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EXAMINING THE VARIED IMPACTS OF ECONOMIC GLOBALIZATION: A
COMPARATIVE ANALYSIS OF FOUR AMERICAN STATES

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I. Introduction

As a subject of extensive scholarship and a potent political buzzword, globalization is a deeply polarizing concept that inspires conflicting views about its effects. In the United States, popular debate often describes globalization as having uniformly positive or negative impacts on the country's economic health. This line of reasoning is employed particularly with respect to shifts in the labor market and its implications on Americans' economic prosperity. This reasoning, however, is not a theoretically sound or an empirically useful way to describe and understand the economic impact of globalization, for it implies that a complex, multifaceted phenomenon produces uniform results (whether positive or negative) and neglects consideration of factors that mediate the impact of globalization. This binary approach, moreover, leads to highly simplified explanations of the current social, economic and political divisions in the United States.

To address these problems, this thesis first reframes the conventional binary approach to globalization to argue that the impact of globalization is mediated by the variations in the economic contexts of American states. To validate my revised approach, I present and analyze data on the impact of globalization with respect to the inward foreign-direct investment (FDI) on employment Colorado, Georgia, Ohio, and Texas. I then elaborate on the implications of this analysis by discussing how it helps a more nuanced understanding of the current political and economic discontent in the United States.

The thesis is divided into 5 sections. In section 1, I critique the theoretical underpinnings of the popular debate surrounding the effects of globalization, and

propose an alternative theory. In section 2, I describe the data used to advance my argument and outline the methodology I applied to gauge the impact of globalization on the four states examined in the thesis. Section 3 contains my data analysis, where I describe the sectoral employment profile of each of the four states, then discuss the significance of foreign direct investment with respect to employment across 7 key economic sectors across the four states, placing heavy emphasis on the manufacturing sector. In section 4, I discuss at length the broader implications of the data, illustrating how the varied impact of foreign direct investment can explain much of the current political and economic discontent in the United States. Section 5 briefly summarizes the key findings from the data and its broader implications.

II. Theory

In his book *Globalization and Its Discontents Revisited: Globalization in the Era of Trump*, Joseph Stiglitz notes that "honest academics have always pointed out that there would be winners and losers in globalization" (Stigliz 2017). Indeed, globalization scholarship thoroughly acknowledges the "uneven, differential, and dynamic" effects of globalization and its associated processes (Gumez 2017). In his seminal work *The Lexus and the Olive Tree*, Thomas Friedman advances the argument that globalization produces "lions" at the apex of the global economic order that prey upon "wounded gazelles," who lack the resources to keep pace with shifts in the global economy (Friedman 1999). He further categorizes globalization's "losers" in distinguishing two groups he refers to as "Turtles" and "Used-to-Be's"; the former is composed of the world's poorest in developing countries, while the latter are formerly economically stable, downwardly-mobile individuals with the means for political

organization (Friedman 1999). Joseph Stiglitz discusses the same phenomenon on a global scale by stressing the role of economic liberalization as managed by global financial institutions in deepening inequality between developed and developing countries (Stiglitz 2001).

Popular debate on globalization, however, does not always acknowledge the variable effects of globalization, and instead reduces a complex phenomenon to a single outcome that is either "positive" or "negative" with respect to economic prosperity. This linear explanation of globalization is not theoretically sound and is unhelpful in understanding the impact of globalization in the United States. This line of popular reasoning is depicted in Figure 1.

Figure 1 Goes Here

In the United States, many of the predominant narratives on the impact of globalization on the US economy are consistent with this flawed line of reasoning. Many who subscribe to the belief of uniformly negative outcomes emphasize widespread job loss and labor outsourcing, as well as the decline of traditional blue-collar industry as a result of increased foreign competition, among other economic and social ills. Those favoring positive outcomes of globalization cite job growth in skilled field such as Informational Technology (IT) or the United States capacity to attract foreign talent that enhances our innovative capacity. Such arguments, however, are theoretically flawed.

The theoretical problem arising from the assertion that globalization produces uniformly positive or negative effects is twofold. First, "positive" or "negative" arguments are value judgements that cannot be tested with empirical evidence.

Second, it is not logical that a complex and multidimensional phenomenon would produce a uniformly "positive" or "negative" outcome without some form of mediating influence, as illustrated in Figure 2.

Figure 2 Goes Here

The inclusion of a mediating factor improves theoretical foundation for understanding the effects of globalization. However, it still neglects to identify the factors that mediate the impact of globalization in a nuanced way beyond the unhelpful binary view of "positive" and "negative." My theory thus reframes and improves upon this binary view, by arguing that the impact of globalization is mediated by contextual factors and results in different outcomes depending upon these factors. More specifically, I propose that the impact of globalization is mediated by economic context.

In the case of the United States, specifically, a better way to test the purportedly uniform effects of globalization is to examine its impact in relation to the differing economic contexts of individual American states. I focus on four states: Colorado, Georgia, Ohio, and Texas. I expect that the different economic contexts of each of these states will mediate the impact of globalization. This theoretical proposition is depicted in Figure 3.

Figure 3 Goes Here

As a preliminary indication of my theoretical argument, my analysis will show that Foreign Direct Investment (FDI) as a measure of globalization supports 20.87% of Colorado's manufacturing sector employment. By contrast, FDI supports 60.04% of Ohio's manufacturing sector employment supported by FDI. This marked disparity is

attributable to the fact that, unlike Colorado, Ohio has historically possessed a robust manufacturing sector in America's industrial heartland.

The next section discusses the data and methodology used to gauge the impact of globalization on the four states used in my analysis.

III. Data and Methodology

While there are many ways to conceptualize and examine the processes of globalization, this thesis focuses on the economic dimension of globalization. Specifically, it examines the impact of economic globalization on individual American states through sectoral analysis of employment in select industries across four states: Colorado, Georgia, Ohio, and Texas. It uses Foreign Direct Investment (FDI) as a measure of economic globalization. Foreign Direct Investment is a simple and practical indicator of globalization because it represents the degree of international involvement in supporting the respective workforces and economic sectors of each of the four states. The thesis uses the structure of the workforce in economic sectors to measure employment in each of the four states. The impact of FDI on employment in different economic sectors is a particularly useful way to measure the impact of globalization for two reasons. First, it illustrates the composition of the job market and the relative importance of each sector for a state's economy. Second, it highlights the potential for workers to earn a living, which carries greater implications for Americans' economic security and wellbeing. Foreign Direct Investment and workforce structure facilitate uniform comparisons of otherwise diverse American states.

All data pertaining to economic sectors are drawn from and organized according to the North American Industrial Classification System (NAICS). The NAICS is used for data collection across all federal bodies collecting employment statistics, making it the ideal for organizing the data for the thesis. The NAICS categorizes sectors and subsectors at multiple levels of aggregation; I limit my analysis to the highest level of aggregation in order to locate uniformly measured figures for both domestic employment and FDI-supported employment, as detailed sector data was not available. The eight sectors included in the analysis were identified as the largest recipients of FDI in the states examined. Thus, the scope of my analysis includes the following sectors: Finance and Insurance; Information; Professional and Scientific Services; Real Estate; Retail; Manufacturing; and Wholesale Trade. I also include an "Other" category, which encompasses all of the remaining nonagricultural NAICS sectors.

The source for the sector-specific employment data is the Bureau of Labor Statistics' Occupational Employment Statistics Program (OES). The OES publishes annual research estimate reports organized by NAICS sector. All domestic data were located within the OES research estimate archives. The source for the FDI-supported employment data is SelectUSA, a division of the United States Department of Commerce that promotes inward FDI flow. Using their Investment Data Tool, I located FDI employment data for each state and sector. Because OES Research Estimates are not available prior to the year 2012, and SelectUSA FDI data are not yet available for 2016 through 2018, I limit the scope of my analysis to the year 2015. While more recent data are available with respect to domestic employment, limiting my analysis to the year 2015 enables me to avoid the gaps in the FDI data and conduct

uniform comparisons of domestic and FDI-supported employment data. Employment

data for the year 2015 retains sufficient predictive power as the general trends

observed within that time period have continued into future years. The total number of

employees in each state's workforce was located using the Bureau of Labor Statistics'

Economy at a Glance data tool.

The data used in this analysis begins with a sectoral breakdown of domestic

employment in seven major industries for Colorado, Georgia, Ohio, and Texas. This

includes the number and percentage of employees in each sector. I then present the

percentage of each state's total workforce attributable to FDI. Finally, I present the

number of FDI-supported employees and percentage of each sector's workforce

supported by FDI in relation to total employment in each sector. The next section

presents the data analysis.

IV. Data Analysis

Appendix 1 at the end of the document presents the full dataset for the analysis

presented in this thesis. Table 1 reports data on the workforce profile of each of the

four states examined in this thesis: Colorado, Georgia, Ohio, and Texas. It provides a

baseline mapping of the total workforce and its breakdown by relevant economic

sectors. The data show the number of employees in a given economic sector and the

percentage of the state's total workforce represented by that sector. Because the

baseline employment data is sourced from the BLS Occupational Employment

Statistics Program, which encompasses all NAICS sectors, those represented in the

table are identical to those highlighted by SelectUSA for attracting the largest share of

foreign direct investment. The total and sectoral composition of the workforce in

Table 1 thus allows for optimal comparability between total employment figures and FDI-supported employment figures.

Table 1 Goes Here

Immediately apparent in the sectoral breakdown of the workforce is that the vast majority of each state's employment is represented within the "Other" category, which houses an average of 64.27% of the states' labor force. This category encompasses the remaining nonagricultural NAICS sectors not identified by SelectUSA as significant recipients of FDI. For this reason, they are not the focus of this analysis.

In Colorado, the Profession, Scientific, and Technical Services sector, which employs 7.74% of the state's workforce, trails the Retail sector, which employs 9.68% of the state's workforce. However, Professional and Services sector is also the sector with a high concentration of workers in what are generally considered knowledge-based jobs; when combined with the share of the state's workforce in the knowledge-based Finance and Insurance sectors (3.86%) and the knowledge-based journalism, broadcasting and telecommunications-based Information sector (2.56%), the overall share of the Colorado's workforce in the post-modern technological and information based sectors of the state's economy is 13.86%. Comparison with the other states shows that Colorado's 13.86% share of the workforce in the knowledge-based sectors exceed those of Georgia (11.84%), Ohio (9.84%), and Texas (9.84%) in the corresponding knowledge-based sectors.

In Ohio, the largest share of the state's workforce is in manufacturing at 12.68%, attesting to Ohio's position as a historical manufacturing hub in America's

industrial heartland. Notably, Ohio also has the lowest employment share in knowledge-based sectors (9.84%) of the four states, as noted above. While the Retail sector attracts the largest share of the workforce in both Georgia (10.70%) and (10.37%), the manufacturing sector in both states attracts the second largest share of the workforce at 8.33% and 7.15%, respectively. However, this is not comparable to the historical economic significance of the manufacturing sector in Ohio. Instead, the emergence of the manufacturing sectors in Georgia and Texas are attributable to more recent economic shifts associated with globalization, as I will elaborate upon below.

As summary indicators of economic structure, these data show notable differences in the economic composition between the four states. If my theoretical proposition that the impact of FDI is mediated by these economic differences is valid, then the impact of inward foreign direct investment should have varied impacts on employment in these sectors across the four states. I will now discuss the contribution of FDI to the total workforce of each of the four states. Figure 4 displays the data for this discussion.

Figure 4 Goes Here

Figure 4 illustrates the extent to which FDI-supported employment contributes to each state's total workforce. In Colorado, FDI contributes 103,000 jobs (3.79%) to the total workforce of 2,715,76. In Georgia, FDI-supported employment is slightly greater, with 222,220 jobs for its workforce of approximately 4,504,229 (5%). In Texas, FDI-supported employment is roughly comparable to Georgia's at 4.61%, with 586,000 FDI-sourced jobs out of a total of workforce of 12,496,106. Finally, Ohio

with 526,600 FDI-supported jobs in its workforce of 5,416,220 has the largest share of FDI-supported employment at 9.72% of total employment.

A cursory examination of these figures might suggest that, in contributing a relatively small percentage to each of the four states' total workforce, FDI-supported employment is of little consequence in producing the hypothesized varied economic globalization outcomes. However, a closer look at the FDI contribution to state employment by economic sectors indicates more complex and nuanced results due to the varied economic contexts of each state.

The data in Table 2 help to illustrate this mediating role of varied economic contexts on the contribution of FDI to employment in the four states. I will provide an aggregate overview of the contribution of FDI to employment in individual economic sectors in Colorado, Georgia, Ohio, and Texas. I will then discuss in greater detail the contribution of FDI to the respective manufacturing sectors of these four states. While the significance of other sectors is not to be understated, both the theoretical literature and recent quantitative research suggest that the long-term vitality of manufacturing sector is of great consequence to the overall economic health of the United States (Muro et al. 2015). Moreover, the manufacturing sector is directly enmeshed with the core impending challenges facing the United States as a direct result of globalization, such as increasing skill requirements that displace traditional blue-collar laborers, increased international competition in historically prosperous industries, and accelerating rural-urban migration.

Table 2 Goes Here

A close examination of the data in Table 2 reveals meaningful variations among sectors and among the four states. Comprised of sectors identified by SelectUSA as having the largest concentration of FDI-supported employment, the data show the number of employees in FDI-supported jobs in a given sector, the percentage of each sector's total employment attributable to FDI-supported jobs, and the combined total of domestic and FDI-supported employees in each sector for the four states examined.

Overall, the substantial impact of FDI-supported employment in the manufacturing sector cannot be overstated in assessing globalization outcomes. Of the four states examined, it is the only sector that appears within the top two sectors by percentage of FDI employment (see Table 2). Notably, it is also the sector with the most FDI employment by percentage in all four states, with margins between manufacturing and the next highest sector by FDI employment as high as 8.9% in Colorado and 51.68% in Ohio.

Perhaps the most notable insight these data provide is the stark contrast between the significance of the FDI contribution to a given sector in a state's workforce and the perceived significance of FDI-supported employment when looking at the total percentage of FDI contribution to a state's total workforce; this phenomenon is most prominently represented in the case of manufacturing. For example, while only 3.79% of Colorado's total workforce is attributable to FDI-supported employment, (See Figure 4) more than 20% of Colorado's manufacturing sector employees are FDI-supported (See Table 2). Colorado, historically, has not had a robust manufacturing sector; that more than one-fifth of employment in its

manufacturing sector is attributable to FDI speaks to the scholarly consensus that globalization will have a substantial impact on the United States labor force through economic restructuring (Friedman 1999; Stiglitz 2017). Colorado exemplifies this phenomenon in that a sector of relatively small historical significance to the state economy now manifests a significant economic footprint in the state economy through FDI.

The economic activity of nascent industries occurring in Colorado is also visible in other states. The FDI-supported faction of the manufacturing sectors in Georgia and Texas are near-identical to that of Colorado, consisting of 20.85% and 20.23% FDI-supported employees, respectively. Like Colorado, these figures represent a fundamental change in economic structure, where "new economies" have developed with significant support from FDI.

By comparison, Ohio has a markedly-higher share of FDI-supported employment in manufacturing than Colorado, Georgia, and Texas. With 412,300 FDI-supported jobs in its manufacturing sector of 686,600 workers, over 60% of the state's manufacturing jobs are FDI-supported. This amounts to 7.61% of Ohio's total labor force being supported by FDI, compared to only 1.06% in Colorado, 1.74% in Georgia, and 1.45% in Texas. What differentiates Ohio from the other states examined is its historically strong manufacturing sector; the total percentage of the labor force in its manufacturing section as displayed in Table 1 reflects its greater significance to the state economy, overall. The greater contribution of FDI to manufacturing employment compared to that of Colorado, Georgia, and Texas can thus be attributed to differences in economic context. More specifically, the share of employment in manufacturing

attributable to FDI reflects the historical size and significance of the manufacturing sector in Ohio, thereby illustrating my central theoretical claim that the impact of globalization is mediated by economic context. In this case, the same process of globalization, measured by inward foreign direct investment, has produced vastly different contributions to employment because of the different economic contexts of the four states.

The central lesson to be drawn from the systematic data analysis presented in this section is that the differences in FDI employment contribution to the four states' economic structure produce correspondingly varied outcomes for different segments of the American population, resulting in the marked economic differences and sharp political divisions across multiple fronts. I elaborate on these larger social, economic and political implications of my data analysis in the next section.

V. Implications

As the data analysis in the previous section shows, while the FDI contribution to a state's total economy may appear to be small, the FDI contribution to employment in individual sectors is far from inconsequential. This impact is especially evident in the manufacturing sector, where over 20% of employees are supported by FDI in all four of the states examined. As a representative indicator of the larger phenomenon of shifting economic composition, the implications of FDI-supported employment in manufacturing are far-reaching.   Specifically, the varied impact of FDI on the manufacturing sector linked to economic differences among American states help explain the current economic and political discontent in the United States. This contingent effect further supports my theoretical proposition that, rather than

producing uniformly "positive" or "negative" outcomes, the impact of globalization is moderated by the specific economic contexts of American states.

At the epicenter of the events triggered by the interplay between the forces of globalization and the American manufacturing sector is the election of President Donald Trump in 2016. While socially-fashionable explanations for the election results centers upon the importance of racism and xenophobia in the public sphere, there is an underlying, less often explored economic explanation that begins with fundamental change in traditionally blue-collar industries such as manufacturing.

Historically, the manufacturing sector has existed at the heart of American economic prosperity and growth, with manufacturing jobs supporting a robust middle class. Presently, it remains a vitally important source of employment for "unskilled" workers without a bachelor's degree (Scott 2015). However, increased foreign competition and the advancement of technology has changed the nature of American manufacturing, gradually driving the jobs of the same less-educated workers into obsolescence. As one report notes, "globalization and technological change are increasing the education requirements of the sector, sharpening its skills challenge" and making it increasingly difficult for employers to find qualified workers (Muro et al. 2015; Muro, Kulkarni, and Hart 2016). In effect, these changes have produced a growing class of Americans referred to by Friedman as "Used-to-Be's," who have been ousted from their secure middle-class existence and forced to watch their social safety net shrink away (Friedman 1999). This dwindling economic security of America's "Used-to-"Be's" continues to advance as the United States transitions to a "knowledge economy" that favors white collar professions and college-educated

workers, creating a fundamental tension between the "winners and losers" of globalization along class lines.

These globalization-induced structural economic changes also account for the political conflict between globalization's "winners and losers." One such example is the political cleavage between what has been dubbed "high output America" and "low output America" (Muro and Liu 2016; Tankersley 2016). According to the article, "two different economic nations within America" are characterized by fundamental differences in voting behavior. In the aftermath of the 2016 election, he observed that the less than 500 Clinton-majority counties altogether encompassed 64% of economic activity as measured by output, while the more than 2,600 Trump-majority counties encompassed on 36% of economic activity. This same trend was echoed in the 2018 midterm elections, where Muro noted that the governing majority won by Democrats encompassed more than 60% of America's economic activity, while the Republican seats accounted for less than 40% of economic activity. Further, he observed that seats won by Democrats represented a disproportionately greater share of Americans with a bachelor's degree or greater working in "knowledge professions" such as software publishing and computer systems design, while Republican seats were backed by a workforce dominated by non-advanced, low-output manufacturing subsectors (Muro and Whiton 2018). These observations serve to represent the empirical reality explained by the theoretical premise that globalization produces a variety of outcomes depending upon economic context.

This particular divide between "America's two economies" poses a salient challenge for legislators, as these two groups have inherently conflicting policy interests:

"…a rurally oriented Senate majority representing 'traditional' agricultural, energy, and production economies stands ready to block efforts to address the needs of an urban and suburban 'knowledge' economy. That latter economy is more oriented to future-leaning digital services, and thus depends on solutions to major issues like R&D funding, worker reskilling for a digital age, immigration, health care, income inequality, and international cooperation" (Muro and Whiton 2018).

The central concern arising from this conflict, according to Muro, is that it affords non-urban Republicans disproportionate power to enact policy that "fails to meet the needs of the core, high-value economic sector of the country (Muro and Whiton 2018). This observation, noteworthy by itself, carries an underlying implication that America's most important economic activity is concentrated in the same sort of Clinton-majority, urban areas saturated with knowledge-based professions. Concurrently, however, it is still widely-reported that manufacturing is the largest and most important sector in the American economy by many metrics, including employment and total share of GDP (Scott 2015). This raises the question as to how a purportedly-decaying manufacturing , sector can simultaneously be considered of vital importance to the country's economic prosperity (Scott 2015). The nexus between these two realities emerges from yet another consequence of globalization, namely, the development of advanced industry (AI).

Within the manufacturing sector, there is a widening gap between the low-output manufacturing subindustries implicated in Muro and Tankersley's analyses – such as paper, apparel, and food – and high output "advanced" manufacturing, including products like chemicals, computer equipment, and motor vehicle parts. What separates these subindustries, according to a Brookings report, is that the latter "invest[s] heavily in technology innovation and employ[s] skilled workers to develop, diffuse, and apply new productivity-enhancing technologies" (Muro et al. 2015). Those employed in advanced manufacturing earn, on average, more than those in traditional low-output manufacturing; this is notable in that more than half of all advanced industry employees possess less than a bachelor's degree, making it a significant employer of the same demographic groups who can no longer retain economic stability in traditional, labor-intensive commodity manufacturing (Muro et al. 2015; Scott 2015).

Many of these trends pertaining to the relative success of advanced manufacturing can be attributed to FDI. As previously discussed, the lion's share of FDI is spent on the manufacturing sector, accounting for an average of 39% of total FDI between 1997 and 2010 (Payne and Yu 2011). Moreover, the majority of FDI-supported employment in manufacturing falls into advanced industry subsectors. In 2017, for example, the chemical industry received 44% of the total FDI directed at manufacturing (Book 2018). One report from the US Department of Commerce that in addition to providing consistently higher compensation than positions in U.S. firms, FDI-supported employment has proven more stable than domestic-supported employment (Payne and Yu 2011). Specifically, while total manufacturing

employment fell 24% between 1998 and 2008, FDI-supported manufacturing employment only fell by 11% (Payne and Yu 2011). These figures are attractive on the surface. In theory, this might suggest that advanced manufacturing could be globalization's "answer" to the financially-struggling workers displaced by eroding blue-collar industries. The reality, however, is that advanced industry, including FDI-supported employment, is in many ways deepening existing the political and economic divisions brought by globalization.

Beyond its superficial promise of recovery for displaced former manufacturing workers, several developments within the advanced industries have worsened their circumstances. First, technology is widening the gap between employment and productivity as robotics have increasingly rendered human involvement in manufacturing obsolete (Muro 2016b; Stiglitz 2017). This is evidenced by the fact that while total manufacturing output in the United States is at an all-time high, total employment has plummeted in both traditional and advanced manufacturing (Scott 2015). Logically, the continuation of this trend does not bode well for the employment prospects of the advanced industries' unskilled faction, who risk joining the ranks of "Used-to-Be's" in the future. Second, the geographic clustering of AI jobs limits economic opportunities for the most vulnerable to job loss. While conventional wisdom on labor-market adjustment suggests that dislocated workers would simply migrate to more economically-healthy areas to find new jobs, as they have historically done during periods of recession, this no longer appears to be the case; instead, the majority of dislocated workers default to nonparticipation in the labor force altogether

(Autor, Dorn, and Hanson 2016; Muro 2016a). This apparent inability to relocate makes the uneven geography of gainful employment especially problematic.

At the root of globalization's many tensions, including urban and rural; blue and white collar; or high and low-output, is the shifting geography of opportunity with respect to rural-urban migration and regional industrial specialization. Census reports indicate that between 2000 and 2010, America's urban population has increased by 12.1%, a rate that exceeds the overall national growth rate of 9.7% for the same period ("Growth in Urban Population," 2012). This phenomenon is reflected in the geography of employment growth, which is becoming increasingly concentrated within metropolitan areas (Hertz 2017). The FDI-induced geographic disparity is compounded by the fact that the rural areas are experiencing zero or negative population growth due to rural-urban migration, while the country's overall declining workforce participation due to its aging population amount to a locally-shrinking labor force. The corresponding movement of jobs from rural to urban areas produces disparate economic circumstances for less skilled or unskilled workers. One study notes:

> "Rural areas have larger concentrations of Machinists and Makers, which generally require less skill and receive lower salaries. Jobs with the highest skill requirements -- engineers, executives, scientists, and analysts -- were noticeably underrepresented in rural areas and were far below national averages" (Abel, Gabe, and Stolarick 2014.).

The "machinist" and "maker" categories encompass mostly the traditional labor-intensive commodity manufacturing that is experiencing an overall decline in

employment. In rural communities, these workers not only make less than the "knowledge" workers of urban areas, but also less than their urban counterparts employed in manufacturing subindustries (Abel, Gabe, and Stolarick 2014). In short, the predominant impact of rural-urban migration is to dive away existing jobs and halt job creation in rural communities in favor of urban areas, creating a deeper economic divide between rural and urban Americans.

Though a faction of unskilled workers successfully acquire comparatively higher-paying jobs in urban areas, their long-term economic stability is also vulnerable due to increasing regional industrial specialization. As many researchers have observed, many industries have a tendency to cluster geographically, because industrial organization around resources, whether they be access to raw materials, skilled workers, or local knowledge flows, optimizes the industry's capacity for innovation (Muro et al. 2015; Scott 2015; Feldman and Florida 1994). Advanced manufacturing is no exception, as the United States has developed "a distinct advanced industry geography" job growth occurs along lines of regional specialization (Muro et al. 2015). In any region, increasing specialization is inherently limiting the range of economic opportunity available to workers. While this phenomenon can certainly impact the job-market prospects for skilled workers, it is especially economically-destabilizing for unskilled workers who possess lesser means to relocate and a more prohibitively-narrow skillset (Feldman and Florida 1994). Overall, an economic landscape where many industries are not national, but local, economic outcomes for different factions of the American population will greatly differ depending on the industrial composition of their respective local economies. Over time, as the

geography of opportunity has become increasingly favorable to the educated elite at the expense of America's "Used-to-Be's," deepening class stratification aggravates political tensions between globalization's "winners" and "losers."

The forces of globalization in America have produced variable outcomes for different factions of the population depending upon economic context. These outcomes can be conceptualized as tensions that have surfaced in the American political landscape: between urban and rural populations; blue and white collar professions; or high and low-output counties, and others. The state of American manufacturing is a particularly helpful example that can be used to explain the nature and origin of these divisions. The aggregate impact of these divisions is the recent proliferation of anti-globalization sentiment, or "alter-globalization" (Eriksen 2014). This backlash against globalization, born from the anger of the recently economically-disenfranchised, serves to explain why a populist leader like Trump proved an attractive candidate and what Stiglitz calls "new protectionism" an appealing redirection for American policy (Stiglitz 2017; Rodrik 2017). More broadly, these varied outcomes explain the attitudes underlying an increasingly-polarized political landscape. As Friedman notes, quite prophetically, in *The Lexus and the Olive Tree*, "Used-to-Be's are distinct from any other group spurned by globalization because they possess the political clout to organize (Friedman 1999). This is precisely what is occurring among those who have been ousted from a comfortable middle-class lifestyle when their jobs became obsolete or moved elsewhere. As Stiglitz notes the "newly-discontented" middle and working class people marginalized by globalization are airing their frustrations at the ballot box (Stiglitz 2017).

VI. Conclusion

In the United States, the popular debate often describes globalization as yielding uniformly positive or negative effects. This line of reasoning is employed particularly in discussion about globalization-induced shifts in the US labor market and its implications on Americans' economic prosperity. However, this conception of globalization is not theoretically sound, as it lends itself to overly simplified explanations for the current social, political, and economic divisions in the United States. My analysis suggests, in contrast, that that the impact of globalization is mediated by different economic contexts of American states. By examining the impact of inward foreign direct investment on employment in Colorado, Georgia, Ohio, and Texas , I demonstrate that the different economic contexts of each states mediates the varied results globalization discernible in them.

My findings facilitate improved and more nuanced understanding of the deep social, political, and economic divisions in the United States today. Because of globalization, the American economy is becoming increasingly polarized, defined by tensions between the "newly-discontented" – those economically displaced by the decline of traditional blue-collar industry – and the educated, white-collar Americans working in knowledge professions. This polarization is deepened by accelerating rural-urban migration, which creates a higher concentration of jobs in metropolitan areas and widens the gap between "low-output" and "high-output America" (Muro 2016). For unskilled workers in urban areas, employment is nonetheless becoming increasingly inaccessible as the skills requirements for jobs are outpacing education

and the technological strides in "advanced industry" drive unskilled workers in obsolescence. These deep divisions were reflected in Donald Trump's victory in 2016.

Finally, this thesis has not addressed other important topics related to globalization, such as trade, capital flows, banking and finance, cyber technology, the growth of knowledge-based productions hubs in different parts of the world, among other issues. I intend to explore these topics in the future in graduate school.

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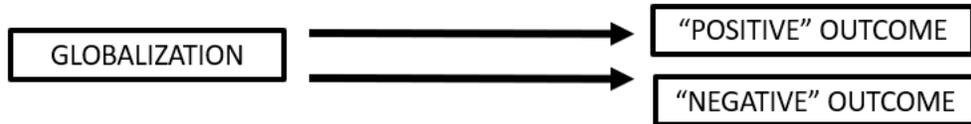
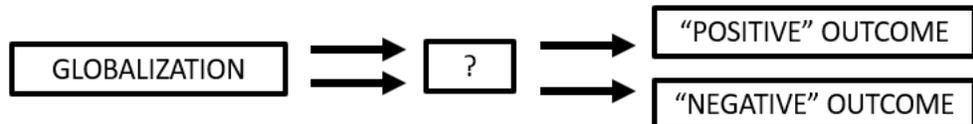**Figure 1. Conventional Popular Wisdom about Globalization Outcomes**

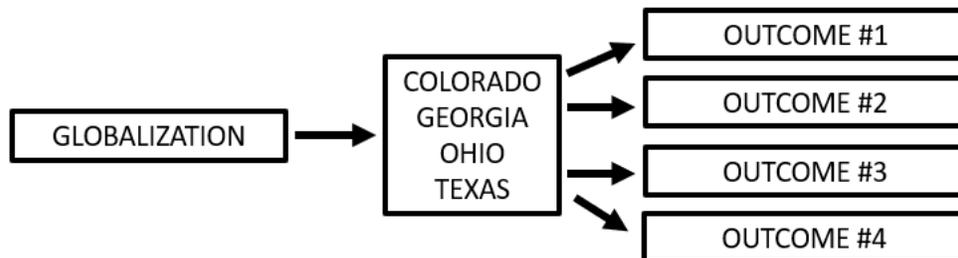**Figure 2. Reformulation of the Conventional Popular Wisdom about Globalization Outcomes**
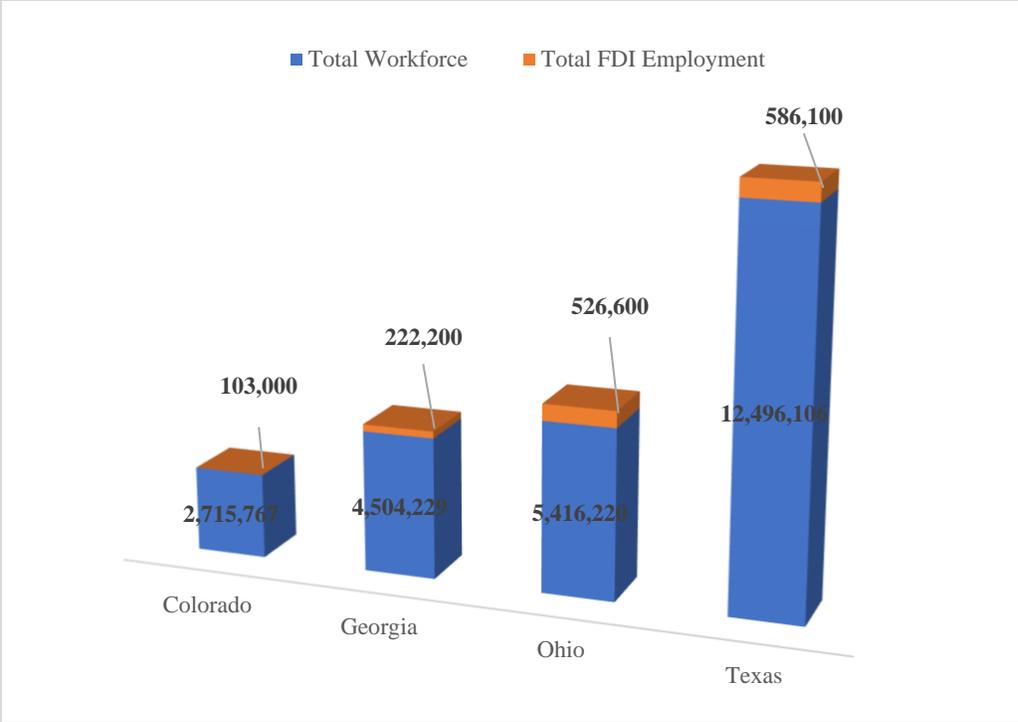

Figure 3. Alternative Theoretical Proposition

Figure 4. FDI Employment by State

Table 1. State Workforce by Economic Sectors in Colorado, Georgia, Ohio and Texas

Economic Sectors	Colorado			Georgia	
	Total Sector Employment	% Sector Employment		Total Sector Employment	% Sector Employment
Finance and Insurance	104,700	3.86		162,090	3.60
Information	69,390	2.56		111,840	2.48
Other	1,803,147	66.40		2,857,449	63.44
Professional/Scientific	202,090	7.44		259,320	5.76
Real Estate	33,070	1.22		42,890	0.95
Retail	262,810	9.68		482,150	10.70
Total Manufacturing	138,960	5.12		375,030	8.33
Wholesale Trade	101,600	3.74		213,460	4.74
Totals	**2,715,767**	**100.00**		**4,504,229**	**100.00**
	Ohio			Texas	
	Total Sector Employment	% Sector Employment		Total Sector Employment	% Sector Employment
Economic Sectors					
Finance and Insurance	212,060	3.92		493,170	3.95
Information	71,770	1.33		199,970	1.60
Other	3,338,030	61.63		8,198,366	65.61
Professional/Scientific	248,500	4.59		704,970	5.64
Real Estate	42,950	0.79		135,010	1.08
Retail	580,390	10.72		1,295,380	10.37
Total Manufacturing	686,660	12.68		893,540	7.15
Wholesale Trade	235,860	4.35		575,700	4.61
Totals	**5,416,220**	**100.00**		**12,496,106**	**100.00**

Source: Table created by author from sources described in the text.

Table 2. FDI Contribution to Employment by Economic Sectors in Colorado, Georgia, Ohio, and Texas

	COLORADO				GEORGIA		
Economic Sectors	**Total Sector Employment**	**Total FDI Employment**	**% FDI Employment**		**Total Sector Employment**	**Total FDI Employment**	**% FDI Employment**
Finance and Insurance	104,700	7,800	7.45		162,090	6,500	4.01
Information	69,390	8,800	12.68		111,840	9,800	8.76
Other	1,803,147	34,800	1.93		2,857,449	64,500	2.26
Professional/Scientific	202,090	7,500	3.71		259,320	11,600	4.47
Real Estate	33,070	300	0.91		42,890	3,000	6.99
Retail	262,810	5,300	2.02		482,150	9,500	1.97
Total Manufacturing	138,960	29,000	20.87		375,030	78,200	20.85
Wholesale Trade	101,600	9,500	9.35		213,460	39,100	18.32
Totals	**2,715,767**	**103,000**	**3.79**		**4,504,229**	**222,200**	**4.93**
	OHIO				TEXAS		
Economic Sectors	**Total Sector Employment**	**Total FDI Employment**	**% FDI Employment**		**Total Sector Employment**	**Total FDI Employment**	**% FDI Employment**
Finance and Insurance	212,060	5,100	2.40		493,170	26,200	5.31
Information	71,770	6,000	8.36		199,970	25,900	12.95
Other	3,338,030	57,500	1.72		8,198,366	212,300	2.59
Professional/Scientific	248,500	11,400	4.59		704,970	46,600	6.61
Real Estate	42,950	700	1.63		135,010	6,300	4.67
Retail	580,390	17,900	3.08		1,295,380	28,400	2.19
Total Manufacturing	686,660	412,300	60.04		893,540	180,800	20.23
Wholesale Trade	235,860	15,700	6.66		575,700	59,600	10.35
Totals	**5,416,220**	**526,600**	**9.72**		**12,496,106**	**586,100**	**64.91**

Source: Table created by author from sources described in the text.

Appendix 1. State Workforce and FDI Employment Profile: Colorado

Economic Sectors	COLORADO			
	Total Sector Employment	% Sector Employment	Total FDI Employment	% FDI Employment
Finance and Insurance	104,700	3.86	7,800	7.45
Information	69,390	2.56	8,800	12.68
Other	1,803,147	66.40	34,800	1.93
Professional/Scientific	202,090	7.44	7,500	3.71
Real Estate	33,070	1.22	300	0.91
Retail	262,810	9.68	5,300	2.02
Total Manufacturing	138,960	5.12	29,000	20.87
Wholesale Trade	101,600	3.74	9,500	9.35
Totals	**2,715,767**	**100.00**	**103,000**	**3.79**

Source: Table created by author from sources described in the text.

Appendix 1. State Workforce and FDI Employment Profile: Georgia

Economic Sectors	GEORGIA			
	Total Sector Employment	% Sector Employment	Total FDI Employment	% FDI Employment
Finance and Insurance	162,090	3.60	6,500	4.01
Information	111,840	2.48	9,800	8.76
Other	2,857,449	63.44	64,500	2.26
Professional/Scientific	259,320	5.76	11,600	4.47
Real Estate	42,890	0.95	3,000	6.99
Retail	482,150	10.70	9,500	1.97
Total Manufacturing	375,030	8.33	78,200	20.85
Wholesale Trade	213,460	4.74	39,100	18.32
Totals	**4,504,229**	**100.00**	**222,200**	**4.93**

Source: Table created by author from sources described in the text.

Appendix 1. State Workforce and FDI Employment Profile: Ohio

Economic Sectors	OHIO			
	Total Sector Employment	% Sector Employment	Total FDI Employment	% FDI Employment
Finance and Insurance	212,060	3.92	5,100	2.40
Information	71,770	1.33	6,000	8.36
Other	3,338,030	61.63	57,500	1.72
Professional/Scientific	248,500	4.59	11,400	4.59
Real Estate	42,950	0.79	700	1.63
Retail	580,390	10.72	17,900	3.08
Total Manufacturing	686,660	12.68	412,300	60.04
Wholesale Trade	235,860	4.35	15,700	6.66
Totals	**5,416,220**	**100.00**	**526,600**	**9.72**

Source: Table created by author from sources described in the text.

Appendix 1. State Workforce and FDI Employment Profile: Texas

Economic Sectors	TEXAS			
	Total Sector Employment	% Sector Employment	Total FDI Employment	% FDI Employment
Finance and Insurance	493,170	3.95	26,200	5.31
Information	199,970	1.60	25,900	12.95
Other	8,198,366	65.61	212,300	2.59
Professional/Scientific	704,970	5.64	46,600	6.61
Real Estate	135,010	1.08	6,300	4.67
Retail	1,295,380	10.37	28,400	2.19
Total Manufacturing	893,540	7.15	180,800	20.23
Wholesale Trade	575,700	4.61	59,600	10.35
Totals	**12,496,106**	**100.00**	**586,100**	**64.91**

Source: Table created by author from sources described in the text.