Peace and Anarchy

- Peace is closely related to order.
  - Many assume that peace must result from essentially hierarchical processes.
- Yet, anarchy is not necessarily violent
  - Can produce peace as long as participants have unilateral incentives to cooperate.
  - As such, anarchy requires something closer to positive peace. Can we achieve this?
Peace and Anarchy, cont.

- Look for processes where anarchy produces incentives to cooperate spontaneously
- Adam Smith “invisible hand”
  - Logic of market is that individuals cooperate even though they are selfish
  - Do not need external force to impose order or instill cooperation
Globalization

• Def: the increasing integration of markets and the growing dispersion of production

• Students of international relations have been concerned about globalization:
  • Weakens states/strengthens markets
  • Distributional effects: some better off, some worse off (net effect positive economically?)
Globalization and peace

- Constrain, Inform, Transform
  - Constrain: globalization could make it harder/most costly for nations to fight
    - “Dense network” of economic ties
  - Inform: globalization could increase the credibility of threats to use force
    - “Cheap talk” becomes a “costly signal”
  - Transform: globalization increases demand for international cooperation (constituency)
    - Identity/preferences of merchants vs. others
History

• Has the world globalized?
  • No “there”, a process that involves change
  • A century ago Europe may have been more globalized than it was until 1990s.
    • And yet there were two world wars...
World Trade Globalization from Maddison's World Totals

![Graph showing the trend of world trade globalization from 1820 to 1992. The x-axis represents years from 1820 to 1992, and the y-axis represents trade globalization. The graph indicates an overall increase in trade globalization over time.]
History, cont.

- Globalization was different in the early 20th century -- hierarchical
  - Imperialism - mercantilist economics
  - Trade in finished goods among powers
  - Not much trade between other countries
Distribution and Cooperation

• Two elements of politics (again)
  • Distribution - “who gets what”
  • Cooperation - what can we achieve together (that cannot be achieved otherwise)?
• These elements are in tension
  • Globalization combines them
Problems with Globalization

• Inequality can be a motive for conflict
  • If globalization has made the haves have more and the have nots have less
    • Could lead to class divisions and war
      • Dependency theory
  • Globalization is not cultural (yet)
    • “thin” no loyalty to globalization
Modern Globalization

- Contemporary globalization involves much more diverse trade and financial networks
  - Post-colonialism
  - "democratization" of interdependence
  - more decentralized production
  - Not just trade in commodities
  - Widgets made and traded globally
Externalities and Globalization

- Globalization increases efficiency
  - Most developed countries (most specialized) benefit the most from increased efficiency
  - Rich (countries/companies/people) benefit
- Conflict (war) interferes with globalization
  - Raises cost/risk of trade
- Incentive to discourage warfare (UN peacekeeping, US/UK/French interventions)
Conclusion

• Globalization stands as a candidate for creating unilateral incentives to cooperate
• Also creates incentives for conflict
• Results mixed, but overall positive