The impact of globalization in particular nations depends heavily on the status of each country in the global economy. In the early twenty-first century, the United States is the global hegemon economically, politically, and militarily. Although the United States faces increasing economic competition from Europe, Japan, and China, its status vis-à-vis other countries in North and South America and in other regions of the globe is one of unchallenged dominance. This gives the United States many advantages in comparison with other nation-states. Whereas other debtor countries must conform to structural adjustment policies imposed by the International Monetary Fund (IMF) and the World Bank to secure the refinancing of loans, the United States relies on the strength of its economy in the world to attract investors to its bonds and financial instruments. It does not have to answer to the dictates of the International Monetary Fund or the World Bank.

In many ways, globalization has strengthened the position of the United States and of a small group of corporate elites in the United States, while making segments of the middle and working classes less secure economically and less powerful politically (APSA 2004; Bartells et al. 2004; Schlozman et al. 2004). Although some scholars have argued that globalization has eroded and will continue to diminish the power of nation-states, including the United States (Ohmae 1995), others argue that globalization has not reduced the power of the nation-state. On the contrary, globalization has redirected the attention of the nation-state toward the business of attracting international capital and away from servicing its nonbusiness, domestic constituencies (Strange 1996). The demise of face-to-face political parties, the dramatic influence of mass media on elections, the huge influence of
money in conducting campaigns and winning elections, the merging of most radio and major television stations with three or four major corporate conglomerates (e.g., Disney, General Electric, Time Warner, Clear Channel) has meant that monied corporate interests have come to have a much more pervasive influence on elections, governmental regulations, and the passage of legislation than has previously been the case in the United States. Recognizing that public opinion can be shaped by a concerted effort to promote a neoliberal ideology through independently funded research institutes, radio talk shows, targeted direct mail, political advertisements on television and radio, and other modes of financed persuasion, neoliberal political strategists have capitalized on the new media–driven form of politics to promote policies and political candidates that will promote the neoliberal agenda of free trade, free flow of financial capital, privatization, deregulation, corporate growth, and U.S. global military dominance.

Paradoxically at the same time that globalization has enhanced the position of the United States in the global economy, it has increased the interdependence of the United States with other parts of the world with regard to trade and investment. This is particularly true of Canada and Mexico, both of whom are extremely important trading partners for the United States. However, this is an asymmetric interdependence. Mexico and Canada have 52 percent and 46 percent, respectively, of their gross domestic product tied to trade mostly with the United States. In contrast only 13 percent of the U.S. gross domestic product depends on trade (Standing Committee 2002, 53). The size of the U.S. economy means that U.S. governmental actions to protect or enhance business opportunities for special (often local) interests in the United States such as timber or steel, or particular agricultural products, can have devastating impacts on major industries in Canada or Mexico. For example, opening Mexican agriculture to U.S. foreign investment has improved the profits of U.S. agricultural corporations while undercutting small scale Mexican corn farmers, forcing them off the land and into a migratory work force eager to find work in Mexico City or in the United States. Timber interests are a small and regionally specific part of the U.S. economy. Yet U.S. efforts to protect its timber interests with tariffs have an enormous impact on the entire Canadian economy as timber is a major Canadian export.

Globalization has had differential impacts on specific regions within the United States. Manufacturing industries requiring unskilled or semi-skilled blue collar labor such as textiles, electronics, automobiles, and even steel have moved their factories off shore to utilize cheaper sources of labor and to escape the environmental laws of the United States. This has caused local economies such as those in Detroit, the South, and much of the Midwest to decline, while centers of high technology such as those in Boston or Silicon Valley prospered in the 1970s through the 1990s. Proponents of economic restructuring have argued that the United States could not compete with the cheap labor of the world, but it could surpass others with its technologically trained labor force (Reich 1992). More recently, however, high