing communities as a byproduct of globalization was collateral damage encouraged by economic elites.

The second event is the storming of the U.S. Capitol on January 6, 2021. The attack on the Capitol building was an unprecedented effort to interfere with the orderly transfer of power of the U.S. presidency. The participants on January 6 belonged to groups that perceived globalization and its supporters in government as a force hostile to their economic and social well-being. They saw the decline of local economic control as part of a government policy to transfer power away from people like them, or at least a failure of

government to defend them. The participants on January 6 viewed the idea of a fraudulent election as yet another means to deny them the power and control that they had once enjoyed. Therefore, they saw the actions of January 6 as a way to stop a government that they felt no longer represented them and was possibly actively hostile toward them. Whether this belief was true is in the end less important than the fact that they believed it was true. Those involved in the January 6 insurrection saw preventing the accession of a new government that they viewed as complicit in globalization as a patriotic duty.

The events that occurred at the U.S. Capitol on January 6, 2021, are consistent with trends that emerge from globalization; in particular, a loss of economic opportunity for some Americans was compounded by the cultural consequences of globalization. While these cultural consequences were undoubtedly a boon for some Americans, others began to view the changes wrought by globalization as a destruction of a more traditional American way of life. The resulting social discomfort led some sectors of the population to begin to lose faith in the validity of the political process, as they felt that it did not represent them. Another substantial homeland security threat exposed on January 6 is how globalization leads to a rise in populism. This populist outlook developed because workers view globalization as a direct result of government misfeasance or misconduct in allowing globalization to undermine American workers. It is not difficult to see why citizens in these population segments would be open to supporting governmental change and be reluctant to support the status quo that has resulted in their current situation.

The outcomes produced by globalization have been interpreted by some U.S. groups in a manner that makes these outcomes a homeland security concern, including those who participated on January 6. At first glance, the rioters that participated in the January 6 riots do not seem to be directly connected with the citizens who were negatively impacted by the Flint water crisis. The rioters tended to be fairly well educated¹³ and were predominantly white males.¹⁴ They also tended to believe in a theory that there was an

¹³ “The Face of American Insurrection,” Chicago Project on Security and Threats, June 7, 2022, <https://storymaps.arcgis.com/stories/84fe30d503c742a692d05146d420c87f>

¹⁴ Robert A. Pape, “The Jan. 6 Insurrectionists Aren’t Who You Think They Are,” *Foreign Policy*, January 6, 2022, <https://foreignpolicy.com/2022/01/06/trump-capitol-insurrection-january-6-insurrectionists-great-replacement-white-nationalism/>.

attempt by the Democratic Party to replace the existing electorate by breaking down traditional power structures.¹⁵ Globalization as a force that moves toward reduced local control, and changing employment and cultural structures, feeds into this narrative. Studies on the nature of conspiracy theories reveal that the types of changes and uncertainty that are products of globalization are drivers of conspiracy theories.¹⁶

To better understand the globalization-caused socioeconomic changes, sociologist Arlie Russell Hochschild attempted to get what she called a “deep story,” which she defined as “a story that *feels* as if it were true.”¹⁷ The “deep story” she uncovered ran roughly along the following lines: The United States had once been a place where people could advance economically through hard work. This advancement was no longer possible because the U.S. government had been taken over by forces that worked against American citizens and in favor of globalization. The government was therefore the source of the problem and so should be regarded as an enemy. These trends affect two overlapping constituencies: conservative whites, concerned about “losing their privileged social and cultural status, and poorly educated people who have seen their relative economic status decline over the past 50 years.”¹⁸ Many also attributed their loss of status to what could be termed “cultural globalization,” a perception that government and illegal immigration are destroying America.

The linkage between globalization, economic inequality, political instability, and populism as well as deteriorating infrastructure and homeland security is important to understand. The 2016 victory and 2020 near-victory of Donald Trump show there is significant support for populist policies in the United States. Due to technology, many

¹⁵ Robert A. Pape, “The Jan. 6 Insurrectionists Aren’t Who You Think They Are,” *Foreign Policy*, January 6, 2022, <https://foreignpolicy.com/2022/01/06/trump-capitol-insurrection-january-6-insurrectionists-great-replacement-white-nationalism/>.

¹⁶ Karen M. Douglas, Robbie M. Sutton, and Aleksandra Cichočka, “The Psychology of Conspiracy Theories,” *Current Directions in Psychological Science* 26, no. 6 (2017): 538–42, <https://doi.org/10.1177/0963721417718261>.

¹⁷ Hochschild, *Strangers in Their Own Land*, 16.

¹⁸ John Hudak et al., “Around the Halls: One Year Since the January 6 Insurrection,” *FIXGOV* (blog), January 5, 2022, <https://www.brookings.edu/blog/fixgov/2022/01/05/around-the-halls-one-year-since-the-january-6-insurrection/>.

experts are also projecting future job loss in white collar professions in numbers even greater than the job losses experienced in the manufacturing sector.¹⁹ Creating massive numbers of newly unemployed and unemployable U.S. workers may well add to the attraction of populism for many. These threats are significant enough in their own right, but a complicating factor is that experience has shown that risk management techniques are not able to judge the point when existing homeland security threats may become a critical crisis.²⁰

Overall, analysis has shown that globalization is properly considered a homeland security concern, as it disturbs existing economic and social patterns, leading to physical and economic damage to communities, feelings of disenchantment, loss of faith in government, and social unrest. As a result, lawmakers and policy experts should consider the homeland security ramifications of globalizing policies that may seem to be purely economic or political. The resulting economic inequality leads to political instability as increasing numbers of citizens have lost faith that the system is acting in their best interests. Such loss of faith is a direct homeland security concern, as citizens will not fight to protect what they perceive as an unjust system. Indeed, it is an existential threat to the government itself. A final consequence of the grievances that have arisen from unchecked globalization in the United States is that support for leaders espousing populist ideas has grown significantly. The us/them dynamic and homogenous population ideas inherent in populism and manifested on January 6 are problematic for homeland security on several levels.

Several recommendations emerge from these findings. These recommendations are made with full awareness that globalization is not the exclusive causal factor. Since determining threats to homeland security is the purpose of the homeland security enterprise, identifying significant levels of correlation should be enough to raise concerns and initiate a response. The first and arguably most important recommendation is that policymakers must view decisions that seem to be purely economic through a homeland

¹⁹ Baldwin, *The Globotics Upheaval*, 116

²⁰ Amos Tversky and Daniel Kahneman, "Judgment under Uncertainty: Heuristics and Biases," *Science* 185, no. 4157 (September 27, 1974): 1125, <https://doi.org/10.1126/science.185.4157.1124>; Rebecca L. Spang, "How Revolutions Happen," *The Atlantic*, July 4, 2020,

security lens as well, paying particular attention to the effects of policies on inequality. Although this idea may prove unpopular with economic policymakers, it is incumbent on homeland security practitioners to analyze, be aware of, and communicate the homeland security risk of globalization policies.

Another issue that policymakers must address to mitigate the homeland security risk of economic inequality is the economic stagnation of working families in the United States. Humans will not support or be loyal to an institution that they believe does not operate in their best interests, therefore economic policies must be adjusted to improve the distribution of income to Americans near the bottom of the income scale. Policies that would address stagnation of income at lower economic levels include universal healthcare, increased minimum wage, and modifications to the tax system. An expansion of government benefits would reduce the financial pressure that many U.S. citizens are under and serve the dual goals of improving the quality of citizens' lives and improving the image of the U.S. government in their eyes, or at least blunting criticisms that it does not serve the interests of most Americans, which is a direct homeland security concern.

The solution to the homeland security issues raised by globalization is not as narrow as mitigating individuals' immediate economic concerns; it will also have to address the social concerns created by inequality and job loss. While important for survival, a cash replacement for lost income does not factor in the entire role of work in people's lives, particularly in higher-income countries like the United States, where employment is tied not just to survival but also to self-esteem and social relationships. Ultimately, to address the social needs of American citizens, it may not be possible to avoid social instability without a more fundamental change by policymakers in how employment is structured in areas such as the provision of benefits and retirement security. Restructuring employment policies could also have additional social benefits, as the impact of large-scale employment shifts could be mitigated by slowing and managing workplace transitions

Economic redistribution is not only applicable to individuals. Communities in economic need must be supported as well to ensure the domestic economic stability that is integral to maintaining homeland security in the United States; therefore, policymakers must develop a plan to mitigate the effects of economic damage from globalization to

communities. Another way to help maintain the economic stability of communities and therefore homeland security is to reconfigure how the cost of corporate failure is allocated, particularly with respect to critical infrastructure. Failures of critical services that cost citizens money and lives are detrimental to the homeland security and credibility of the U.S. government. It is therefore critical that both the short-term *and* the long-term business interests be considered when developing economic policy. Specifically, there should be stricter regulation of industries operating critical infrastructure. Critical infrastructure should properly be viewed as a necessary component of homeland security and not merely an economic investment.

Finally, homeland security risks could also be reduced by significantly revamping the U.S. Tax Code so that corporate actions that are antithetical to homeland security interests are disincentivized or penalized. Access to U.S. markets and legal structures can be used to compel compliance while alternative taxation strategies are available to reduce the attractiveness of further globalizing jobs held by American workers, thereby mitigating some of the negative externalities of globalization that create homeland security threats. Disincentivizing the movement of domestic manufacturing outside the United States could also help stabilize the blue-collar labor market, reducing the appeal of populist narratives of the type that led to the January 6 riots.

There are several areas that will require future research on the linkages among globalization, economic inequality, and homeland security, but the largest and most critical area of research is how the continued expansion of artificial intelligence (AI) will impact middle-class employment in the United States. It has been theorized that developments in AI may combine with globalization to allow a major expansion in offshoring U.S. jobs. If these trends are correct, it could mark a watershed moment in the domestic perception of globalization. Even more importantly, it could raise questions about the role of government in the lives of citizens whose interests the government is designed to protect. This is the same sort of situation that has correlated with a rise in populism in former manufacturing strongholds. A significant expansion of populist trends could create serious challenges to the status quo and, by extension, the homeland security community.

Another concern is military radicalization. If the United States experiences a decline in secure employment opportunities, how will this decline affect the U.S. military and the nation as a whole. Other nations have experienced coup attempts or criminal activity from groups with military training and few economic options. While most citizens would regard these actions as unthinkable within the United States, it should be remembered that many disasters, such as the January 6 Capitol riot, would also have been considered unthinkable before they occurred.

An additional area for research will be to determine whether the negative externalities created by globalization can be studied to determine if they form a predictable pattern. Such a pattern would be useful for projecting the future trajectories of nations experiencing significant globalization-related social disruption. Rising economic inequality in the United States has already become enough of an issue to engender serious debates over policy. If the United States is continuing to reform itself into a highly unequal society in economic terms while experiencing the effects of economic globalization, then it may begin to see the same type of problems that occur in other high-inequality countries. The United States is not preordained to follow the same course as another country, but given the same problem, it is instructive to try to understand the factors that produced the result they did.

Humans have traded with one another since the beginning of time, and the transfer of goods and ideas between cultures has been invaluable in the development of human knowledge and comfort. That said, globalization in its current form is a policy that weakens our nation. There is a growing sense that its benefits are not being distributed fairly. This has meant that civil society is weakened within the United States. Economic inequality serves to divide the population. As government becomes less credible to its citizens and is viewed as a source of corruption rather than a solution to it, instability becomes increasingly likely. This is unquestionably problematic for homeland security.

In the end, there is no way to know exactly what hazards the United States will face. What is clear is that by engaging in policies that weaken the civil fabric of our nation, the United States is allowing vulnerability and discontent to become enmeshed in our society. This vulnerability makes itself felt in decline, as in the case of Flint, and a rise in

populism and anti-democratic tendencies, as seen on January 6, 2021. Vulnerability and discontent are problematic for the United States, as they are for all nations. When an economic system loses the support of the population, it will either collapse or compliance must be mandated from above. Neither of these solutions is desirable, and both raise homeland security concerns.

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I. INTRODUCTION

A. PROBLEM STATEMENT

For the last 50 years, economic globalization has been an increasingly important phenomenon within the United States because it has massively altered the country's economic patterns in both positive and negative ways. The process of introducing new technologies and goods into a culture and offshoring jobs affects not only the market for new goods but also the markets for established products and labor.¹ A globalized business structure has upended established economic patterns within the United States because it has altered the distribution of income.

Whether the changes wrought by globalization on the United States are net positive or negative for an individual often depends on the economic position of that individual, as globalization of markets has produced great profits for some while creating negative consequences for others. Instead of a relatively evenly distributed increase in wages and other economic benefits across the income spectrum, the distribution of income in recent years in the United States has suggested that most of the economic benefits of globalization have gone to the top of the economic spectrum. Simultaneously, the economic well-being of the lower segments of the economic spectrum have stagnated or even declined, increasing economic inequality between sectors of the U.S. population.²

Although some experts have argued that inequality harms the economy of the United States, relatively little discussion has addressed how economic inequality arising

¹ At its most basic, economic globalization can be defined as an enlargement of the scope of economic activities across international borders. Gao Shangquan, *Economic Globalization: Trends, Risks and Risk Prevention*, ST/ESA/2000/CDP/1 (New York: UN Department of Economic and Social Affairs, 2000), 1, <https://www.un.org/development/desa/dpad/publication/cdp-background-paper-no-01/>.

² James E. Foster and Michael C. Wolfson, "Polarization and the Decline of the Middle Class: Canada and the U.S.," *The Journal of Economic Inequality* 8, no. 2 (June 2010): 247–73, <https://doi.org/10.1007/s10888-009-9122-7>.

from globalization affects the homeland security of the United States.³ Empirical research on industrialized countries around the world reveals that unimpeded economic globalization and the resulting economic inequality are both an economic security problem and a domestic security problem.⁴ As transnational corporations operate across international borders, the rise in their corporate power has been accompanied by a decline in the power of nation states to regulate corporations. This decline has occurred because the ability of corporations to relocate resources across national borders makes states reluctant to regulate corporations more strictly.⁵ In turn, economic changes caused by businesses pursuing their interests globally have led to domestic clashes between different social and economic sectors, depending on who stands to gain or lose power. For example, a proposal by the Carrier Corporation to relocate a significant production facility from Indianapolis to Mexico, and thereby reduce its workers' average hourly salary from \$22 in the United States to \$3 in Mexico, became a significant political issue during the 2016 presidential election.⁶ All these issues impact domestic security in other countries; however, it remains unclear if those effects are operating similarly in the United States.

This thesis aims to fill this gap in the literature. Specifically, this investigation seeks to determine the effects of increasing economic inequality among U.S. citizens on the homeland security of the United States. Commentators such as Richard Wilkinson have attributed numerous adverse social effects to economic inequality and the social inequity that results from it.⁷ This thesis seeks to understand how the impacts of those inequities

³ Josh Bivens, *Inequality Is Slowing U.S. Economic Growth: Faster Wage Growth for Low- and Middle-Wage Workers Is the Solution* (Washington, DC: Economic Policy Institute, 2017), <https://www.epi.org/publication/secular-stagnation/>; Thomas A Garrett, "U.S. Income Inequality: It's Not So Bad," *Regional Economist*, October 1, 2008, <https://www.stlouisfed.org/publications/regional-economist/october-2008/us-income-inequality-its-not-so-bad>.

⁴ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (New York: Bloomsbury Press, 2009), x.

⁵ Brian Roach, *Corporate Power in a Global Economy* (Medford, MA: Tufts University, Global Development and Environment Institute, 2007), 18, https://www.economicnetwork.ac.uk/sites/default/files/Brian%20Roach/Corporate_Power_in_a_Global_Economy.pdf.

⁶ Tony Cook, "Trump Campaign on Saving Jobs at Indianapolis' Carrier Plant. This Is What It's like Now," *Indianapolis Star*, October 30, 2020, <https://www.indystar.com/story/news/politics/2020/10/30/trump-campaigned-saving-jobs-carrier-what-its-like-there-now/6010437002/>.

⁷ Richard Wilkinson, "How Economic Inequality Harms Societies," July 2011, TEDGlobal 2011, video 16:38, https://www.ted.com/talks/richard_wilkinson_how_economic_inequality_harms_societies.

are felt by citizens negatively impacted by globalization and how those negative social consequences might undermine the homeland security of the United States.

B. RESEARCH QUESTION

How do the economic and social effects of globalization impact the homeland security of the United States?

C. SIGNIFICANCE

The relationship between economic globalization, economic inequality, and homeland security in the United States is more than an academic question. The United States has been experiencing increasing levels of economic inequality for 50 years in tandem with increasing globalization of the U.S. economy.⁸ If economic inequality is associated with homeland security problems, then the significant rise in economic inequality within the United States may presage a significant rise in homeland security issues.

Indeed, rising economic inequality in the United States and widely broadcasted allegations of governmental corruption and election fraud (true or not) all raise the question of whether the disruption seen elsewhere due to globalization and inequality might be repeated in the United States. The riot in Washington, DC, in January 2021 signaled a possible trend of growing homeland security threats and developing political instability. Based at least in part on repeated claims that the election process had been corrupted and that vote tallies had been manipulated, a group gathered in the city and invaded the U.S. Capitol.⁹ This act was done in an attempt to stop the procedural counting of votes and certification of election results for the president of the United States. It occurred as part of an atmosphere of hyper-partisanship surrounding the 2020 presidential election. As a direct, violent challenge to the control of the presidency of the United States, it marks a

⁸ “U.S. Income Inequality at Highest Level in 50 Years, Economic Gap Growing in Heartland,” NBC News, September 26, 2019, <https://www.nbcnews.com/news/us-news/u-s-income-inequality-highest-level-50-years-economic-gap-n1058956>.

⁹ “Capitol Riots Timeline: What Happened on 6 January 2021?,” BBC News, June 9, 2022, <https://www.bbc.com/news/world-us-canada-56004916>.

level of strife in the political sphere not seen since at least the U.S. Civil War, if ever, in the history of the American republic.

Understanding the relationship between the economic effects of globalization and homeland security as well as whether these processes are predictable will be critical to improving the practice of homeland security. Also examined is whether the social consequences of globalization may have an effect on the homeland security of the United States. It is the intent of this thesis to investigate whether the rise in political instability in the United States is linked to the social and economic changes that have occurred in the last 50 years of globalization.

D. RESEARCH DESIGN

This thesis examines this question in several steps. The first step is an exploration of how globalization results in changes to supply chains and the financial structures of business, thereby leading to economic inequality. This information is then used to examine how economic changes that have occurred in the United States have impacted communities and individuals, using case studies to determine whether inequality levels are dispositive indicators of social problems. The intent is to examine the effects of highly unequal economic structures on U.S. political and social stability. The second step is to examine whether increases in economic inequality within the United States also increase instability from a homeland security perspective. The idea of instability does not have a universally accepted definition. At a minimum, it seems to require a freedom from fear of large-scale violence, but it has also been suggested that it encompasses “dependable expectations of peaceful change” among a given community.¹⁰ Political instability has also been defined as “the propensity of a government to collapse.”¹¹ As used in this thesis, “instability” refers to a lack of political support by citizens of a nation for the existing government.

¹⁰ Laurie Nathan, *Security Communities and the Problem of Domestic Instability* (London: Development Research Centre, 2004), 1, <https://www.lse.ac.uk/international-development/Assets/Documents/PDFs/csdc-working-papers-phase-one/wp55-security-communities-and-domestic-instability.pdf>.

¹¹ Alberto Alesina et al., “Political Instability and Economic Growth,” *Journal of Economic Growth* 1, no. 2 (June 1996): 189, <https://doi.org/10.1007/BF00138862>.

The analysis first examines Flint, Michigan, a community in the United States where high levels of inequality exist, and significant disruption of social structures has occurred. Flint is a Midwestern city traditionally heavily reliant on manufacturing as a base for its economy. This analysis charts how the initial forces of globalization affected the community and the devastating ripple effects that followed. The goal is to determine if and how these breakdowns are related to underlying economic and social inequality that flow from globalization. The analysis then assesses how these breakdowns manifest in ways that directly impact homeland security practitioners serve in the United States.

The forces that affected Flint were not limited to a local level. To investigate the effects of these forces on a national level, the January 6, 2021, riot is examined as a possible result of these economic changes. Although it may be impossible to link an event to a single cause, this thesis attempts to determine if those events are a product of economic inequality and how significant a factor it may be.

These case studies identify how rising economic inequality, and more broadly the changes wrought by the globalization of the economy, may impact homeland security. This research is based on both primary and secondary sources. Secondary sources include analyses of the economic trends discussed using a mix of scholarly articles, books, and other relevant materials.

E. THESIS ROADMAP

This thesis is divided into four chapters. Chapter II reviews the literature on globalization and economic inequality. It observes that globalization can confer significant financial benefits on a business by using cheaper labor and inputs. It also notes that globalization reduces competition and allows economic inequality to grow as well as producing longer, less robust supply chains. The increasing power of corporations as compared to nations also reduces nations' power to develop and implement taxation schemes that can offset the most negative externalities of globalization.

The chapter also examines the idea of homeland security, including the varying ideas of what concerns should properly be viewed as within the scope of homeland security. In particular, the idea of a "narrow," terrorism-oriented view of homeland security is

contrasted with a “broad” all-hazards view. A broad view of homeland security includes the correlations between high economic inequality and negative social outcomes, and how higher economic inequality is linked with poorer physical and mental health, lower levels of educational attainment, and sympathy for populist movements and authoritarian leaders. The link between economic inequality and homeland security is also examined. The concern is that a declining quality of life in the United States may encourage support for these movements, leading to political instability.

To better understand the possible homeland security threats arising from globalization, Chapter III examines via case studies how the forces of globalization and economic inequality are currently affecting the United States. To date, globalization has been largely focused on the cheaper production of goods in low-cost countries. This chapter therefore focuses primarily on the effect of globalization on communities that have or had a significant manufacturing presence, as that is where the effects of globalization have been most acutely felt within the United States. The objective is to examine how the forces of globalization can affect a local community and the political, economic, and social effects of economic inequality following income loss in the wake of economic changes.

Chapter IV contains a summary of the recommendations of this thesis. It concludes that the current model of globalization in the United States has been a factor in increasing economic inequality and that economic inequality in turn has had negative effects on the lives of the citizens affected by it. It also finds that globalization should properly be considered a homeland security concern, as it disturbs existing economic patterns, leads to social unrest, and results in supply chain fragility, reducing the preparedness of the United States for disruptive events. As a result of these issues, lawmakers and policy experts should consider the homeland security ramifications of globalizing policies that may seem to be purely economic or political.

Chapter IV also identifies areas for future research. One of the most pressing areas affecting the United States in the near future will be the impact of technology, specifically artificial intelligence, on the U.S. economy. It has been theorized that technological advancements will create global competition for service jobs, essentially creating a global market for the service economy in the way that globalization has already created a global

market for manufacturing jobs. Employment in the service sector is significantly larger than employment in the manufacturing sector. Given the largely negative effects that globalization has had on U.S. manufacturing jobs, it will be an important topic of study. An economy is a political system, and a system that fails to deliver acceptable results for major portions of the population could prove to be politically destabilizing in the future.

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II. LITERATURE REVIEW: BACKGROUND AND DEBATES ON GLOBALIZATION AND ITS IMPACT ON HOMELAND SECURITY

This literature review presents the main scholarly debates surrounding the economic and social effects of globalization. It examines the literature about the impacts of globalization on order. Overall, the literature indicates that globalization has significant impacts on the social, economic, and political environments of nations. In particular, globalization increases economic inequality, which creates social and political problems within nations.

A. GLOBALIZATION AND ITS IMPACTS ON THE ECONOMIC REALM

Globalization is defined by non-local competition for resources. Dr. Nayef R. F. Al-Rodhan Gérard Stoudmann proposed that “globalization is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities.”¹² Economically, globalization relates to the issue of how economies can become more productive. In *Thinking in Systems: A Primer*, Donella Meadows and Diana Wright posited that there are two main ways that a nation can increase its wealth: it can either increase investment and productive capacity or it can find ways to make the capacity it already has more efficient.¹³ Globalization primarily operates in the latter mode. Because globalization is so focused on increasing efficiency, businesses benefit strongly from securing access to global resources as firmly as possible.

As a result of these dynamics, globalization has significant effects in many realms, including altering trade, increasing economic inequality, incentivizing a shift to a knowledge-based economy, and negatively impacting supply chain redundancy.

¹² Nayef R.F. Al-Rodhan and Gérard Stoudmann, *Definitions of Globalization: A Comprehensive Overview and a Proposed Definition* (Geneva: Geneva Centre for Security Policy, 2006), 2, <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.472.4772&rep=rep1&type=pdf>.

¹³ Donella H. Meadows and Diana Wright, *Thinking in Systems: A Primer* (White River Junction, VT: Chelsea Green Publishing, 2008).

1. Economic Effects

As globalization has reshaped the economic environment, it has brought changes to the way national economies function. Globalization has changed economies in four main ways: The first is by altering trade relations among nations by changing how and where goods are produced.¹⁴ For example, an *IndustryWeek* magazine review of data found that 37 out of the 38 manufacturing industries recognized by the North American Industry Classification System are declining in terms of both number of plants and employees. The second is by increasing economic inequality in developed nations.¹⁵ The third is a shift from capital to knowledge as a source of wealth. In the late 20th century, the largest corporations in the United States began to shift from those that produced tangible goods such as oil and autos to those that were much more involved in producing technology, such as Apple.¹⁶ The fourth and final factor examined here is how globalization affects supply chains. These factors tend to work together to favor larger, international corporations as they seek to streamline operations and reduce costs.¹⁷

a. *Altering Trade*

Perhaps the primary way that globalization affects economies is by changing the structure of international trade. For the most part, globalization is not about creating new things as much as it is about making the same things more cheaply and more quickly.¹⁸ In terms of manufacturing, globalization has generally favored low-cost producers of

¹⁴ Michael Collins, “Is U.S. Manufacturing Losing Its Toolbox?,” *IndustryWeek*, August 16, 2019, <https://www.industryweek.com/supply-chain/article/22028096/is-us-manufacturing-losing-its-toolbox>.

¹⁵ Nina Pavcnik, “Globalization and within Country Income Inequality,” in *Making Globalization Socially Sustainable*, ed. Marc Bacchetta and Marion Jansen (Geneva: International Labour Organization and World Trade Organization, 2011), 238–39, https://www.wto.org/english/res_e/publications_e/glob_soc_sus_e.htm.

¹⁶ Richard E. Baldwin, *The Globotics Upheaval: Globalization, Robotics, and the Future of Work* (New York: Oxford University Press, 2019), 71–72.

¹⁷ Henry Schacht, “How Did the Corporation Become Global?,” Yale Insights, September 16, 2013, <https://insights.som.yale.edu/insights/how-did-the-corporation-become-global>.

¹⁸ Carl Dahlman, “Technology, Globalization, and International Competitiveness: Challenges for Developing Countries,” in *Industrial Development for the 21st Century: Sustainable Development Perspectives* (New York: UN Department of Economic and Social Affairs, 2007), 48–49, https://www.un.org/esa/sustdev/publications/industrial_development/1_2.pdf.

goods.¹⁹ Globalization's increased corporate profits derive from reducing production costs via changing how and where goods are produced. In eras of more limited transportation capabilities, most goods had to be locally sourced; therefore, economies tended to be local and the volume of international trade was limited, depending on the portability of the goods in question. By contrast, the transportation capabilities that enabled globalization meant that goods could be produced where it was cheapest to produce them.²⁰ Items that could not have been cost-effectively transported over long distances became cheaper to ship as transportation costs declined. For example, significant amounts of low-cost, labor-intensive products such as clothing and footwear that were once manufactured in the United States are often imported from foreign nations where they can be manufactured more cheaply. Where higher-wage countries have retained manufacturing, they have often done so due to automation or a manufacturing process requiring specific skills.²¹ The effects of globalization have therefore reshaped the market for goods and services.²²

Improvements in communication have also permitted a rapid and ongoing exchange of information between widely separated individuals. The increase in communication capabilities has meant that a level of communication sufficient to orchestrate globalized production can be maintained over large distances, creating larger markets for goods. Globalization has therefore become a progressively more important economic force as technology has made global interactions increasingly possible.²³

b. Economic Inequality

Because globalization has allowed corporations to seek increased efficiency by reducing their dependence on individual nations, another effect of globalization is

¹⁹ Emilio Carrillo Gamboa, "Globalization of Industry through Production Sharing," in *Globalization of Technology: International Perspectives*, ed. Janet H. Muroyama and H. Guyford Stever (Washington, DC: National Academies Press, 1988), 86, <https://doi.org/10.17226/1101>.

²⁰ Baldwin, *The Globotics Upheaval*, 27.

²¹ "How Globalization and Robotics Speed Up Job Losses," *Knowledge at Wharton* (blog), accessed July 16, 2022, <https://knowledge.wharton.upenn.edu/article/globotics-upheaval/>.

²² Baldwin, *The Globotics Upheaval*, 27–28.

²³ Dahlman, "Technology, Globalization, and International Competitiveness," 48.

increased economic inequality. Economic inequality includes income and wealth inequality and covers a broader range of concerns than just financial issues. Income and wealth inequality are substantial parts of economic inequality; however, neither of these terms captures the full range of economic issues facing individuals. Economic inequality also encompasses other standards of living and contributes to future economic prospects such as education, health, and nutrition.²⁴ Economic inequality also includes the connection between the loss of income and the loss of social standing.²⁵

Globalization has produced economic inequality because higher-income countries have used international manufacturing and financial technology to reduce the costs of operating domestically while retaining access to domestic markets; reduction of operating costs has taken the form of both offshoring production and changing the legal location of corporate subsidiaries to locations with lower operating costs. In the countries that house these corporations, the result is increased profit for those who control the flow of goods and reduced income for those further down the chain.

Alongside these developments, income inequality in the United States is already high compared to other industrialized nations and is increasing. Indeed, data from the Organisation for Economic Co-Operation and Development supports the idea that the United States is an outlier at the high end of inequality among industrialized nations.²⁶ The primary reasons for the prevalence of income inequality in the United States today are debated, but several factors are cited in the Congressional Research Service Report *The*

²⁴ Helena Afonso, Marcelo LaFleur, and Diana Alarcón, “Inequality Measurement,” *Development Issues*, no. 2 (October 21, 2015), https://www.un.org/en/development/desa/policy/wess/wess_dev_issues/dsp_policy_02.pdf.

²⁵ Arlie Russell Hochschild, *Strangers in Their Own Land* (New York: The New Press, 2016), 143; To capture this broader measure of economic well-being, the term “economic inequality” is used in this research to refer to the relative economic status of individuals. In particular, this thesis uses the United Nations definition of economic, which contains the idea that economic inequality involves “how economic variables are distributed.” This definition attempts to account for the total economic value of a person’s estate, including wealth and benefits, as well as intangible elements such as human capital. Using the concept of economic inequality allows this study to examine the full range of effects that globalization can have on a society, including both economic and quasi-economic social effects. Afonso, LaFleur, and Alarcón, “Inequality Measurement.”

²⁶ Organisation for Economic Co-Operation and Development, “Income Inequality,” *OECDiLibrary*, accessed January 29, 2021, <https://doi.org/10.1787/459aa7f1-en>.

*U.S. Income Distribution: Trends and Issues.*²⁷ The report separates income factors into two main strands based on the two ways to generate income: labor and capital (investment). According to the report, labor factors that contribute to income inequality include the following:

- Technological change: technology has eliminated many low- and medium-skilled positions.
- Decline in wage setting institutions: a decline in minimum-wage purchasing power and in union membership.
- Import competition: foreign countries manufacturing and importing goods formerly produced domestically.
- Immigration: a larger pool of workers altering the supply/demand balance in the labor markets.
- Economies of scale: technology allows for larger companies, giving them a larger scale of economic activity, with resulting increases in incomes for top-level executives.
- Winner-take-all industries and superstar pay: some fields are dominated by a small number of very highly compensated people to the detriment of those in the tier just below.
- Changes to pay-setting dynamics and social norms: a shift in pay structure, particularly the rise of stock options as compensation, and an accompanying rise in the social acceptability of very high pay.

²⁷Sarah A. Donovan et al., *The U.S. Income Distribution: Trends and Issues*, CRS Report No. R44705 (Washington, DC: Congressional Research Service, 2016), 24–35, <https://crsreports.congress.gov/product/details?prodcode=R44705>.

- Licensing requirements: the number of professions requiring licenses has increased dramatically, limiting the pool of eligible workers and driving up wages for those who are licensed.²⁸

The second factor is capital income. Capital income leverages existing wealth to generate additional income. Such investments are disproportionately held by high-income earners and contribute to their high levels of income.²⁹ Capital income is also fundamentally different from labor income because it has virtually limitless potential, whereas labor income is limited by the number of working hours in the week. The inequality initially created by globalization therefore becomes increased and reinforced as wealthier individuals have an ability to accumulate further wealth through investment returns in addition to income from labor, while poorer individuals who lack excess capital are limited to whatever income they can derive from working. By exerting a downward pressure on wages, globalization redistributes corporate profits from labor to shareholders.

c. Knowledge

Another impact of globalization is a shift in the source of wealth from material capital to knowledge. Technology and knowledge corporations are qualitatively different from manufacturing corporations in that they require little physical infrastructure. Knowledge is extremely portable, so companies that rely more heavily on knowledge than on material production are more easily offshored.

The ability to offshore knowledge quickly has already begun to impact economies by shifting technical jobs to low-cost nations, and some sources expect the transfer of technology around the globe to become an even larger economic issue in the future, because it will reduce the economic bargaining power of the middle class in higher-wage nations.³⁰ As a result of the rise in the importance of technology, the list of most profitable

²⁸ Donovan et al., 24–35.

²⁹ Donovan et al., 24–35.

³⁰ Baldwin, *The Globotics Upheaval*, 116.

corporations has shifted in recent years from manufacturing and extraction-based corporations to technology-based corporations.³¹

d. Supply Chain Redundancy

A final main effect of globalization is the lack of supply chain redundancy, as corporations are able to reduce the number of locations producing a given good. Globalization utilizes technology to maximize return on investment by extending supply chains globally to source lower-cost goods. As Nayan Chanda, cofounder of the Yale Center for the Study of Globalization, explained, “The result [of globalization] is a worldwide supply chain that aims to achieve the most efficient use of resources all over the world.”³² Mass production is a relatively simple way to lower costs, and if shipping and communication costs are manageable, it becomes more profitable to manufacture goods at a central location and ship them around the world as needed. Thus, materials crisscross the globe on relatively tight schedules, thereby removing waste from the system by avoiding the costs of multiple factories and warehouses stockpiling materials. The result is extremely lean supply chains. In manufacturing, this process is sometimes referred to as “just in time” manufacturing.³³

Lean supply chains tend to support uniformity and consolidation of products and product sourcing. The risk of lean supply chains is primarily a security issue: Although there are some associated warehousing and shipping job losses, the most concerning effect of removing redundancy from the supply chain is removing robustness, which can result in system failure.³⁴ One of the better-known examples of supply chain failure is the 2011 earthquake in Japan. On March 11, 2011, a major earthquake struck off the Pacific coast of Japan. Toyota was forced to suspend auto production for several weeks due to supplier

³¹ Baldwin, 71–72.

³² Schacht, “How Did the Corporation become Global?”

³³ “Getting to Grips with Just-in-Time (JIT),” Chartered Institute for Procurement and Supply (CIPS), accessed July 28, 2021, <https://www.cips.org/intelligence-hub/operations-management/just-in-time>.

³⁴ Hirofumi Matsuo, “Implications of the Tohoku Earthquake for Toyota’s Coordination Mechanism: Supply Chain Disruption of Automotive Semiconductors,” *International Journal of Production Economics* 161 (March 2015): 217–27, <https://doi.org/10.1016/j.ijpe.2014.07.010>.

disruptions, not just at the level of Toyota's immediate suppliers but at the level of secondary and tertiary suppliers as well.³⁵ The length of Toyota's supply chains had adversely affected its ability to manufacture by exposing it to risks it was not even fully aware of. The attempt to streamline supply chains in the name of efficiency had instead paradoxically created the highly inefficient result of a sidelined production system due to overreliance on a limited number of options to procure supplies.

2. Social Effects

The main social effects of globalization are the disruption of community and the degradation of infrastructure. Disruption of community involves the sudden severing of long-term relationships and support networks that arose within communities over time. This effect includes both disruption from the economic collapse of communities as well as disruption due to gentrification. Degradation of infrastructure involves the loss of societal willingness to support broader infrastructure goals that will benefit citizens as a whole, as opposed to more local initiatives that will benefit the funders immediately.

a. Disruption of Communities

Globalization has created social problems as traditional ways of life and communities have been upended without any clear route forward socially or economically. One effect of globalization on the social structure of communities is rapid reconfiguration of communities as individuals are forced to seek new opportunities in other places or economic sectors. Long-term personal and business relationships are destroyed as individuals must cope with changed and often economically reduced circumstances.³⁶ A recent Pew Research article examined these trends by interviewing focus groups in the United States and the United Kingdom.³⁷ The Pew article revealed the various ways that communities see themselves as having been affected by globalization. One group of

³⁵ Matsuo.

³⁶ Hochschild, *Strangers in Their Own Land*, 141.

³⁷ Laura Silver et al., "In U.S. and UK, Globalization Leaves Some Feeling 'Left Behind' or 'Swept Up,'" Pew Research Center, October 5, 2020, <https://www.pewresearch.org/global/2020/10/05/in-u-s-and-uk-globalization-leaves-some-feeling-left-behind-or-swept-up/>.

respondents felt that globalization had undermined the foundations of their community through the loss of economic activity.³⁸ A second group, especially among those located in globalized cities, felt that globalism had undermined their communities and imposed social costs on residents by creating gentrification and affordability issues. Workers have flocked to globalized cities, resulting in rising costs and rapid change to established communities.³⁹

As globalization has created a shift in how communities are organized, this movement of people has also caused collisions in the values of many communities. In *The Age of the Unthinkable*, Joshua Cooper Ramo examined how the idea of globalism creates such societal stresses.⁴⁰ As Ramo interpreted it, modernity has linked humanity in ways that can only be understood globally: “The forces that shape our lives are a new-math collision of ideas that can and do come from anywhere.”⁴¹ One common response to such unwanted change is a desire to turn back the clock and stop the events from occurring. This desire has resulted in conflict as individuals and cultures have sought to defend what they perceive as traditional values in the face of change. Globalization is not universally perceived as a negative process, however. Successful residents of the nodes where the global economy transacts its business are living in a time of unprecedented prosperity. For supporters of globalization, the negative view of globalization by their fellow citizens has caused a sense of disaffection toward their own country. As a Pew study noted, “People who were more globally oriented focused on how Brexit and the 2016 election have left them feeling like their country is no longer the multicultural, accepting place they had prized it to be.”⁴²

³⁸ Silver et al.

³⁹ Silver et al.

⁴⁰ Joshua Cooper Ramo, *The Age of the Unthinkable* (New York: Bay Back Books, 2009), 130.

⁴¹ Ramo, 130.

⁴² Silver et al., “In U.S. and UK, Globalization Leaves Some Feeling ‘Left Behind’ or ‘Swept Up.’”

Globalization has additional social effects via the inequality it produces because of the economic inequality it creates.⁴³ First, compared to more equal economies, the *existence* of a highly unequal economy causes lower levels of physical and mental health, political instability, failures of infrastructure, and corruption. Second, the *perception* of a highly unequal economy by those within it also creates issues such as loss of faith in government, an increase in social division, and an openness to radical change in the process of governance. High rates of income inequality are correlated with numerous negative social outcomes, including physical and mental health disparities.⁴⁴ Richard Wilkinson, professor emeritus of social epidemiology at the University of Nottingham and author of *The Spirit Level*, notes that harmful societal outcomes such as violence, higher rates of teenage pregnancy, and mental illness are correlated with high levels of income inequality.⁴⁵ He also notes that all of these problems are more prevalent among those at the lower end of the income scale and that these issues are linked not to absolute income but rather to where a person falls on the economic spectrum within their community.⁴⁶

Additionally, inequality also leads to a breakdown in societal cohesion, which includes greatly reduced interaction between social classes, resulting in fewer ways for society to sanction anti-social behavior and fewer opportunities for corrupt individuals to encounter the results of their corruption. Jong-Sung You and Sanjeev Khagram's 2005 article "A Comparative Study of Inequality and Corruption" addresses how high-income inequality correlates with corruption in a society because inequality alters societal relationships.⁴⁷ As You and Khagram noted,

⁴³ Phil Gramm and John F. Early, "The Truth about Income Inequality," *Wall Street Journal*, November 3, 2019, sec. Opinion, <https://www.wsj.com/articles/the-truth-about-income-inequality-11572813786>; Some scholars argue that increased inequality exists but is not problematic. Other sources, however, claim that economic inequality is harmful to society. See Bivens, *Inequality Is Slowing U.S. Economic Growth*.

⁴⁴ Wilkinson. "How Economic Inequality Harms Societies."

⁴⁵ Emily McManus, "How Economic Inequality Harms Societies: Richard Wilkinson on TED.Com," *TED Blog* (blog), October 24, 2011, <https://blog.ted.com/how-economic-inequality-harms-societies-richard-wilkinson-on-ted-com/>.

⁴⁶ Wilkinson. "How Economic Inequality Harms Societies."

⁴⁷ You Jong-sung and Sanjeev Khagram, "A Comparative Study of Inequality and Corruption," *American Sociological Review* 70, no. 1 (February 1, 2005): 136–57, <https://doi.org/10.1177/000312240507000107>.

income inequality is likely to be a significant and no less important determinant of corruption than economic development (and thus many other variables for that matter). The effect of inequality is likely to be greater in more democratic countries. There is also evidence that suggests that inequality fosters perceptions of widespread corruption and correspondingly habituates norms of corruption as “the way things are done.” Corruption is also likely to reproduce and accentuate existing inequalities. Countries may thus be trapped in vicious circles of inequality and corruption or liberated in virtuous circles of equality and integrity (freedom from corruption).⁴⁸

You and Khagram believe that under a high-inequality regime, the wealthy have far more to gain, while the poor have fewer abilities to hold them accountable. These scholars therefore contend that high-income inequality has corrosive effects on the functioning of a society.

b. Degradation of Infrastructure

A final negative social effect of globalization is the hollowing out of infrastructure. According to Charlotte Cavaille, “growing income gaps reduce the willingness of the privileged to support the provision of high-quality public benefits and services, such as education or health care. In a highly unequal society, the economically powerful can opt out of the public system altogether.”⁴⁹ As Cavaille described it, a segment of society, and frequently the most powerful segment of society, no longer has a vested interest in the success of the larger social enterprise. If anything, there is a perverse incentive to lower the cost of the system to minimize their own expenditure, regardless of the effects that change may have on the quality of the system or the social consequences. In the United States, these groups then tend to form enclaves of high-net-worth municipalities that feature extremely well-funded municipal services, while less well-off citizens are relegated to second- or third-tier systems.⁵⁰ This self-segregation leads to an internal division within

⁴⁸ Jong-sung and Khagram, 154.

⁴⁹ Charlotte Cavaille, “Why Does Growing Income Inequality Matter to People and Politics?,” Scholars Strategy Network, June 1, 2013, <https://scholars.org/contribution/why-does-growing-income-inequality-matter-people-and-politics>.

⁵⁰ Jenny Schuetz, *Fixer-Upper: How to Repair America’s Broken Housing Systems* (Washington, DC: Brookings Institution Press, 2022), 30.

the country where those lacking economic power are continuously excluded from access to the social resources that would enable them to succeed.

3. Political Effects

In addition to social effects, globalization has also created political effects on the nations impacted by it. These effects include reducing the ability of nations to control corporate behavior, empowering elite classes at the expense of the larger population, creating internal instability within the nation, and encouraging a rise in populism.

Globalization affects nation states in three main ways. It reduces the ability of nation-states to control corporate behavior, because corporations have the ability to relocate resources and thus shop nations against one another in pursuit of the least restrictive environment.⁵¹ It also reinforces the economic power of elite classes, as it permits the power of the state to be used to further the economic interests of politically connected individuals.⁵² Finally, globalization leads to internal political conflict within nations as the economically disfavored compete with the economically favored for political influence.⁵³

a. Reduced Ability to Control Corporate Behavior

First, globalization reduces the ability of national governments to control the actions of corporations, thereby changing the balance of political power between corporations and governments on economic issues.⁵⁴ This loss of governmental control occurs for economic and jurisdictional reasons. Globalization diminishes the leverage that nations have to regulate globalized corporations; therefore. To some extent, international corporate entities operate beyond the political jurisdiction of individual nations. Any

⁵¹ Julian Ku and John Yoo, “Globalization and Sovereignty,” *Berkeley Journal of International Law* 31, no. 1 (2013): 210–35, <https://doi.org/10.15779/Z38T076>.

⁵² Joseph E. Stiglitz, *Globalization and Its Discontents* (New York: W.W. Norton and Company, 2003), 19.

⁵³ Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Business, 2012), 344.

⁵⁴ Ku and Yoo, “Globalization and Sovereignty.”

government that global corporations perceive as too aggressive in its tax and regulatory structure may find itself at a competitive disadvantage when it comes to attracting and retaining corporations.

This view is espoused in a Yale Insights interview with Henry Schacht, former CEO of Cummins, a U.S.-based diesel engine manufacturer. Schacht noted that for a multinational company, “today it doesn’t matter where the headquarters are.”⁵⁵ Schacht then elaborated further on the challenges of globalization for businesses in his response to an interviewer’s question by noting “that there were no foundries left in the United States to cast diesel engine blocks. He [Schacht] pointed out that they are cast in Brazil at a significantly lower cost, and that the resulting ‘employment off-put’ must be managed.”⁵⁶ Schacht also noted that the company had moved its laboratories to China while he had been CEO at Lucent. In Schacht’s view, economic interests dictated that the corporations take these actions.

Schacht’s comments are illuminating in that they illustrate the idea of the post-nationalist corporation. In his view, corporate interests are no longer aligned with national interests. The corporation is now an entity that exists outside the nation. Generally speaking, economic power is related to political power.⁵⁷ There is a natural tendency for those with economic power to try to reinforce it through the legal structure. Although economic and political power are still linked, economic power is directed at freeing the corporation from national links and national legal frameworks. Corporate actions are viewed as those in the best interests of the corporation without regard for the consequences to the nation. This divorce between the business environment and the nation-state in which it is rooted creates several problems for the nation-state itself.

In this view, globalism realigns the interests of all the parties involved. Rather than a corporation having a stake in the nation of which it is a part, it becomes more involved

⁵⁵ Schacht, “How Did the Corporation Become Global?”

⁵⁶ Schacht.

⁵⁷ Daron Acemoglu, “Politics and Economics in Weak and Strong States,” *Journal of Monetary Economics* 52 (2005): 1200, <https://doi.org/10.1016/j.jmoneco.2005.05.001>.

with other actors in its business sphere. The actors include other firms and shareholders. The result is an economic and cultural business climate based solely on economic interests rather than traditional national boundaries.

This shift from largely nationally oriented companies to globally oriented ones is a very different worldview from more traditional notions regarding the purpose of an economy. The traditional conception of an economy was of a system designed to allocate goods within a given nation. To achieve this, rules were created for business with the implication that business would benefit the state in some way, such as paying taxes or employing the citizenry.⁵⁸ This is not to suggest that economic activity was necessarily structured to be fair or just, only that the rules and regulations that affected and created corporations were designed as an adjunct to state power, with the idea that in some way the state, or at least select people within the state, would benefit.

By contrast, as the world has become increasingly globalized, the relationships between global corporations and nations have also become increasingly transactional.⁵⁹ As a result, corporations are incentivized to focus more on using national affiliations to maximize profit and less on corporate citizenship. As corporations become further removed from operating under the umbrella of a single nation, a divergence develops between corporate and national interests. For example, Apple, a U.S. corporation with a significant presence in Europe, used a number of different strategies and nations to dramatically reduce its tax liabilities, including declaring significant amounts of its income stateless for

⁵⁸ Karessa Cain et al., “On the Purpose of the Corporation,” *Harvard Law School Forum on Corporate Governance* (blog), May 27, 2020, <https://corpgov.law.harvard.edu/2020/05/27/on-the-purpose-of-the-corporation/>; This framework of tightly linked political and economic power within the state was the norm through much of the 20th century. The 1953 statement of the CEO of General Motors Charles Wilson that “what was good for our country was good for General Motors, and vice versa” is ultimately a statement linking the fate of General Motors to the fate of the United States. Regardless of whether one agrees that the interests of the United States should be the same as the interests of General Motors, the statement indicates that General Motors saw its interests as linked to the United States. Robert W. Patterson, “‘What’s Good for America . . .,’” *National Review*, July 1, 2013, <https://www.nationalreview.com/2013/07/whats-good-america-robert-w-patterson/>.

⁵⁹ Jeroen Veldman and Hugh Willmott, “What Is the Corporation and Why Does It Matter?,” *M@n@gement* 16, no. 5 (2013): 605–20, <https://doi.org/10.3917/mana.165.0605>.

tax purposes.⁶⁰ Without delving into the legal merits of this argument, it is incontestable that the income derived from somewhere, and that some jurisdiction therefore is not receiving the benefit of economic activity that occurred within its jurisdiction. The result is that Apple is reaping the benefits of operating in a nation somewhere, such as access to infrastructure, while exporting its profits without proportionally contributing to the support of that infrastructure.

Likewise, social media companies can provide content without regard to the wishes of the government of specific nations because they require a very limited amount of physical infrastructure; they are therefore highly mobile and less vulnerable to pressure from governments.⁶¹ As there is no single political entity having significant control over corporate behavior at the global level, globalization greatly reduces the ability of the state to mitigate the effect of such harmful economic activities.⁶² By operating outside of national constraints, globalized corporations limit the ability of states to control their own economies and are not accountable to any citizenry other than shareholders.

b. Reinforcing the Power of Elite Classes

Another way that globalization has affected nation-states is that elites within a country may use globalized economic markets to operate corporations dedicated to selling domestic assets in a way that primarily benefits the elite class. In *Why Nations Fail*, Daron Acemoglu and James A. Robinson refer to these types of relationships as extractive economies: Extractive economic institutions are those in which the political elite are focused primarily on using their power to extract resources from the rest of the society.⁶³

⁶⁰ Paradise Papers Reporting Team, “Paradise Papers: Apple’s Secret Tax Bolthole Revealed,” BBC News, November 6, 2017, <https://www.bbc.com/news/world-us-canada-41889787>.

⁶¹ Sherry Lowrance, “Was the Revolution Tweeted? Social Media and the Jasmine Revolution in Tunisia: Was the Revolution Tweeted?,” *Digest of Middle East Studies* 25, no. 1 (March 2016): 155–76, <https://doi.org/10.1111/dome.12076>.

⁶² For example, Andreas Scherer and Guido Palazzo note that “Since the year 2000, over 5000 business firms have subscribed to the UN Global Compact’s call to engage in self-regulation in order to fill the regulatory vacuum that has emerged as a result of the process of globalization.” Andreas Georg Scherer and Guido Palazzo, “The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and Its Implications for the Firm, Governance, and Democracy,” *Journal of Management Studies* 48, no. 4 (2011): 899–931, <https://doi.org/10.1111/j.1467-6486.2010.00950.x>.

⁶³ Acemoglu and Robinson, *Why Nations Fail*, 81.

An example is Saudi Aramco, the corporation that controls the oil reserves in Saudi Arabia. Saudi Aramco is owned and controlled directly by the Saudi government. As such, it supports the government and the royal family. As Saudi Arabia is not a democracy, ordinary Saudi citizens are not given a choice about how or whether oil revenues are spent. By allowing corporations to operate outside of popular constraints, globalization tends to allow economies to become more extractive, thereby benefitting politically connected individuals at the expense of the nation as a whole.

c. Internal Political Instability Due to Economic Competition

Globalization has placed immense pressure on the political systems of nation-states by reordering economic power domestically, creating economic divisions within nations without a corresponding reordering of the structure of social and political power. In many industrialized nations, globalization has offshored manufacturing operations while corporate functions have remained in the nations where the corporations originated. These changes have led to a bifurcated economic model in some countries, depriving industrial regions of economic power while retaining economic power in a handful of interconnected global financial nodes. This has created internal economic divisions within nations, thereby setting up what is viewed as a conflict of political interest. Traditionally, the nation was viewed as the framework for maintaining an individual or a corporation's self-interest. In other words, the success of an individual was tied to the success of the nation in which they resided. Arguably, globalization has changed this, or at a minimum has changed how some individuals perceive the economic order to be structured. In this view, the economic elite is less concerned with what happens to the citizens of their own country than what happens in the globalized cities. As economist Ian Bremmer notes, among those on the losing end of globalization, there is the belief that "elites in New York and Paris have more in common with elites in Rome and San Francisco than with their discarded countrymen in Tulsa, Turin, Tuscaloosa, and Toulon."⁶⁴ The belief is that the economic elite is not invested in the success of the nation. This has led to a division that views some parts of the population

⁶⁴ Ian Bremmer, *Us vs. Them: The Failure of Globalism* (New York: Portfolio/Penguin, 2018), 9.

as not sufficiently nationalistic and therefore are enemies of the nation. The result is an internal divide caused by globalization.

Even as the locus of economic power has shrunk, traditional political and military power have remained vested in nation-states and by extension, distributed broadly across the population. This is a very different map from the concentration of economic power that occurred in the United States. As a result, in the United States, two broad factions have emerged, with each retaining political power but with the pro-globalization faction having superior economic power. The resulting stresses on the political systems are problematic for stability of the nation-state.

The result of this factionalization is a reduction in political participation among lower-income populations. Frederick Solt studied how inequality affected political participation among people at different income levels. He discovered that “because it increases the relative power of richer citizens, ... higher levels of income inequality powerfully depress political interest, the frequency of political discussion, and participation in elections among all but the most affluent citizens, providing compelling evidence that greater economic inequality yields greater political inequality.”⁶⁵

On the other hand, globalization has made it possible for previously unrepresented groups such as racial and ethnic minorities to rise as a political force due to the interaction made possible by globalized social media. Social media has made large-scale two-way communication possible, something that could not be easily done with earlier mass media communication modes. Rapid and cheap communication means that rather than allegiances being geographically based, they can be based on factors such as political worldview and economic class. This changing communication landscape has had two main effects: an expansion of people’s awareness of other systems and ideas and, seemingly paradoxically,

⁶⁵ Frederick Solt, “Economic Inequality and Democratic Political Engagement,” *American Journal of Political Science* 52, no. 1 (2008): 48, 57, <https://doi.org/10.1111/j.1540-5907.2007.00298.x>.

a simultaneous hardening of political factions.⁶⁶ In this context, globalized communications allow people to segregate themselves into bubbles of like-minded people and can foster an unwillingness or inability to empathize with others. Groups can push back on alternative narratives by demonizing those who would bring change.⁶⁷

The perception of inequality, too, has negative effects in the political—and social—realms, in that it leads to a loss of faith in government, an increase in social division, and an openness among those not benefitting from inequality to radical change in the process of governance.⁶⁸ The mere belief that economic inequality exists negatively impacts some citizens' attitudes toward the political system. These attitudes are important, because for a political system to survive, the society it belongs to must believe that the system is fair on some level. When that belief collapses, the political system will collapse as well, unless it can be imposed. As Venkat Venkatasubramanian noted, “No one has reason to accept a scheme of cooperation that places their lives under the control of others, that deprives them of meaningful political participation, that deprives their children of the opportunity to qualify for better jobs, and that deprives them of a share in the wealth they help to

⁶⁶ First, populations have been exposed by social media to outside thought and criticism, which can lead to an awareness of other social and economic regimes, including conditions and cultures in other parts of the world. This exposure has served to shape their expectations of material conditions and can lead segments of societies to question why they are not living at comparable standards. Globalization, for example, has made persuading people that inequality is natural more difficult. Daniel Steinmetz-Jenkins, “Thomas Piketty: Confronting Our Long History of Massive Inequality,” *The Nation*, March 26, 2020, <https://www.thenation.com/article/culture/thomas-piketty-interview-inequality-book-covid/>.

⁶⁷ These sectarian grievances have sometimes been whipped up by those who wish to distract attention from the economic issues in the society. For example, the rise of the Nazi Party in Germany coincided with severe economic problems in Germany in the wake of World War I; Hitler's use of the emerging media technologies of the time allowed him to consolidate Germans into a unified force in a way that they had not been previously.

⁶⁸ Economist Martin Feldstein argues that poverty, not income inequality, is the real social problem. He feels that as long as poverty is being reduced, any growth in income inequality should be irrelevant and that any issue with income inequality arises from nothing more than envy. Similarly, a report from Rea Hederman and David Azerrad entitled *Defending the Dream: Why Inequality Doesn't Threaten Opportunity* states, “What matters is not how much more those at the top earn than those at the bottom--they are, after all, not in competition with one another--but rather the real needs of those at the bottom and their opportunities for advancement.” Martin S. Feldstein, *Income Inequality and Poverty*, NBER Working Paper No. W-6770 (Cambridge, MA: National Bureau of Economic Research, 1998), <https://papers.ssrn.com/abstract=138573>; Rea Hederman, *Defending the Dream: Why Income Inequality Doesn't Threaten Opportunity* (Washington, DC: Heritage Foundation, 2012), 14–15, <https://www.heritage.org/poverty-and-inequality/report/defending-the-dream-why-income-inequality-doesnt-threaten-opportunity>.

produce.”⁶⁹ The belief that this is the case, according to Cavaille, can be dissatisfaction with the political status quo. This dissatisfaction, Cavaille continued, may be expressed through political demands or more problematically, a distrust of government by these groups.⁷⁰ This distrust is what Robert Reich is referring to when he expresses concern over a “steady undermining of the trust modern societies need for growth and stability.”⁷¹ Also important to note is that lack of trust is not necessarily directly linked to economic injury. Trust is peculiar to an individual, but it is possible to distrust an organization such as a government even while benefitting economically from a given set of policies. Such a loss of trust in government is destabilizing because it reduces the willingness of citizens to defend or support the government in question, thereby undermining it.

d. Rise of Populism

Another major political effect of globalization is the rise of and support for populism. Populism, as defined by Cas Mudde and Cristóbal Kaltwasser, is “a thin-centered ideology that considers society to be ultimately separated into two homogeneous and antagonistic camps, ‘the pure people’ versus ‘the corrupt elite,’ and which argues that politics should be an expression of the *volonté générale* (general will) of the people.”⁷²

Whether on the left or the right, populism is often authoritarian. Pippa Norris and Ronald Inglehart defined populism as a type of rhetoric that speaks as to who should rule, but does not necessarily speak as to what policies should be followed. According to them, populist rhetoric is distinguished by two claims. The first is that the authority of the establishment is not legitimate.⁷³ The second is that the only legitimate source of power is

⁶⁹ Venkataraman Venkatasubramanian, *How Much Inequality Is Fair? Mathematical Principles of a Moral, Optimal, and Stable Capitalist Society* (New York: Columbia University Press, 2019), 14.

⁷⁰ Cavaille, “Why Does Growing Income Inequality Matter?”

⁷¹ Robert Reich, *Saving Capitalism: For the Many, Not the Few* (New York: Vintage Books, 2015), xii.

⁷² Cas Mudde and Cristóbal Rovira Kaltwasser, *Populism: A Very Short Introduction* (New York: Oxford University Press, 2017), 1.

⁷³ Pippa Norris and Ronald Inglehart, *Cultural Backlash: Trump, Brexit, and Authoritarian Populism* (Cambridge, UK: Cambridge University Press, 2019), 3.

the people.⁷⁴ Authoritarianism is defined by Norris and Inglehart as “a cluster of values prioritizing collective security for the group at the expense of the individual.”⁷⁵ These values include security, conformity, and obedience.⁷⁶ Authoritarian-populism fuses these two ideas into a single idea that requires the people to support someone acting in their interest to defend them from those who would threaten them. As the leader is acting in the interest of the people, anyone opposing the leader is automatically opposing the people.⁷⁷

The economic historian Barry Eichengreen theorized that “populism is activated by the combination of economic insecurity, threats to national identity, and an unresponsive political system.”⁷⁸ Likewise, in “Populism and the Economics of Globalization,” economist Dani Rodrik examined the appeal of populism in response to globalization, speculating that the importance of the idea of economic “fairness” to those negatively affected by globalization has been neglected by economists.⁷⁹ It is Rodrik’s view that this perception may underlie the populist reaction to globalism that has been emerging in recent years. In Rodrik’s theory, the form of a given populist reaction is based on local realities and the political groups that shape the historical narrative surrounding the social grievance at issue.⁸⁰

If, because of these forces, segments of society believe that they no longer share mutual interests, institutions, or culture, then a society begins to come apart as individuals to gather into groups based on their perceived place in the system.⁸¹ Ingroup/outgroup dynamics then predict that those not operating in accord with the dominant norms will be

⁷⁴ Norris and Inglehart, 4.

⁷⁵ Norris and Inglehart, 6.

⁷⁶ Norris and Inglehart, 6.

⁷⁷ Norris and Inglehart, 8.

⁷⁸ Barry Eichengreen, *The Populist Temptation: Economic Grievances and Political Reaction in the Modern Era* (New York: Oxford University Press, 2018), x.

⁷⁹ Dani Rodrik, “Populism and the Economics of Globalization,” *Journal of International Business Policy*, 2018, 1–22, https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/populism_and_the_economics_of_globalization.pdf.

⁸⁰ Rodrik, 13.

⁸¹ Peter L. Berger and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* (New York: Anchor Books, 1990), 131.

identified as outsiders and blamed for causing issues within the society leading to divisiveness and often conflict.⁸²

These divides not only lead to deterioration of the existing order; they also give rise to a desire among those not benefitting from the inequality to achieve stability at almost any cost. A recent study by the Association for Psychological Science found that “people who live, or think they live, in a more economically unequal society may be more supportive of a strong, even autocratic leader.”⁸³ The authors theorized that populist autocratic leaders had appeal under these circumstances because “economic inequality perceptions enhance the feeling that society is breaking down... fueling a desire for a leader who will restore order (by whatever means necessary).”⁸⁴ This same article, entitled “High Wealth Inequality Linked with Greater Support for Populist Leaders” argues that perceptions of inequality may therefore lead to the election of populist governments.⁸⁵

B. HOMELAND SECURITY

There is a significant degree of overlap between the results of globalization and threats to homeland security. This chapter examines various definitions of homeland security and explains how a broad definition of homeland security best encompasses the negative externalities produced by globalization. It then examines the threats that arise from four of these externalities: political instability, populism, the degradation of infrastructure, and the difficulty of risk management. Although these threats may seem diffuse, they all diminish citizens’ faith in the government and therefore result in a direct homeland security threat.

⁸² Berger and Luckmann, 109.

⁸³ American Association for Psychological Science, “High Wealth Inequality Linked with Greater Support for Populist Leaders,” ScienceDaily, September 30, 2019, <https://www.sciencedaily.com/releases/2019/09/190930114808.htm>.

⁸⁴ Association for Psychological Science.

⁸⁵ Association for Psychological Science.

1. Defining Homeland Security

“Homeland security” is a term coined by the United States and describes an American conception of security.⁸⁶ However, uncertainty over the scope of homeland security has been a recurring theme in the field since its creation. Christopher Bellavita noted in a 2008 paper that “there are at least seven defensible definitions of homeland security.”⁸⁷ These definitions range from broad views that encompass a variety of hazards—most notably those that upset the normal social order, such as natural disasters, political disruption, or economic crises—to narrower views largely confined to responding to terroristic acts.

For example, in his article detailing the various definitions of homeland security, Bellavita examined the relatively narrow view cited in the 2002 *National Strategy for Homeland Security* and its 2007 update.⁸⁸ Both the 2002 and 2007 versions carry the official definition that “homeland security is a concerted national effort to prevent terrorist attacks within the United States, reduce America’s vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.”⁸⁹ However, in the wake of the 2005 Hurricane Katrina disaster that decimated the Gulf Coast of the United States, the 2007 *National Strategy* also began to implicitly recognize a broader interpretation of homeland security, noting that “threats come not only from terrorism, but also from nature,” and that “certain non-terrorist events that reach catastrophic levels can have significant implications for homeland security.”⁹⁰ The broad view of homeland security is analogous to human security as expressed by Ramesh Thakur, who noted, “Human security is concerned with the protection of people from critical and life-threatening dangers, regardless of whether

⁸⁶ This research is concerned with the homeland security project and enterprise, rather than any government bodies involved in it.

⁸⁷ Christopher Bellavita, “Changing Homeland Security: What Is Homeland Security?,” *Homeland Security Affairs* 4 (June 2008): 1–30, <https://www.hsaj.org/articles/118>.

⁸⁸ Bellavita, 3.

⁸⁹ Homeland Security Council, *National Strategy for Homeland Security, 2007* (Washington, DC: White House, 2007), 3, https://www.dhs.gov/xlibrary/assets/nat_strat_homelandsecurity_2007.pdf; Office of Homeland Security, *National Strategy for Homeland Security* (Washington, DC: White House, 2002), 2, <https://www.dhs.gov/sites/default/files/publications/nat-strat-hls-2002.pdf>.

⁹⁰ Homeland Security Council, *National Strategy for Homeland Security, 2007*, 3.

the threats are rooted in anthropogenic activities or natural events.”⁹¹ This research uses the broader definition of homeland security because it more accurately represents the range of negative homeland security consequences that can arise from issues of economic globalization.

2. Threats and Challenges to Homeland Security

Apart from terrorism, major threats and challenges to homeland security include: political instability; rising populism, degradation of infrastructure, the potential failure of governmental organizations to properly evaluate the stability risks engendered by these changes, and the rise of social media.

a. Political Instability

One threat to homeland security is political instability. Political instability has been defined as “the propensity of a government to collapse.”⁹² As used in this thesis, instability refers to a lack of political support by citizens of a nation for the existing government.

Instability may take a variety of forms. In its milder forms, instability may encompass a lack of support for governmental functions or a belief that government is not structured to meet the needs of a significant portion of its citizens, which may result in a gradual weakening of social structures and political norms. For example, in Brazil, the desire of those in power to maintain an extractive economic system has limited the development of a Brazilian middle class. Likewise, economic inequality has left the country with a government incapable of responding to the needs of most Brazilians.⁹³ As an article in a United Nations publication analyzing the Brazilian middle class noted:

The middle class judges the quality of public infrastructure and services very harshly, all the more so because it is aware that the Brazilian tax system is pro-rich. It is true that the upper middle class is distinguished by its ability to circumvent the failings of the public sector by using the private sector,

⁹¹ Ramesh Thakur, “A Political World View,” *Security Dialogue* 35, no. 3 (December 2004): 348, <https://www.jstor.org/stable/26298631>.

⁹² Alesina et al., “Political Instability and Economic Growth.”

⁹³ Diego Sanchez-Anacochea, *The Costs of Inequality in Latin America: Lessons and Warnings for the Rest of the World* (London: I.B. Tauris, 2020).

particularly in education and health. However, the most vulnerable families in the middle class remain highly dependent on poor-quality public services. Lastly, like the rest of the Brazilian population, the middle class expresses its repudiation of the political system at all levels of power, stressing its inability to work for the general interest. In particular, the country's endemic corruption is severely criticized.⁹⁴

In Brazil, rising support for populism arising from globalization and inequality is a direct internal security concern, as it has undermined the rule of law. The lack of popular support for the government creates risks of a negative feedback loop as dissatisfaction increases, weakening government support further and leading to democratic decline. In Brazil, this democratic decline has emerged in the election of Jair Bolsonaro, the current populist president of Brazil. Since being elected president, Bolsonaro has attempted numerous anti-democratic maneuvers, including attacking the Brazilian Supreme Court.⁹⁵

The greatest danger arising from instability is that it may lead to revolution.⁹⁶ Historians have said that instability can be a warning sign of a political tipping point toward revolution, but it is difficult to extract actionable information from warning signs. Likewise, there is nothing in any literature to indicate the existence of any readily identifiable tipping point where revolutions automatically begin. Instead, tipping points are often visible only in hindsight. Rebecca Spang discusses this idea when she stated that “revolutions happen when the distinct concerns of many different groups are for a time, more or less soldered together—and this coming together is not planned in advance but produced largely by chance. This is what historians call ‘contingency’: One thing builds on another in a way that is neither inevitable, or easily reversed.”⁹⁷ Therefore, because the

⁹⁴ Matthieu Clément et al., “Anatomy of the Brazilian Middle Class: Identification, Behaviours and Expectations,” *CEPAL Review*, no. 130 (April 2020): 145, <http://hdl.handle.net/11362/45979>.

⁹⁵ Débora Álvares and Lucas Berti, “Facing Probe, Bolsonaro Threatens Supreme Court,” *Brazilian Report* (blog), April 14, 2021, <https://brazilian.report/liveblog/2021/04/14/facing-probe-bolsonaro-threatens-supreme-court/>.

⁹⁶ A revolution has been defined as “when a group of insurgents illegally and/or forcefully challenges the governmental elite for the occupancy of roles in the structure of political authority.” Raymond Tanter and Manus Midlarsky, “A Theory of Revolution,” *Journal of Conflict Resolution* 11, no. 3 (September 1967): 267, <https://doi.org/10.1177/002200276701100302>.

⁹⁷ Rebecca L. Spang, “How Revolutions Happen,” *The Atlantic*, July 4, 2020, <https://www.theatlantic.com/ideas/archive/2020/07/revolution-doesnt-look-like-revolution/613801/>.

trajectory of events resulting from instability is an uncertain one, a significant increase in instability is a homeland security concern.

b. Rise in Populism

The rise in populist movements that can occur in correlation with increasing globalization and loss of faith in the political system is also a homeland security issue and constitutes a vulnerability that may be weaponized by adversaries, including domestic ones. The selection of a leader who claims to be able to fix the problems that are plaguing a country is central to the appeal of populism.⁹⁸ The leader's actual policies are less important to the population than the promise. Based on this lack of dogma, some have argued that "populism is not an ideology, but a theory of society."⁹⁹ In any case, the existence of a growing populist movement may indicate a population's dissatisfaction with the status quo. A decline in citizen support for government means that there will be less support for maintaining the governmental status quo, which is a central concern of homeland security. These forces of disaffection can be exploited by political interests and have the potential to create a homeland security crisis as different factions of the public respond to different realities and populist leaders seek to gain power by exploiting the divisions created by those realities.¹⁰⁰

The combined effects of globalization and inequality in Brazil have demonstrated how globalization can generate a rise in populism. The addition of COVID after the election of a populist leader has only served to further increase the speed of democratic decline. The key point related to a rise in populism as it affects homeland security is not the existence of populism; it is the willingness to jettison existing power structures. The

⁹⁸ Ronald Inglehart and Pippa Norris, *Trump, Brexit, and the Rise of Populism: Economic Have-Nots and Cultural Backlash*, HKS Working Paper No. RWP16-026 (Cambridge, MA: Harvard Kennedy School, 2016), 2, <https://www.hks.harvard.edu/publications/trump-brexit-and-rise-populism-economic-have-nots-and-cultural-backlash>.

⁹⁹ Bart Bonikowski et al., "Populism and Nationalism in a Comparative Perspective: A Scholarly Exchange," *Nations and Nationalism* 25, no. 1 (January 2019): 58, <https://doi.org/10.1111/nana.12480>.

¹⁰⁰ Jim Reid et al., *The Age of Disorder – the New Era for Economics, Politics and Our Way of Life* (Frankfurt, Germany: Deutsche Bank Research, 2020), https://www.dbresearch.com/PROD/RPS_EN-PROD/PROD000000000511857/The_Age_of_Disorder_%E2%80%93_the_new_era_for_economics%2C_p.xhtml.

collapse of faith in a society's organizing principles that is indicated by a rise in populist movements is a homeland security issue because it implies an unwillingness to support the existing social and political structures.

c. The Degradation of Infrastructure

Another major homeland security risk of globalization is the degradation of infrastructure, which poses both a physical and political risk to homeland security. An event that demonstrates this risk is Hurricane Katrina in New Orleans. During Hurricane Katrina, the levees protecting the city from flooding failed. The failure of the levees was due to a failure to properly plan, construct, and maintain flood protection infrastructure. This failure resulted in a major loss of life, extensive property damage, and long-lasting damage to the citizens' perception of how the government viewed their safety and well-being, which is a direct and significant homeland security threat.¹⁰¹

d. The Difficulty of Risk Management

The negative externalities resulting from globalization are also problematic from a homeland security standpoint because they are difficult to manage. In their article "Judgment Under Uncertainty: Heuristics and Biases," Daniel Kahneman and Amos Tversky examined the idea of how well humans can judge the likelihood of uncertain events¹⁰² Their conclusion is that humans tend to make systematic and predictable errors and are therefore often unable to properly evaluate the probability of political instability and other homeland security threats. This problem becomes even more difficult given the complexity of globalization's effects. While an inability to properly evaluate risk may be merely problematic in some instances, it can be disastrous in high-stakes scenarios involving homeland security. An example of this is the damage wrought by Hurricane Katrina. Although this was not a political instability issue, it did involve judgment

¹⁰¹ Venkatasubramanian, *How Much Inequality Is Fair?*, 14.

¹⁰² Amos Tversky and Daniel Kahneman, "Judgment under Uncertainty: Heuristics and Biases," *Science* 185, no. 4157 (September 27, 1974): 1125, <https://doi.org/10.1126/science.185.4157.1124>.

regarding the likelihood of a given series of unfolding events.¹⁰³ The failure of the response operation on all levels indicates that the magnitude of the event and the response required were simply not envisioned by the homeland security apparatus in place at the time.

e. The Rise of Social Media

Finally, the rise of social media has proven problematic from a homeland security viewpoint. Social media is ironically both a product of globalization as well as a contributor to further globalization. In this regard it can be considered almost cyclical, although whether it is a virtuous cycle or a doom loop is up for debate. Globalization can be considered a product of globalization in that it was formed from the same technological push that created the internet and high-speed communication and allowed businesses to stretch supply chains further than ever before. This expansion of communication capabilities also allowed for the development of communities of widely scattered individuals sharing similar viewpoints.

Somewhat paradoxically, the resulting ability to communicate rapidly across great distances also allowed for the creation of globalized social media conglomerates such as Facebook. Social media allowed for the first large-scale two-way communication between individuals that was free from editorship. This is important because it allows widely separated individuals to form communities much more easily than would have been the case prior to the social media revolution. Social media therefore allows for uncensored dialogue, but it also allows for irresponsible or simply untrue information to be circulated rapidly. At this time, there does not seem to be any definitive answer to whether the cost of social media will be justified by the returns it delivers to society. What is clear however, is that social media is altering how communication occurs.¹⁰⁴

¹⁰³ Larry Irons, "Hurricane Katrina as a Predictable Surprise," *Homeland Security Affairs* 1, no. article 7 (August 2005), <https://www.hsaj.org/articles/690>.

¹⁰⁴ Kiran Bala, "Social Media and Changing Communication Patterns," *Global Media Journal-Indian Edition* 5, no. 1 (June 2014): 1–6, https://www.caluniv.ac.in/global-mdia-journal/ARTICLE-JUNE-2014/A_3.pdf.

C. CONCLUSION

As the previous chapter showed, globalization has profoundly impacted the economic and political development of nations. These impacts have in turn affected social relations within those nations. Issues as diverse as supply chains, income distribution, and internal politics have all been affected by globalization. In particular, inequality and the perception of inequality, both a product of globalization, have been correlated with numerous social and political ills.

When amalgamated, those issues can present a potential homeland security threat because they impact political and economic stability. Negative economic outcomes can easily lead to degradation of infrastructure, political instability, and populism. These changes are concerning with respect to homeland security not only because they threaten stability but also because globalization creates conditions that negatively impact homeland security by creating uncertainty, and humans have been proven to be poor at properly evaluating uncertainty. Figure 1 illustrates this overlap.

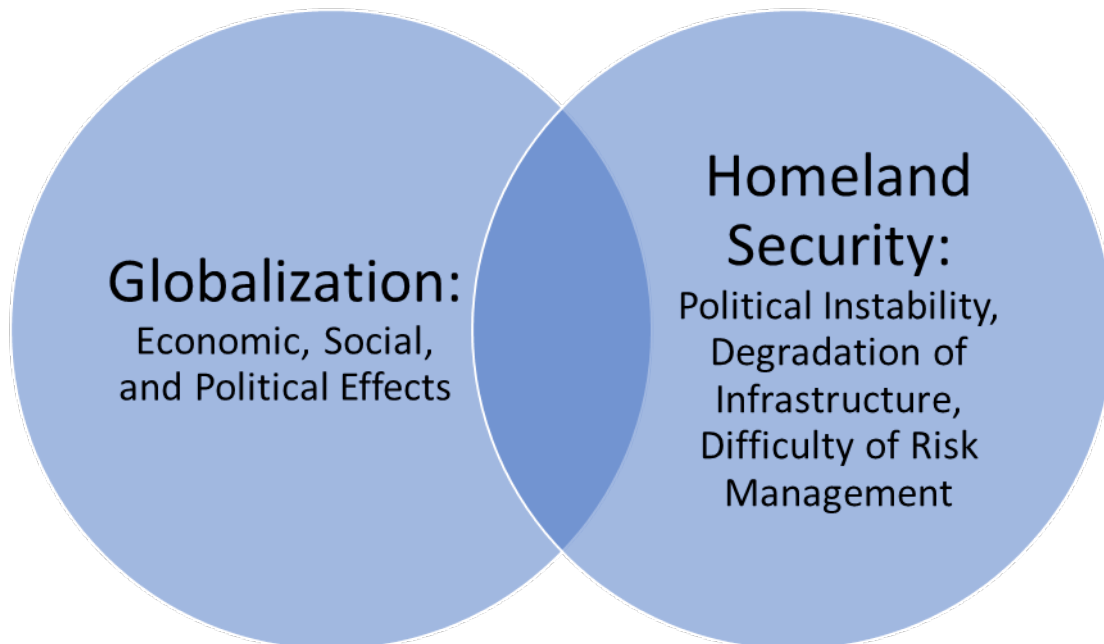


Figure 1. Globalization/Homeland Security Overlap

Globalization is therefore a trend that has significant impacts on many sectors of society. It affects the economic, social, and political realms of the countries it impacts, reshaping the nature of communities, trade, societies and ultimately the internal political relationships that bind a nation together. The next chapter examines the interaction between the social effects of these changes and the homeland security of the United States, specifically how these factors have operated in two cases to raise homeland security concerns, namely the water crisis that occurred in Flint, Michigan, and the riot that occurred on January 6, 2021, in Washington, DC.

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III. CASE STUDIES OF ECONOMIC INEQUALITY AND ITS EFFECTS ON COMMUNITIES IN THE UNITED STATES

Like many countries, the increasingly globalized United States has continued to experience the rising levels of economic inequality and social issues that stem from globalization. This trend raises the question of whether the United States could consequently experience the homeland security issues associated with high levels of globalization.

To answer this question, this chapter examines two events to determine the relationships between globalization and homeland security in the United States. To demonstrate how globalization affects individual American communities, the first event is the water crisis in Flint, Michigan. Flint experienced a series of problems plaguing the city's water supply beginning in 2014. This case study examines how globalization decimated Flint's industrial base and thereby undermined not only the economic but also the social and physical foundations of the city, in particular its water supply infrastructure. These declines in economic prospects for residents of Flint have led to marginalization and a health crisis, causing residents to lose faith in the willingness and ability of government to provide services, thereby increasing instability and negatively impacting homeland security.

The second event is the storming of the U.S. Capitol on January 6, 2021. The attack on the Capitol building was an unprecedented effort to interfere with the orderly transfer of power of the U.S. presidency. The goal of this analysis is to examine the role of globalization in creating instability and laying the groundwork for a populist political movement in U.S. national politics. Specifically, it examines whether economic and social changes driven by globalization contributed to a sense of grievance toward and loss of faith in government that led to the storming of the Capitol.

This chapter argues that both the Flint water crisis and the storming of the U.S. Capitol are representative of the type of homeland security issues that arise from globalization. It argues that globalization has been a driving force in the growth of economic inequality and social disruption and that, as a result, the United States is

experiencing a rise in negative social outcomes, degradation of infrastructure, instability, and therefore a rise in populism, all of which create homeland security concerns.

A. FLINT, MICHIGAN

An example of how economic collapse as a consequence of globalization leads to degradation of infrastructure, instability, and therefore homeland security problems is the water crisis in Flint, Michigan. Flint has experienced economic difficulties since the 1970s, primarily due to globalization of the auto market, which caused a decline in auto manufacturing within the city and therefore labor reductions at the city's main employer, General Motors. This loss of manufacturing jobs led to economic and social issues in the city as Flint experienced both direct financial struggles resulting in declines in city services and social fallout as unemployment and crime rose. The most dramatic manifestation of this struggle was the city's attempt to cut the cost of domestic water service, which resulted in thousands of city residents being poisoned by lead in their drinking water. This incident resulted in a population sicker and poorer than it was before as well as a population less inclined to trust in government. Collectively, these events have created a homeland security problem, as the citizens of Flint are less invested in being part of the process of creating the future of the United States and therefore less likely to view the maintenance of the political status quo as a desirable goal.

1. Background: Flint, Michigan, Water Crisis

Flint is located 60 miles northwest of Detroit, Michigan, on the Flint River in what is sometimes referred to as the "rust belt," a swathe of formerly industrialized communities that have struggled with job loss and depopulation in recent years.¹⁰⁵ It is a typical rust belt community in most ways but perhaps atypical in that it was a significant urban area at its peak and remains so today. Flint is also different from many of the smaller rust belt communities in that it is home to a significant minority population.

¹⁰⁵ Encyclopedia Britannica, s.v. "Flint, Michigan," accessed April 28, 2021, <https://www.britannica.com/place/Flint-Michigan>.

First settled in the early 19th century as a trading post and by the late 19th century, Flint became known for the construction of horse-drawn carriages.¹⁰⁶ In 1903, the Buick Motor Company relocated to Flint. Buick later merged into General Motors, and by the 1950s, Flint was the site of General Motors' largest manufacturing complex.¹⁰⁷ At the Flint auto industry's peak in the 1970s, General Motors employed almost 80,000 people in a city of just under 200,000.¹⁰⁸

In the 1980s, however, the pressures of globalization led General Motors to lower costs by shifting the sourcing of its goods from relatively high-cost economies such as the United States to lower-cost nations, such as Mexico.¹⁰⁹ Simultaneously, General Motors began to shrink its presence in Flint. This trend of corporations shrinking their domestic footprint was happening in many industries. As corporations relocated their facilities outside the United States to nations with fewer regulations and lower labor costs, domestic production within the United States became less competitive due to its relatively high pay scales and safety requirements. Businesses, traditionally in the manufacturing sector but increasingly in other sectors, then moved outside the United States, taking jobs with them. These changes predominantly affected those who were employed at the lower and middle levels of the corporate hierarchy. In a globalized world, the upper-level management functions did not have to be relocated and often were not.

What happened next in Flint is similar to what happened to manufacturing communities across the United States. A series of cascading events resulting from large-scale layoffs began to undermine the stability of communities. As globalization led to automating production or moving it outside of the United States, workers formerly employed in affected industries had to transition to new lines of work, possibly in new locations. As noted in a Congressional Research Service Report, however, many of these

¹⁰⁶ Encyclopedia Britannica.

¹⁰⁷ Encyclopedia Britannica.

¹⁰⁸ Peter Bourque, "Remembering When GM Employed Half of Flint, Michigan," *Arizona Daily Star*, August 2, 2009, https://tucson.com/lifestyles/remembering-when-gm-employed-half-of-flint-michigan/article_e4176079-2b6b-591e-bd13-3ca041c9dcf2.html.

¹⁰⁹ *Roger and Me*, directed by Michael Moore (1989; New York: Documentary, 1989), <http://www.netflix.com>.

jobs could not be replaced by jobs of equal pay and stature due to changes within the economy.¹¹⁰ To the extent that an equivalent job could not be found in terms of salary, those losses became long-term losses, leading to a declining tax base, which undermined the ability of the community to provide services, driving the most mobile away. In the case of large employers, this development meant job loss not only for those employed by the business in question but also for those employed in secondary businesses that served the local economy. Job loss also resulted in a loss of bargaining power for terms of employment among those who retained their jobs. This decline in economic power was not limited to individuals directly affected by job loss but rather was a broader phenomenon affecting “wage setting institutions” more generally.¹¹¹ As a larger pool of workers chased a smaller number of jobs, wages for comparable positions tended to decline or stagnate. Stagnating or declining wages led to a loss of purchasing power in communities and resulted in a further downward economic spiral as the quality and availability of jobs dependent on the purchasing power of others began to decline as well. This decline also created social issues, as those living in the communities left behind were increasingly cut off from the ability to participate in the larger economy.

The result was an economic downturn in Flint as General Motors gradually but significantly downsized its workforce in the area to about 7,200 by 2015, a reduction of over 90 percent.¹¹² Though not swift, the results were severe. Between 1960 and 2020, the population of the city dropped by more than half, from 196,940 to 94,867.¹¹³ By the mid-2000s, Flint’s crime rates made it one of the most dangerous cities in the United States.¹¹⁴

¹¹⁰ Donovan et al., *The U.S. Income Distribution*, 24–35.

¹¹¹ Donovan et al., 24–35.

¹¹² Melissa Burden and Michael Wayland, “GM to Invest \$877M in Flint Truck Plant,” *Detroit News*, August 4, 2015, <https://www.detroitnews.com/story/business/autos/general-motors/2015/08/04/gm-invest-flint-truck-plant/31095645/>.

¹¹³ “Flint, Michigan Population 2020,” *World Population Review*, accessed July 11, 2020, <https://worldpopulationreview.com/us-cities/flint-mi-population/>

¹¹⁴ Roberto Acosta, “Crime in Flint: A Look Back at Stories from a Violent Three-Year Period in the City,” *MLive*, June 5, 2013, https://www.mlive.com/news/flint/2013/06/crime_in_flint_a_lookback_at_s.html.

These crises were not unrelated. Instead, they were a series of catastrophes, each building on the previous crisis.

2. Analysis: Impact of Globalization on Homeland Security and Flint, Michigan

These developments in Flint are concerning from a homeland security viewpoint because they have produced a degradation of infrastructure within the city and created instability.

a. Degradation of Infrastructure

One of the main ways in which globalization has created a homeland security problem in Flint is by causing degradation of infrastructure, resulting in physical and economic injury, a disruption of the community, and a loss of faith in government among the citizens of Flint. Issues like the Flint water crisis were raised as a justification for creating the U.S. Department of Homeland Security (DHS) in the first place, indicating that preserving infrastructure is a major homeland security priority. In a June 2002 proposal, President Bush stated that “the Department [of Homeland Security] would be responsible for comprehensively evaluating the vulnerabilities of America’s critical infrastructure, including food and *water systems*”¹¹⁵ (emphasis added) because “the consequences of a terrorist attack are wide-ranging and can include: loss of life and health, destruction of families, fear and panic, loss of confidence in government, destruction of property, and disruption of commerce and financial markets.”¹¹⁶

Although the federal government was specifically targeting foreign terrorism in its initial development of DHS, the list of concerns raised for the creation of DHS reads like a list of the results of the Flint water crisis. Disruption of commerce and destruction of families occurred as job losses following the globalization of the auto industry led to population losses, and many of those who could leave did. This outmigration resulted in a much poorer city, with “the city’s decimated neighborhoods often occupied by people too

¹¹⁵ George W. Bush, *The Department of Homeland Security* (Washington, DC: White House, 2002), <https://www.dhs.gov/xlibrary/assets/book.pdf>.

¹¹⁶ Bush, 11.

poor to leave.”¹¹⁷ Census data from 2018 indicated that 40.4 percent of the residents of Flint lived in poverty.¹¹⁸ Poverty in turn led to a declining tax base and unserviceable municipal debt, followed by the eventual takeover of the city government by a state financial control board. Eventually, Flint was declared by the state of Michigan to be under a state of financial emergency from 2002–2004 and again from 2011–2015.

Loss of life and health occurred when, in an attempt to cut costs, the financial control board discontinued Flint’s contract with the city of Detroit to supply drinking water, opting instead to use water from the Flint River. Due to low levels of chlorine in the water, an outbreak of Legionnaire’s disease, leading to the deaths of 12 Flint residents, was linked to the water system’s failure to properly treat the city’s drinking water.¹¹⁹ The lower quality of the water, in conjunction with poor water treatment processes, damaged water mains throughout Flint. The damage caused water mains to leach lead into the water supply, poisoning the city’s residents and causing a spike in the number of children with lead poisoning.¹²⁰

The high levels of lead in the drinking water are suspected of causing a rise in the number of students receiving special education services in the Flint City School District. An article in *EdWeek*, a magazine aimed at education professionals, notes that in Flint, “the percentage of special education students has increased by 56%, rising from 13.1 percent in 2012–13, the school year before the water crisis began, to 20.5 percent last school year.”¹²¹

¹¹⁷ Dustin Stephens, “The Flint Water Crisis: A Loss of Trust,” CBS News Sunday Morning, June 17, 2018, <https://www.cbsnews.com/news/the-flint-water-crisis-a-loss-of-trust/>.

¹¹⁸ “Flint City, Michigan,” QuickFacts, accessed June 27, 2020, <https://www.census.gov/quickfacts/fact/table/flintcitymichigan/INC110219>.

¹¹⁹ Legionnaire’s disease is a severe form of pneumonia caused by the bacterium legionella pneumophila. It grows in water, and when aspirated, can be fatal, especially to individuals with compromised systems. It is commonly prevented by the addition of chlorine to drinking water systems. Rebecca Hersher, “Lethal Pneumonia Outbreak Caused by Low Chlorine in Flint Water,” NPR All Things Considered, February 5, 2018, <https://www.npr.org/sections/health-shots/2018/02/05/582482024/lethal-pneumonia-outbreak-caused-by-low-chlorine-in-flint-water>.

¹²⁰ Hersher.

¹²¹ Corey Mitchell, “In Flint, Schools Overwhelmed by Special Ed. Needs in Aftermath of Lead Crisis,” *Education Week*, August 28, 2019, <https://www.edweek.org/teaching-learning/in-flint-schools-overwhelmed-by-special-ed-needs-in-aftermath-of-lead-crisis/2019/08>.

In part because of the health crisis, real estate prices in Flint declined 21% between January–February 2015 and January–February 2016.¹²²

The economic straits that caused Flint to need to reduce water costs were a direct result of the economic damage caused by globalization. The Flint water switch was not the only government action taken to reduce costs following the collapse of the city’s tax base, but it proved to be the most consequential.¹²³ Although it was ultimately the government’s decision to change the source of Flint’s water supply, it does not appear that the government officials anticipated the effects of their actions. As was noted in the analysis of homeland security, envisioning the potential homeland security impacts of changes resulting from globalization can be difficult. Flint illustrates the idea that when a system is stressed, such as an economic system stressed by globalization, the failures and associated homeland security threats that emerge may be unpredictable.

b. Political Instability

The events in Flint arising from globalization have also led to another homeland security challenge: political instability. The population loss engendered by the fallout of the water crisis reduced the numerical strength of the voting population of Flint and therefore its political influence. Consequently, these events reduced the faith of the remaining citizens in the efficacy and honesty of the state and local governments.

The loss of its economic base has been devastating for Flint; however, it is not just the economic base that had been damaged by the water crisis. Economic loss has disrupted the ability of the communities of Flint to function. In particular, the collapse of communities led to the severing of support networks among individuals, evidenced by the elevated crime rates, which ranked 15th in the nation among comparably sized cities in

¹²² Mitchell Hartman, “Flint’s Troubles Mount as Home Prices Fall 21 Percent,” *Marketplace* (blog), May 4, 2016, <https://www.marketplace.org/2016/05/04/flints-troubles-mount-home-prices-fall-21/>.

¹²³ The Flint water department was not the only agency that saw cuts. Virtually every facet of the City of Flint government was impacted by the city’s economic problems. David Fasenfest, “A Neoliberal Response to an Urban Crisis: Emergency Management in Flint, MI,” *Critical Sociology* 45, no. 1 (2019): 33–47, <https://doi.org/10.1177/0896920517718039>.

2020 despite a significant reduction in crime levels citywide during the past several years.¹²⁴

These problems in combination with the degradation of infrastructure and the resulting health and economic losses have led to another homeland security concern in Flint: political instability in the form of loss of faith in government. This loss has resulted from the inability of government to protect the interests of Flint on as basic a level as the provision of clean, safe drinking water. As a result, many residents of the city have lost trust in governmental institutions. An article in the *Washington Post* put the matter succinctly:

Virginia Tech engineering professor Marc Edwards, a national authority on municipal water quality whose tests exposed the extent of Flint’s lead contamination, told *The Washington Post* in early 2016: “People know they’ve been lied to, and EPA knew about this, and the state knew about this. What you really have as it spun out of control is a total loss of trust in government which failed residents miserably. They don’t believe a word that anyone tells them.”¹²⁵

Indeed, a poll of Flint residents following the water crisis found that they had lower levels of trust in government than residents of other jurisdictions.¹²⁶ According to one survey, approximately “80% of residents in Michigan, regardless of year, trust their local government, compared to 11.3% of Flint residents.”¹²⁷ Such a lack of faith in the ability or willingness of government to be a force for good in the lives of its citizens is a homeland security crisis.

¹²⁴ Christine MacDonald and George Hunter, “Detroit’s Violent Crime Leads the Nation; Flint Reports Big Drop,” *Detroit News*, September 28, 2020, <https://www.detroitnews.com/story/news/local/detroit-city/2020/09/28/detroit-violent-crime-leads-nation-flint-big-drop/3536062001/>.

¹²⁵ Brady Dennis, “After Flint Debacle, EPA Must Strengthen Oversight of Mich. Drinking Water Programs, Watchdog Says,” *Washington Post*, July 19, 2018, <https://www.washingtonpost.com/news/to-your-health/wp/2018/07/19/after-flint-debacle-epa-must-strengthen-oversight-of-state-drinking-water-programs-watchdog-says/>.

¹²⁶ Victoria Morckel and Kathryn Terzano, “Legacy City Residents’ Lack of Trust in Their Governments: An Examination of Flint, Michigan Residents’ Trust at the Height of the Water Crisis,” *Journal of Urban Affairs* 41, no. 5 (2019): 591, <https://doi.org/10.1080/07352166.2018.1499415>.

¹²⁷ Morckel and Terzano, 591.

c. Conclusion

The Flint water crisis was the culmination of a series of events that turned on both corporate and government actions. There is arguably plenty of blame to go around. What is clear, however, is that the homeland security threats that arose in Flint were a product of two of the major effects of globalization as identified in Chapter II.

First is the government's reduced ability to control corporate behavior. This result is seen in General Motors' moving production of products formerly made in the United States to other locales, most notably Mexico.¹²⁸ General Motors simultaneously increased production in Mexico while idling plants in the United States.¹²⁹ General Motors also focused significant amounts of capital on its Mexican subsidiaries,¹³⁰ given the city's reliance on the tax revenues generated by General Motors. The economic collapse in Flint and the resulting economic contraction was a direct result of globalization. Although General Motors' fortunes waxed and waned, the company continued to reduce its footprint in Flint, even in good times. As a result, Flint's economy continued to struggle even as car sales improved, resulting in a continuous decline in employment, quality of life, and the overall health and safety of the residents.

Second is the bolstering of elites as a consequence of globalization. If the form an economy takes is a series of policy choices as Thomas Piketty suggests, then the economic disaster that befell Flint and other manufacturing communities as a byproduct of globalization was permitted by economic elites to occur as collateral damage.¹³¹ This is not to suggest that poor management by both the government of Flint and General Motors did not also play a role. Ultimately, however, it was the willingness of economic elites, and

¹²⁸ Timothy Sturgeon and Richard Florida, *Globalization and Jobs in the Automotive Industry* (Cambridge, MA: Massachusetts Institute of Technology, Center for Technology, Policy, and Industrial Development, 2000), 3.

¹²⁹ Jamie L. Lareau, "GM Now Top Automaker in Mexico as It Idles U.S. Factories," *Spokesman-Review*, January 3, 2019, <https://www.spokesman.com/stories/2019/jan/03/gm-now-top-automaker-in-mexico-as-it-idles-us-fact/>.

¹³⁰ Sofia Garduño, "General Motors Will Produce Electric Vehicles in Mexico," *Mexico Business News*, March 29, 2022, <https://mexicobusiness.news/automotive/news/general-motors-will-produce-electric-vehicles-mexico>.

¹³¹ Steinmetz-Jenkins, "Thomas Piketty."

ultimately government, to implement globalizing economic policy that ultimately reduced state power over corporate behavior. These changes resulted in economic devastation for certain tranches of individuals and that led to a homeland security crisis and the destruction in Flint.¹³²

As a result, the collapse of Flint was treated by the state government primarily as a failure of the local government rather than a disaster that befell a community because of globalizing policies.¹³³ This attitude was expressed in a comment by the Michigan state treasurer, who noted that Flint had “failed to deal with the reality of its declining tax base.”¹³⁴ Arguably, the rise of elites who have benefitted from globalization and are able to separate from themselves from the negative consequences of globalization has allowed this framing to be successful. The state’s response to the economic problems in Flint was not an economic aid plan to assist Flint in managing its economic difficulties but rather a takeover of the city government by the state. This takeover was done by appointing an emergency manager who effectively assumed the powers formerly belonging to the city mayor and council.¹³⁵ While municipalities are creations of the state and therefore subject to state takeover, the response failed to acknowledge the initial role of globalization in generating the economic crisis in Flint.

In terms of political conflict in reaction to these homeland security threats, the response within Flint was muted, largely because the state foreclosed the powers of the city government not once but twice, both for extended periods.¹³⁶ What is often overlooked, however, in the debate about cities like Flint is the homeland security effect it has had on other places. When a city experiences population decline on the scale of Flint, its missing citizens must go somewhere. It is unclear whether the effects of the economic collapse in

¹³² Milton Friedman, “A Friedman Doctrine—the Social Responsibility of Business Is to Increase Its Profits,” *New York Times*, September 13, 1970, <https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html>.

¹³³ Anna Clark, *The Poisoned City: Flint’s Water and the American Urban Tragedy* (New York: Metropolitan Books, 2018), 125.

¹³⁴ Clark, 125.

¹³⁵ Clark, 123–30.

¹³⁶ Clark, 123.

Flint have influenced politics in other locales. As such, globalizing policies that lead to social destabilization can have greater homeland security concerns than initially thought, as their effects may be more widely distributed than they seem.

B. U.S. CAPITOL RIOT

The events that occurred at the U.S. Capitol on January 6, 2021, are consistent with trends that emerge from globalization. In particular, a loss of economic opportunity for some Americans was compounded by the cultural consequences of globalization. While these cultural consequences were undoubtedly a boon for some Americans, others began to view the changes wrought by globalization as a destruction of a more traditional American way of life. The resulting social discomfort led some sectors of the population to begin to lose faith in the validity of the political process, as they felt that it did not represent them.

A loss of faith in the validity of the political process in turn creates instability because any leadership or policy that emerges can be viewed as tainted by association with an illegitimate process. This distrust may apply to those who are directly economically affected by globalization as well as those who perceive the changes arising from globalization as a cultural threat. Instability, as noted earlier, can be defined as a propensity for a government to collapse.¹³⁷ Instability as used in this thesis is defined as a lack of citizen support for government functions or a belief that government is not structured to meet the needs of a significant portion of its citizens. Instability is often linked with the emergence of populism, as citizens begin to agitate for decidedness in governance, indicating the emergence of growing homeland security crisis.

1. Background: U.S. Capitol Riot

January 6, 2021, was the day scheduled for the Certificate of Vote of the U.S. Congress, which certifies the results of the presidential election and completes the election process. It was also the day when a rally intended to prevent the recertification process was

¹³⁷ Alesina et al., “Political Instability and Economic Growth.”

scheduled by the president of the United States, Donald J. Trump, under the claim that the election results were illegitimate.

The basic narrative of the events of that day as presented at the impeachment hearings and reported by the BBC are as follows:¹³⁸ At 8:17 AM, President Trump sent out a tweet alleging vote fraud in the 2020 presidential election. At noon, Trump began speaking at a rally, where he urged his supporters to “march over to the Capitol building to peacefully and patriotically make your voices heard.”¹³⁹ At 1:10 PM, President Trump ended his speech by saying, “We fight. We fight like hell, and if you don’t fight like hell, you’re not going to have a country anymore. So let’s walk down Pennsylvania Avenue.”¹⁴⁰

Protesters then forced their way into the Capitol, causing an immediate halt to the certification process and an emergency evacuation of the members of U.S. Congress. Fighting and rioting continued in the building for several hours, until the building was finally cleared that night. When it was over, one person had been fatally shot inside the building and several others had died of medical issues, including a Capitol Police Officer. Numerous people were also injured.

The events at the U.S. Capitol are important because they mark a significant change from how politics and political transitions have occurred in the United States since at least the era of the Civil War, if not earlier. They involved the sitting president of the United States publicly repudiating the results of the national presidential election and repeatedly alleging massive election fraud. The riot that occurred at the Capitol to stop the transition of political power from President Trump to President Biden was an attempt by individuals who believed that fraud had occurred. Regardless of whether President Trump is the direct cause of the riot himself, it is indisputable that the rioters believed themselves to be acting

¹³⁸ BBC News, “Capitol Riots Timeline.”

¹³⁹ BBC News.

¹⁴⁰ BBC News.

on his behalf in an effort to prevent the certification of a “fraudulent” election. Numerous exchanges recorded at the incident indicate this belief.¹⁴¹

Perhaps even more concerning than the presence of a limited number of rioters at the Capitol building are several recent polls indicating that about half of Republicans still believe that the election was stolen.¹⁴² If these polls are correct, millions of Americans have lost faith in the credibility of the U.S. electoral process. For this segment of the population, there is no point in voting or defending the democratic process, as they believe that election results do not reflect the will of the people. In the case of the events of January 6, the loss of faith in government in the United States arose in response to the economic inequality resulting from globalization and the related community impacts in the United States.

2. Analysis: Impact of Globalization on Homeland Security and the U.S. Capitol Riot

a. Instability

One of the major homeland security threats posed by globalization is instability, and one factor that played an important role on January 6 was that many participants belonged to groups that believe that their loss of economic opportunity resulted from government-induced globalization. This belief caused them to lose faith in the system in general, willing to believe that the government had been hijacked by nefarious forces seeking to destroy the United States. The January 6 participants were attempting to stop the return of government control to a group of officials that they believed were complicit in this process.

¹⁴¹ Rosalind S. Helderman, Spencer S. Hsu, and Rachel Weiner, “‘Trump Said to Do so’: Accounts of Rioters Who Say the President Spurred Them to Rush the Capitol Could Be Pivotal Testimony,” *Washington Post*, January 16, 2021, https://www.washingtonpost.com/politics/trump-rioters-testimony/2021/01/16/01b3d5c6-575b-11eb-a931-5b162d0d033d_story.html.

¹⁴² James Oliphant and Chris Kahn, “Half of Republicans Believe False Accounts of Deadly U.S. Capitol Riot-Reuters/Ipsos Poll,” *Reuters*, April 5, 2021, <https://www.reuters.com/article/us-usa-politics-disinformation/half-of-republicans-believe-false-accounts-of-deadly-u-s-capitol-riot-reuters-ipsos-poll-idUSKBN2BS0RZ>.

This belief is a homeland security risk, as much of the field of homeland security is dedicated to preserving the status quo, which is crucial for stability. In a paper for The Wilson Center, Michael Gordon made this point when he noted that “all stable countries are alike, but all unstable countries become unstable in their own ways.”¹⁴³ He then noted that “the best analysts are adept at identifying ‘structural factors’—the long-term, root causes that lead to unrest and revolutions. These factors consist of economic decline, growing inequality, corruption, political repression, and failing infrastructure and social services, among others.”¹⁴⁴ These factors have led to a rise in anger in the United States as a sense of unfairness has developed within the socioeconomic sectors that have been affected by them. In the United States, these types of conditions have resulted in a loss of faith and therefore a loss of stability.

A separate but related issue creating instability is the rise of social media. Social media has made large-scale two-way communication possible, something that could not be easily done with earlier mass media communication modes. These technologies are both the result of and the cause of changes that have arisen as part of globalism. Rapid and cheap communication means that rather than allegiances being geographically based, they can be based on factors such as political worldview and economic class. Therefore, another social effect of globalization has been that previously unrepresented groups have arisen as a political force due to the social interaction made possible by globalized social media and its related technological advances.

Another consequence of social media is that populations have been exposed to outside thought and criticisms, which can lead to an awareness of other social and economic regimes. In a globalized world, the widespread sharing of information culture means that people are increasingly aware of other places. Mass media provides an image of what the rest of the world looks like and can serve to challenge local traditions and cultures

¹⁴³ Michael Gordon, “Forecasting Instability: The Case of the Arab Spring and the Limitations of Socioeconomic Data,” Wilson Center, February 8, 2018, <https://www.wilsoncenter.org/article/forecasting-instability-the-case-the-arab-spring-and-the-limitations-socioeconomic-data>.

¹⁴⁴ Gordon.

Thus, the outcomes produced by globalization have been interpreted by some U.S. groups in a manner that makes these outcomes a homeland security concern, including those who participated on January 6. At first glance, the rioters that participated on January 6 do not seem to be directly connected with the citizens who were negatively impacted by the Flint water crisis. According to data compiled by the Chicago Project on Security and Threats (CPOST), the January 6 rioters tended to be fairly well educated. Of those arrested, almost 29 percent had college or graduate degrees, with another 25 percent had at least some college.¹⁴⁵ They are also 93 percent white and 86 percent male.¹⁴⁶ Perhaps the most important statistic found in the CPOST study was that “the No. 1 belief among insurrectionists—shared by fully 75 percent of respondents—is the ‘great replacement’ of the electorate by the Democratic Party and that this idea is also the most important separator of people in the 21 million from the general population, where the theory doesn’t hold much sway.”¹⁴⁷

A significant part of the great replacement theory is the idea that there is a plot to replace the current electorate. The great replacement theory is therefore a conspiracy theory, defined as “as secret plot by two or more powerful actors.”¹⁴⁸ There are numerous ways in which this is supposedly being accomplished, but generally it involves breaking down traditional power structures. Globalization, as a force that moves toward reduced local control and changing employment and cultural structures, feeds into this narrative. Studies on the nature of conspiracy theories reveal that the types of changes and uncertainty that are products of globalization are drivers of conspiracy theories. In an article titled “The Psychology of Conspiracy Theories,” the authors attempted to understand why people embrace conspiracy theories. They concluded: “Belief in conspiracy theories appears to be

¹⁴⁵ “The Face of American Insurrection,” Chicago Project on Security and Threats, June 7, 2022, <https://storymaps.arcgis.com/stories/84fe30d503c742a692d05146d420c87f>.

¹⁴⁶ Robert A. Pape, “The Jan. 6 Insurrectionists Aren’t Who You Think They Are,” *Foreign Policy*, January 6, 2022, <https://foreignpolicy.com/2022/01/06/trump-capitol-insurrection-january-6-insurrectionists-great-replacement-white-nationalism/>.

¹⁴⁷ Pape.

¹⁴⁸ Karen M. Douglas et al., “Understanding Conspiracy Theories,” *Political Psychology* 40, no. S1 (2019): 3–35, <https://doi.org/10.1111/pops.12568>.

driven by motives that can be characterized as epistemic (understanding one's environment), existential (being safe and in control of one's environment), and social (maintaining a positive image of the self and the social group)."¹⁴⁹ In short, conspiracy theories are a way of compensating for uncertainty and stress, and the fears that result from the changes wrought by globalization. Or, as Joseph Uscinski and Joseph Parent suggested, "at bottom, conspiracy theories are a form of threat perception, and fears are fundamentally driven by shifts in relative power. Because defeat and exclusion are their biggest inducements, conspiracy theories are for losers."¹⁵⁰

Losers in this case refers to those who perceived themselves to be on the losing end of demographic trends. Globalization has restructured the economic order within the United States and thereby changed the domestic power structure. Individuals who would have formerly had stable economic prospects suddenly found themselves in economic trouble. Arguably, they were not incorrect in their diagnosis of their position, but rather were incorrect in their diagnosis of its cause. To better understand the globalization-caused socioeconomic changes in the United States that have affected these groups, sociologist Arlie Russell Hochschild spent five years studying the growing economic divisions between Americans by developing relationships with and interviewing residents of Southern Louisiana. The results were summarized in her 2016 book, *Strangers in Their Own Land*. To develop a sense of the thought processes at work in these communities, she approached the study as an effort to get what she called a "deep story," which she defined as "a story that *feels* as if it were true."¹⁵¹ The deep story is important because it accounts for how the actors involved in the changes perceive the events unfolding around them. Understanding what individuals believe to be happening to them is critical to understanding why and how they will react in a given situation. This is true even if the individual's understanding is incorrect.

¹⁴⁹ Karen M. Douglas, Robbie M. Sutton, and Aleksandra Cichocka, "The Psychology of Conspiracy Theories," *Current Directions in Psychological Science* 26, no. 6 (2017): 538–42, <https://doi.org/10.1177/0963721417718261>.

¹⁵⁰ Joseph E. Uscinski and Joseph M. Parent, *American Conspiracy Theories* (New York: Oxford University Press, 2014), 13.

¹⁵¹ Hochschild, *Strangers in Their Own Land*, 16.

Based on Hochschild's interviews with her subjects, the "deep story" she uncovered ran roughly along the following lines: The United States had once been a place where people could advance economically through hard work. This advancement was no longer possible because the U.S. government had been taken over by forces that worked against American citizens and in favor of globalization.¹⁵² The government was therefore the source of the problem and so should be regarded as an enemy.¹⁵³

It is important to note that Hochschild is not arguing that the deep story is correct. In fact, she argues that it is *incorrect* as an explanation of the problem.¹⁵⁴ The point of the deep story is to explain the emotions behind certain actions, not to determine the correctness of those emotions. The details of the deep story are not universally agreed upon by the interviewees, nor is the story applicable to everyone. In particular, it tends to capture the stories of white, male, blue-collar workers. This blue-collar perspective is relevant, however, because in many ways, this is the one of the demographics that has fared the worst economically because of globalization.¹⁵⁵

Regardless of whether one accepts this deep story, economic statistics indicate that accompanying globalization has resulted in a significant decline in economic well-being among Americans at the lower end of the economic spectrum.¹⁵⁶ William Gale and Darrell West argued that these trends affect two overlapping constituencies: conservative whites, concerned about "losing their privileged social and cultural status, and poorly educated people who have seen their relative economic status decline over the past 50 years."¹⁵⁷ The former group's sense of grievance regarding the current economic conditions in the United States has been noted by observers. Matt Sedensky's article "Seeing Options

¹⁵² Hochschild cites the views of a number of individuals and produces a composite view. Hochschild, 146–53.

¹⁵³ Hochschild, 146–53.

¹⁵⁴ Hochschild, 150.

¹⁵⁵ Matt Sedensky, "Seeing Options Shrinking, White Men Ask Why," *Divided America*, October 20, 2016, <http://www.ap.org/explore/divided-america/seeing-options-shrinking-white-men-ask-why.html>.

¹⁵⁶ Sedensky.

¹⁵⁷ John Hudak et al., "Around the Halls: One Year since the January 6 Insurrection," *FIXGOV* (blog), January 5, 2022, <https://www.brookings.edu/blog/fixgov/2022/01/05/around-the-halls-one-year-since-the-january-6-insurrection/>.

Shrinking, White Men Ask Why” investigated this impression through the lens of talk radio.¹⁵⁸ The article examined the complaints aired by callers to a radio show, finding that the complaints are justified in the sense that they center on demonstrable changes that have occurred in American society. Sedensky’s article cited statistics reflecting falling net worth, frozen salaries, and rising mortality rates for middle-aged whites.¹⁵⁹ Globalization has simultaneously increased the wealth of the richest citizens in the United States while reducing the wealth and job stability of those on the lower rungs of the economic ladder.

On a more basic level, the economic challenges wrought by globalization have created an economic conflict, as individuals accustomed to a certain level of success have struggled to maintain their expectations. With limited demand for the skills of the labor pool displaced by globalization, certain sectors of the job market, particularly those with less education, have faced limited prospects for maintaining economic stability. In turn, competition for scarce resources often leads to intergroup conflict.¹⁶⁰

Sedensky’s article about radio callers examined this sense of populist blame, noting that many of the callers attributed their loss of status to what could be termed “cultural globalization”: a perception that government and illegal immigration are destroying America. These outcomes include “feelings of threatened identity and self-worth” as well as a “backlash toward marginalized others.”¹⁶¹ Scholars argue that although the outcomes are real, the blame and anger are being misdirected. Michael Kimmel, a professor interviewed for the article, stated:

What’s made their lives more difficult is not what they think ... LGBT people didn’t outsource their jobs. Minorities didn’t cause climate change. Immigrants didn’t issue predatory loans from which they now have lost

¹⁵⁸ Sedensky, “Seeing Options Shrinking, White Men Ask Why.”

¹⁵⁹ Sedensky.

¹⁶⁰ Henri Tajfel and John Turner, “An Integrative Theory of Intergroup Conflict,” in *The Social Psychology of Intergroup Relations*, ed. William G. Austin and Stephen Worchel (Monterey, CA: Brooks Cole Publishing, 1979), 33–47.

¹⁶¹ Deena A Isom et al., “The White Right: A Gendered Look at the Links between ‘Victim’ Ideology and Anti-Black Lives Matter Sentiments in the Era of Trump,” *Critical Sociology* 48, no. 3 (2022): 477, <https://doi.org/10.1177/08969205211020396>.

their houses and everything they ever had. These guys are right to be angry, but they're delivering the mail to the wrong address.¹⁶²

The losses of white Americans in particular are important to understanding the connection between globalization and January 6. It is not just the economic displacement resulting from globalization that is important but also the fact that displacement has extended to individuals who formerly believed themselves to be secure. Globalization changed that. It shifted traditional social and economic structures and made achieving the hallmarks of success experienced by earlier generations more difficult to attain. Globalization has continued to shift economic control away from locally oriented systems. It has therefore deprived many groups who were represented on January 6 of the economic and social control that they formerly experienced. As such, globalization is a threat, perhaps even more so to those who have succeeded the most under the current government.

To be clear, the point is not that the struggles of white Americans are more important than the struggles of any other Americans. Rather, the point is that a subset of citizens who were used to a certain status quo found that globalization had changed their place in the world. If, as speculated by Sedensky and Hochschild, many individuals accustomed to a certain level of success and stability have had that taken away from them or believe that they have had that taken away from them, then a conflict develops. Some sources believe that a key factor in the rise in populism is the fact that many of the displaced workers are *newly* marginalized.¹⁶³ The result of these events has been the emergence of what could be considered a culture of victimhood. This culture of victimhood creates a conflict, as there can be no victimhood without victimizers. A culture of victimhood in turn produces a number of consequences.

The participants on January 6 belonged to groups that perceived globalization and its supporters in government as a force hostile to their economic and social well-being. They saw the decline of local economic control as part of a government policy to transfer

¹⁶² Sedensky.

¹⁶³ Andrew J. Cherlin, "Why Did so Many Urban Working-Class Whites Support President Trump?," *Contexts*, October 21, 2020, <https://contexts.org/articles/why-did-so-many-urban-working-class-whites-support-president-trump/>.

power away from people like them, or at least a failure of government to defend them.¹⁶⁴ The participants on January 6 viewed the idea of a fraudulent election as yet another means to deny them the power and control that they had once enjoyed. Therefore, they saw the actions of January 6 as a way to stop a government that they felt no longer represented them and was possibly actively hostile toward them. As Hochschild noted earlier, in speaking about the idea of the deep story, whether a given belief was true is in the end less important than the fact that they believed it was true. Those involved in the January 6 insurrection saw preventing the accession of a new government that they viewed as complicit in globalization as a patriotic duty.¹⁶⁵ Social divisions of this magnitude are a significant homeland security concern.

b. Populism

Another substantial homeland security threat exposed on January 6 is how globalization leads to a rise in populism. Essentially, what Hochschild discovered is the development of a populist outlook among the subset of blue-collar workers she examined. This populist outlook developed as a direct result of the economic destabilization caused by a globalizing economy and the resulting inequality, as these workers view globalization as a direct result of government misfeasance or malfeasance in allowing globalization to undermine American workers. In the United States, the population left behind has become a homeland security risk by virtue of becoming newly marginalized, as they feel that their historical value as citizens has been challenged. For many of these citizens, this marks a dramatic shift from the expectations on which they were raised.¹⁶⁶ In this light, it is not difficult to see why citizens of these regions would be open to supporting government change and be reluctant to support the status quo that has resulted in their current situation.

¹⁶⁴ Robert A. Pape, *“Patriotic Counter-Revolution”: The Political Mindset That Stormed the Capitol* (Chicago: University of Chicago, Chicago Project on Security and Threats, 2022), https://cpost.uchicago.edu/publications/patriotic_counter_revolution_the_political_mindset_that_stormed_the_capitol/.

¹⁶⁵ Hochschild, *Strangers in Their Own Land*, 146–153

¹⁶⁶ Hochschild, *Strangers in Their Own Land*, 141.

This sense of division has expanded to include not only individuals directly affected by the economics of globalization but also those who are directly culturally affected by globalization. In this regard, globalization in the United States has produced effects that appear to mirror those found in Islamic fundamentalist groups. The book *How Globalization Spurs Terror* discussed the rise of Islamic fundamentalism in Iran. Fathali Moghaddam attributed it to what he refers to as “fractured globalization,” which he defines as a “tendency for sociocultural disintegration to pull in a local direction at the same time as that macroeconomic and political systems are set up to pull toward the international direction and to accelerate globalization.”¹⁶⁷

The factors that lead to populism have all been present in the United States in recent years. Globalization has been a major factor in causing the loss of jobs in the United States, especially in the manufacturing sector. Thus, segments of the U.S. populations that had once considered themselves successful citizens found themselves newly marginalized, culturally and economically. The resulting loss of status for residents of these formerly prosperous manufacturing communities has not been addressed by national government or media, leaving many citizens with reduced dignity and quality of life. The loss of so much status in a relatively short time has also led some to a sense that the national identity is being threatened, as they see themselves as archetypal Americans.¹⁶⁸ This includes those who have suffered directly and those who fear the cultural changes that have accompanied globalization, particularly members of the middle class. For many in the United States, a sense of alienation this profound would have seemed surprising 40 years ago.¹⁶⁹ It is emblematic of the divides between those who have benefitted from globalization, particularly in the economic sense, and those who have been adversely affected by it. To account for their reduced status, someone had to be blamed.

One target of this blame became the government. As many citizens were wary of disassociating themselves from the United States, the United States as a nation itself could

¹⁶⁷ Fathali M. Moghaddam, *How Globalization Spurs Terrorism: The Lopsided Benefits of “One World” and Why That Fuels Violence* (Westport, CT: Praeger Security International, 2008), 8.

¹⁶⁸ Sedensky, “Seeing Options Shrinking, White Men Ask Why.”

¹⁶⁹ Foster and Wolfson, “Polarization and the Decline of the Middle Class.”

not be blamed. As Abhijit Banerjee and Esther Duflo wrote in *Good Economics for Hard Times*: “Because many people believe the American market system is fundamentally fair, they must then find something else to blame.”¹⁷⁰ This distinction is an important one and is consistent with populist theories, which, as noted earlier is defined as “a thin-centered ideology that considers society to be ultimately separated into two homogeneous and antagonistic camps, ‘the pure people’ versus ‘the corrupt elite,’ and which argues that politics should be an expression of the *volonté générale* (general will) of the people.”¹⁷¹ This view separates the idea of the United States as a nation from the idea of the U.S. government. While the nation was seen as virtuous, the government was viewed as a collection of individuals who were improperly manipulating the United States to their own ends. Essentially the United States was viewed as a plane that had been hijacked.

Ironically, this idea of blame for the consequences of globalization has been amplified by globalized communication networks that have allowed near instantaneous communication between groups that formerly would have been limited to more local communication. In particular, media, including social media, has united geographically separated but similarly situated individuals into a cohesive group with a common narrative.¹⁷² The result has been an angry and fearful segment of the population who see themselves as having been wronged by the government. The desire to correct a perceived problem, at almost any cost, is frequently linked to the rise of populist movements.

Eventually, all those ingredients came together in a perfect storm. Increased economic segregation within the U.S. population produced in part by globalization meant that in different parts of the country, different economic narratives played out. Political segregation enabled by globalized communication, especially social media and its

¹⁷⁰ Abhijit V. Banerjee and Esther Duflo, *Good Economics for Hard Times* (New York: PublicAffairs, 2019), 261.

¹⁷¹ Mudde and Kaltwasser, *Populism*, 1.

¹⁷² A recent article in *The Atlantic* touched on this issue in relation to COVID-19 shortages of consumer goods. The just in time model led to not only a shortage of consumer goods but also a backlog in deliveries. With many stores closed, the only way to get items was through online purchases. Amanda Mull, “Why Everything Is Sold Out: The Pandemic Broke Online Shopping,” *The Atlantic*, September 15, 2020, <https://www.theatlantic.com/technology/archive/2020/09/pandemic-broke-online-shopping/616353/>.

algorithms, meant that many individuals received information primarily from news sources that confirmed their biases.

On January 6, 2021, in the wake of an election with a vote tally that did not seem to match individuals' personal experiences and a leader who questioned the integrity of the voting process and urged that the certification be interrupted to "Stop the Steal," it is not surprising that a number of individuals acted on what they saw as the president's urgings and attempted a populist uprising. The citizens that stormed the Capitol did so in defense of what they perceived as the values that had made them, and by extension America, great. Those values were "traditional American values," which were non-globalized values. The emergence of a social division between those who hold what are considered by the January 6 participants to be "American" values and those who hold "globalized" values led January 6 participants to believe in a two-sided political dynamic of those who are "for us" and those who are "against us," typical of populist movements.

Many of these traditionally populist positions have reemerged during the administration of President Donald Trump. In particular, strong anti-immigrant positions, proclamations of a strong law-and-order society, and a bias against expertise all featured prominently in the political atmosphere of the Trump administration. There is also a strong overlap between the geographic areas negatively impacted by globalization and strong support for the policies of Trump.

C. CONCLUSION

Particularly in light of these events, the linkage-between globalization, economic inequality, political instability, and populism, as well as deteriorating infrastructure and homeland security is important to understand. As the 2016 victory and 2020 near-victory of Donald Trump show, there is a significant amount of support for populist policies in the United States. Furthermore, as noted in Chapter II, many experts are projecting future job loss in white collar professions in numbers even greater than the job losses experienced in the manufacturing sector. Creating massive numbers of newly unemployed and unemployable U.S. workers may well add to the attraction of populism for many. These threats are significant enough in their own right, but a complicating factor is past

experience has shown that risk management techniques are not able to judge the point when existing homeland security threats may become a critical crisis.

The economic and cultural costs of uncontrolled globalization are a decline in measures of well-being of the U.S. population and a loss of faith among some segments of that population in the idea that the economic and political systems of the United States do not serve their interests. This loss of faith can be seen in the negative image of government possessed by many citizens and in the rise of populist political movements, which are associated with periods of political crisis. These conditions represent a challenge to homeland security providers on multiple levels, ranging from economic challenges caused by loss of tax base due to offshoring to more philosophical concerns such as loss of mission support from the population.

IV. CONCLUSION AND RECOMMENDATIONS

This thesis has examined how the financial and social effects of globalization impact the homeland security of the United States. To investigate this issue, this thesis has used literature about globalization, economic inequality, populism, and homeland security to analyze two recent events that illustrate the consequences of unchecked globalization on the United States: The Flint, Michigan, water crisis and the U.S. Capitol riot on January 6, 2021. This chapter summarizes the findings of this analysis and develops recommendations for policymakers and homeland security practitioners based on these findings.

Overall, the analysis has shown that globalization is properly considered a homeland security concern, as it disturbs existing economic and social patterns, leading to physical and economic damage to communities, feelings of disenchantment, loss of faith in government, and social unrest. As a result, lawmakers and policy experts should consider the homeland security ramifications of globalizing policies that may seem to be purely economic or political.

A. FINDINGS

This thesis finds that globalization has several interconnected effects, which in turn disrupt homeland security.

1. Globalization Exacerbates Economic Equality

The first finding of this research is that globalization exacerbates economic inequality, which in turn has a detrimental effect on political stability and therefore homeland security. In the United States, these changes have been felt in the loss of manufacturing jobs. This job loss has occurred due to a combination of offshoring manufacturing that was formerly done in the United States and automating processes that are still done in the United States but with reduced workforce levels. The result is that corporations that utilize the U.S. marketplace do not proportionally contribute to the economy. The loss in manufacturing jobs has created second-tier effects in other fields that

depend on those jobs to drive the local economy. This job loss has resulted in an erosion of incomes in the middle of the economic spectrum.

2. Economic Inequality Leads to Political Instability

The second finding of this research is that the resulting economic inequality leads to political instability as citizens become divided into those who profit from the efficiencies of globalization and those who are injured by globalized economic competition. This division is what in part laid the groundwork for the January 6 riot, as persistent economic challenges led to deep political divisions among Americans. This emerging and deepening division marks a significant threat to homeland security in the United States, as increasing numbers of citizens have lost faith that the system is acting in their best interests.

For example, a transfer of jobs out of the United States has created additional homeland security issues by limiting the ability of affected communities to deliver governmental services to their citizens, thereby further increasing disaffection among citizens. In particular, economic losses have led to a declining quality of infrastructure and governmental services in communities affected by large-scale job loss. Reduced domestic manufacturing capacity has left communities unable to economically sustain themselves. This downturn has depressed real estate values, making municipalities less attractive to residents. A cycle of decline may develop as financially able residents leave undesirable communities, further reducing the communities' ability to provide services and further isolating those unable to leave. Inadequate infrastructure serves to limit the possibilities of less-affluent citizens while also imposing the costs of infrastructure failure on them. Underdeveloped infrastructure then manifests as a homeland security issue.

Such a failure to invest in infrastructure was the proximate cause of the Flint water crisis. In Flint, the loss of tax revenue due to deindustrialization led to municipal bankruptcy, and a poorly structured attempt to cut costs resulted in damage to both the water system and the people of Flint. The outcome was a loss of residents' faith in the capacity of the system to execute positive changes. Such loss of faith is a direct homeland security concern, as citizens will not fight to protect what they perceive as an unjust system. Indeed, it is an existential threat to the government itself.

3. Globalization Increases Social Isolation and Alienation

In addition to economic loss, a third homeland security consequence of globalization is social isolation and alienation of those negatively affected by globalization from the sociopolitical structures of which they had previously been a part. For many citizens, a job is more than a means of earning income. It can provide a social connection to other individuals and a sense of purpose in life. As a result, job loss has not only an economic dimension but also a social dimension. A loss of social connection and purpose can result in isolation and dissociation from established communities. This isolation may be compensated for by an increase in social media consumption, increasing the potential for radicalization as seen in the case of January 6.

The result, in conjunction with economic stressors, has been challenging to subcultures within the United States. Limited economic prospects are feeding into an anti-establishment narrative. The inequality resulting from the globalization of the economy has resulted in an increase in the local focus of socialization and culture; an increased identification with a sub-national identity. Arguably, the level of change has been so massive in some communities that it has prompted a backlash of people who are resistant to change.

In the United States, social media played a role in developing the critical mass of individuals who participated in the January 6 insurrection at the Capitol. Globalized social media is therefore an institution capable of undermining governments by allowing individuals to coalesce into self-affirming social groups. While this capability can be positive or negative depending on the image of the government in question, it is undoubtedly a threat to homeland security, as narratives can be created and exploited in an uncontrolled manner by groups with unknown motives.

4. Populist Leaders Thrive in Political Instability

A final consequence of the grievances that have arisen from unchecked globalization in the United States is that support for leaders espousing populist ideas has

grown significantly.¹⁷³ The us/them dynamic and homogenous population ideas inherent in populism and manifested on January 6 are problematic for homeland security on several levels. First, in an all-or-none political scenario, there is no room for dissent. Populism is essentially a black-and-white way to view the world, and in this view, disagreement in and of itself is a form of disloyalty or treason, as it immediately marks the person as an outsider. This binary environment creates challenges for homeland security, as any agency that is not in full accord with the leader of a populist movement is by definition an enemy. Furthermore, a bimodal worldview raises the threat of violence between ingroups and outgroups, as the latter are not merely different but, as non-conforming individuals, become branded as threats to the accepted social order. The demonization of disagreement has impacts for virtually all homeland security agencies, especially at the local level. In a populist environment, police, fire, and emergency medical technicians will have to determine how, to what extent, and if services are to be provided to outgroups.

5. Conclusion

In summary, globalization has a number of interconnected effects, which result in homeland security impacts. Globalization exacerbates economic inequality, which in turn has a detrimental effect on political stability and therefore homeland security. The political instability engendered by globalization occurs because citizens become divided into those who profit from the efficiencies of globalization and those who are injured by globalized economic competition. The political climate is not only affected by the economic impacts of globalization: Employment is often more than a strictly economic activity. Globalization-related job loss can lead to social isolation and alienation for workers excluded by globalization from the sociopolitical structures in which they had previously been members. This isolation can in turn increase support for populist leaders and create an increased potential for conflict between ingroups and outgroups. Viewed collectively, globalization creates the numerous economic challenges that must be recognized as properly also being homeland security concerns. A failure to address these

¹⁷³ Sergei Guriev and Elias Papaioannou, *The Political Economy of Populism* (Cambridge, MA: Harvard Kennedy School, 2020), 90, https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/programs/senior.fellows/20-21/populism_oct2020.pdf.

concerns and manage them in some way may well result in further homeland security crises in the United States.

B. RECOMMENDATIONS

Several recommendations emerge from these findings. These recommendations include ensuring that homeland security considerations are integrated into economic policy debates; adjusting economic policies to improve the distribution of income to Americans near the bottom of the income scale; reconfiguring how the cost of corporate failure is allocated, particularly with respect to critical infrastructure; and significantly revamping the U.S. Tax Code so that corporate actions that are antithetical to homeland security interests are disincentivized or penalized. These recommendations are made with full awareness that globalization is not the exclusive causal factor behind recent homeland security challenges within the United States. That said, homeland security must be a proactive enterprise if it is to be successful in protecting the United States from disasters. As the DHS guide to risk management noted: “To improve decision making, leaders in DHS and their partners in the homeland security enterprise must practice foresight and work to understand known and uncertain risks, as best they can, in order to make sound management decisions.”¹⁷⁴ Viewed in that light, ignoring factors that cannot be quantified due to difficulties in establishing a definitive causal link between the negative effects of globalization and their correlated homeland security outcomes is inconsistent with the goal

¹⁷⁴ The guide also notes: “It is the role of DHS and its partners to understand and manage these myriad homeland security risks. We live in a dynamic and uncertain world where the past does not serve as a complete guide to the future. In addition, the systems that provide the functions essential for a thriving society are increasingly intricate and interconnected. This means that potential disruptions to a system are not fully understood and can have large and unanticipated cascading effects throughout American security. Compounding this complexity is the fact that future trends — such as technological advancements, global climate change, asymmetric threats, and the evolving nature of Nation-states — have the potential to significantly alter the homeland security risk landscape in unexpected ways.” Department of Homeland Security, *Risk Management Fundamentals: Homeland Security Risk Management Doctrine* (Washington, DC: Department of Homeland Security, 2011), 8, <https://www.dhs.gov/xlibrary/assets/rma-risk-management-fundamentals.pdf>.

of homeland security.¹⁷⁵ A significant overlap between high levels of economic inequality and negative homeland security outcomes has been established. Since determining threats to homeland security is the purpose of the homeland security enterprise, identifying significant levels of correlation should be enough to raise concern and initiate a response.

1. Make Economic Decisions through a Homeland Security Lens

The first and arguably most important recommendation is that policymakers must view decisions that seem to be purely economic through a homeland security lens as well, paying particular attention to the effects of policies on inequality.¹⁷⁶ Societies can choose to increase or reduce their inequality based on policies they adopt. In the case of Flint, lack of a coordinated response to manage the local-level impact of globalization led to devastation for the city and its residents. The impact of losing a major employer (General Motors) led to a loss of wealth for many of its citizens and ultimately a collapse of basic infrastructure due to a loss of the city's tax base. It is no secret that economic policy decisions have ripple effects that alter local economies. The homeland security impact of these economic actions should also be considered when actions are taken. Flint is only one city, but the scenario that occurred there is an extreme example of the effects that economic policies can have on a city. Therefore, the premise of unchecked globalization itself should be examined by policymakers to determine if the idea is desirable.

Arguably, awareness of the devastation in Flint, and among blue-collar workers in general, was a precursor that laid the ground for the growth of populist movements in the

¹⁷⁵ In his book *Corporate Priorities: A Continuing Study of the New Demands on Business*, he coined the term "the McNamara Fallacy." This "fallacy" refers to the practice of discounting the existence of a variable because it cannot be measured. The sociologist Daniel Yankelovich referred to this as "The McNamara fallacy," named after former U.S. Secretary of Defense Robert McNamara. According to Yankelovich, it "involves making a decision based solely on quantitative observations (or metrics) and ignoring all others. The reason given is often that these other observations cannot be proven." Yankelovich described the steps of the fallacy as "The first step is to measure whatever can be easily measured. This is OK as far as it goes. The second step is to disregard that which can't be easily measured or to give it an arbitrary quantitative value. This is artificial and misleading. The third step is to presume that what can't be measured easily really isn't important. This is blindness. The fourth step is to say that what can't be easily measured really doesn't exist. This is suicide." Daniel Yankelovich, *Corporate Priorities: A Continuing Study of the New Demands on Business* (Stamford, CT: Daniel Yankelovich, 1972).

¹⁷⁶ The economist and author Thomas Piketty noted that "the level of equality or inequality is shaped by socio political mobilization and ideological changes, rather than by permanent and deterministic factors." Steinmetz-Jenkins, "Thomas Piketty."

United States. Although there were many other components involved, including racial conflict and political messaging strategies, the globalization of the U.S. economy and its resulting deindustrialization played an important role in that process. It was these grievances, weaponized and spread through both social and traditional media, that eventually culminated in the January 6 riot. Although this idea may prove unpopular with economic policymakers, it is incumbent on homeland security practitioners to analyze, be aware of, and communicate the homeland security risk of globalization policies. Such awareness is critical because, regardless of any short-term attractions for those who benefit from increased economic inequality, it is ultimately corrosive to the well-being of the United States. A government that benefits a small minority of its citizens at the expense of a majority does not engender long-term support. Spreading awareness of the security risks of such policies may be the single best way to address continuously rising economic inequality and thereby improve homeland security.

One issue that policymakers must address to mitigate the homeland security risk of economic inequality is the economic stagnation of working families in the United States. Simply put, income increases for lower-income Americans have not kept pace with rising costs. When viewed through a homeland security lens, wage stagnation boils down to one issue: Humans will not support or be loyal to an institution that they believe does not operate in their best interests. This belief can be seen in the bitterness that accompanies the citizens of Flint when polled about their level of trust in government. It is also clearly evident in the attempt to stop the certification of the presidential election on January 6, when a group of citizens invaded the U.S. Capitol in an effort to stop what they believed was a fraudulent election.

2. Create Policies that Improve Economic Redistribution

A second recommendation is that economic policies must be adjusted to improve the distribution of income to Americans near the bottom of the income scale. Policies that would address stagnation of income at lower economic levels include universal healthcare, increased minimum wage, and modifications to the tax system. An expansion of government benefits would reduce the financial pressure that many U.S. citizens are under

and serve the dual goals of improving the quality of citizens' lives and improving the image of the U.S. government in their eyes, or at least blunting criticisms that it does not serve the interests of most Americans, which is a direct homeland security concern.

That said, the solution to the homeland security issues raised by globalization is not as narrow as mitigating individuals' immediate economic concerns; it will also have to address the social concerns created by inequality and job loss. While important for survival, a cash replacement for lost income does not factor in the entire role of work in people's lives, particularly in higher-income countries like the United States, where employment is tied not just to survival but also to self-esteem and social relationships.¹⁷⁷ In Flint, this idea of self-esteem and social relationships took the form of pride of place, as seen in a list of cultural institutions founded in the city as its prosperity grew.¹⁷⁸ In Hochschild's book, it is seen in the interviewees' response to her conception of the deep story she created.

It is for this reason that measures that focus on economic benefits alone, while well intended, will not fully solve the crisis of work pattern shifts due to globalism. They may serve as a temporary solution to rising economic inequality, but they fail to address the larger and long-term effects of economic inequality. These solutions therefore have some value to reduce poverty, but their main effect is palliative, not remedial. Ultimately, to address the social needs of American citizens, it may not be possible to avoid social instability without a more fundamental change by policymakers in how employment is structured in areas such as the provision of benefits and retirement security. Restructuring employment policies could also have additional social benefits, as the impact of large-scale employment shifts could be mitigated by slowing and managing workplace transitions.¹⁷⁹

Economic redistribution is not only applicable to individuals. Communities in economic need must be supported as well to ensure the domestic economic stability that is integral to maintaining homeland security in the United States; therefore, policymakers

¹⁷⁷ Banerjee and Duflo, *Good Economics for Hard Times*, 301.

¹⁷⁸ Hochschild, *Strangers in Their Own Land*, 3–4.

¹⁷⁹ Lili Pike, "What Should Coal Communities Do When Power Plants Shut down? Ask Germany.," Vox, March 31, 2021, <https://www.vox.com/energy-and-environment/22349104/coal-climate-change-biden-infrastructure-plan-germany-just-transition>.

must develop a plan to mitigate the effects of economic damage from globalization to communities. One idea to mitigate this impact is for lawmakers to slow down the process of plant closings by subsidizing plant operations and to support workers close to but not at the retirement age.¹⁸⁰ Intervening in the unwinding of business operations should be designed to allow institutions to restructure and for workers to better plan for the future. By allowing a community time to respond, the death spiral that frequently results from an economic catastrophe and the accompanying ills that plague a city like Flint may be avoided. Although an idea such as this is not a panacea, it would have the effect of easing the transition created by market forces. This in turn would have positive effects for the communities and individuals involved. In the case of Flint, a program designed to avoid mass unemployment would have cushioned the losses to the tax base by allowing older residents to remain in the city and have the economic wherewithal to patronize local businesses and pay taxes. This in turn would have given the city the resources to manage its infrastructure better, including avoiding the disastrous water switch that injured Flint residents. In the case of the January 6 riots, a sense of economic loss, and a fear of economic loss were significant factors in the populist narrative that developed. While they were not the only drivers of the narrative, they were certainly part of it. In theory, economic support should also bolster the economy in areas undergoing economic change. This support would allow additional businesses to remain in operation, reducing the destruction in the local economy, and thereby reducing the damage to the social and cultural fabric as well.

3. Consider Long- and Short-Term Economic Policy

A third recommendation to help maintain the economic stability of communities and therefore homeland security is to reconfigure how the cost of corporate failure is allocated, particularly with respect to critical infrastructure. Failures of critical services that cost citizens money and lives are detrimental to the homeland security and credibility of government of the United States. It is therefore critical that both the short-term *and* the long-term business interests be considered when developing economic policy. Specifically, there should be stricter regulation of industries operating critical infrastructure. Critical

¹⁸⁰ Pike.

infrastructure should properly be viewed as a necessary component of homeland security, and not merely an economic investment.¹⁸¹

4. Revamp the U.S. Tax Code

Finally, homeland security risks could also be reduced by significantly revamping the U.S. Tax Code so that corporate actions that are antithetical to homeland security interests are disincentivized or penalized. Tax codes use taxes to encourage or discourage behaviors through reward or punishment. Tax policy could therefore be used to alter certain corporate behaviors. Although globalization can make it harder to tax certain actions, for major globalized corporations, the recipe for success involves lowering input costs while still selling to relatively affluent consumers. Access to American markets and legal structures can be used as to compel compliance, while alternative taxation strategies are available to reduce the attractiveness of further globalizing jobs held by American workers, thereby mitigating some of the negative externalities of globalization that create homeland security threats. In the case of Flint, General Motors had transferred significant amounts of production to Mexico while maintaining access to the U.S. market. Although this may be positive for the shareholders of General Motors, it is much less clear whether this is a positive development for the United States as a whole. Although any counterfactual scenario is by nature speculative, disincentivizing the movement of domestic manufacturing outside the United States could also help stabilize the blue-collar labor market, reducing the appeal of populist narratives of the type that led to the January 6 riots.

¹⁸¹ An example of how the economic cost of failure is allocated is the failure of the electric grid in parts of Texas due to a winter storm in early 2021. This grid failure, which led to multiple deaths and billions in potential damages and interfered with national supply chains, has been linked at least in part to a lack of regulation requiring cold-weather preparation. The lack of cold-weather preparation on the part of the energy suppliers was intentional. In Texas, the grid failed in large part because energy suppliers pushed to maintain an intrastate grid specifically to avoid being subject to federal regulations that demanded winterization to enhance reliability. Utilities wished to avoid making these upgrades because they were expensive and prolonged extreme cold is unusual in most of Texas. In essence, the business model of the utilities in Texas took a series of calculated risks. They traded reduced costs upfront, which created lower prices and better returns, against preparation for an event (prolonged cold) that is infrequent, but by no means unknown. The second bet was that the costs of an event could be passed on to others through a combination of extremely high utility prices (because there was no hedging) and outages. As a result, United States citizens were forced to bear the brunt of a strategy designed to improve corporate returns, resulting in the creation of a specter of a government unable, or unwilling to protect its citizens. Reis Thebault, Paulina Firozi, and Brittany Shammass, “58 People Died in Last Week’s Frigid Weather,” *Washington Post*, February 21, 2021, sec. In Focus, <https://www.nationthailand.com/in-focus/30402891>.

C. FUTURE RESEARCH

There are several areas that will require future research about the linkages among globalization, economic inequality, and homeland security, but the largest and most critical area of research is how the continued expansion of AI will impact middle-class employment in the United States. It has been theorized that developments in AI may combine with globalization to allow a major expansion in the offshoring of U.S. jobs.¹⁸² If these trends are correct, it could mark a watershed moment in the domestic perception of globalization. Even more importantly, it could raise questions about the role of government in the lives of citizens whose interests the government is designed to protect. This is the same sort of situation that has correlated with a rise in populism in former manufacturing strongholds. A significant expansion of populist trends could create serious challenges to the status quo and, by extension, the homeland security community.

Another concern is military radicalization. This could take a number of forms ranging from the radicalization of current military members to the use of military assets for the pursuit of political and economic power to the use of military training for post-service economic advantage. If the United States experiences a decline in secure employment opportunities, how will this decline affect the U.S. military and the nation as a whole? Militaries, by definition, train people in warfighting skills. Should the United States be concerned about a scenario where a large population of former soldiers are left with limited opportunities for economic advancement? Other nations have experienced coup attempts or criminal activity from groups with military training and few economic options. While most citizens would regard these actions as unthinkable within the United States, it should be remembered that many disasters, such as the January 6 Capitol riot, would also have been considered unthinkable before they occurred.

An additional area for research will be to determine whether the negative externalities created by globalization can be studied to determine if they form a predictable pattern. Such a pattern would be useful for projecting the future trajectories of nations experiencing significant globalization-related social disruption. Rising economic inequality in the United

¹⁸² Baldwin, *The Globotics Upheaval*, 148–49.

States has already become enough of an issue to engender serious debates over policy. If the United States is continuing to reform itself into a highly unequal society in economic terms while experiencing the effects of economic globalization, then it may begin to see the same type of problems that occur in other high-inequality countries. The U.S. is not preordained to follow the same course as another country, but given the same problem, it is instructive to try to understand the factors that produced the result they did.

D. CONCLUSION

The intent of this thesis is not to say that all global business activity is bad. Humans have traded with one another since time immemorial, and the transfer of goods and ideas between cultures has been invaluable in the development of human knowledge and comfort. This thesis is instead concerned with the growth of corporations outside the national regulatory sphere. Policies supporting globalization have caused economic and social damage to communities, employees, and local governments within the United States; the stakeholders in corporations. This includes Flint, Michigan. The damage done has not been justified by the economic returns to corporate shareholders. This economic and social damage in turn has weakened trust in social institutions and is ultimately corrosive to faith in government. By allowing the largely unchecked growth of international corporations and allowing them to relocate value away from their markets, while retaining access for sales and legal purposes, nations have ceded aspects of their sovereignty without receiving adequate compensation in return. As a result, corporations have developed that they are accountable to only their shareholders.

Globalization, especially in its current form, is a policy that weakens our nation. There is a growing sense that its benefits are not being distributed fairly. This has meant that civil society is weakened within the United States. Economic inequality serves to divide the population. As government becomes less credible to its citizens and is viewed as a source of corruption rather than a solution to it, instability becomes increasingly likely. This is unquestionably problematic for homeland security.

In the end, there is no way to know exactly what hazards the United States will face. What is clear is that by engaging in policies that weaken the civil fabric of our nation,

the United States is allowing vulnerability and discontent to become enmeshed in our society. This vulnerability makes itself felt in decline, as in the case of Flint, and in a rise in populism and anti-democratic tendencies, as seen on January 6, 2021. Vulnerability and discontent are problematic for the United States, as they are for all nations. When an economic system loses the support of the population, it will either collapse or compliance must be mandated by a controlling power. Neither of these solutions is desirable, and both raise homeland security concerns.

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