

# International Political Economy

## CHAPTER OUTLINE

Introduction and Definitions  
 What Brought IPE into Prominence: Disciplinary and Contextual Factors  
 Theoretical Evolution of IPE  
     *Precursors and Pre-theories*  
     *Theoretical Evolution of IPE through Later Revisions of Three Pre-theories*  
 Hegemonic Stability Theory  
 Conclusion: Reclaiming IPE from Revised Holy Troika to Eclectic Current

## INTRODUCTION AND DEFINITIONS

This chapter on International Political Economy (henceforth IPE) would discuss its relevance, theoretical evolution and recent disciplinary transformations in IR; the increasing interdigitations between IPE and IR and the recent exalted status of IPE in IRT. PE is not a new area of integrated attention to the interface between economics and politics, as shown earlier in: Giovanni Botero, *A Treatise, Concerning the Causes of the Magnificencie and Greatnes of Cities: Deuided into Three Bookes* (1558/1506); Antonio Serra, *A Short Treatise on the Wealth and Poverty of Nations* (1613), searching for the 'causes that can make cities abound in gold and silver even

in the absence of mines and generate national wealth; and in the comment of the first-known user of the term ‘political economy’, Antoine de Montchréstien, in *Traicté de l’œconomie politique* (1615) that in ‘every society, in general’, needing both ‘government and commerce’, merchants’ ‘quest for profit...contributes a good deal to the public good’.<sup>1</sup> Cardinale and Scazzier rightly said that ‘the relationship between political governance and the causal mechanism regulating the work of the economy has remained central to 19th and the 20th-century political economy’.<sup>2</sup>

But the term PE retained some ambiguity. Adam Smith and classical economists employed it to signify what we know today as the science of economics. Some more recent scholars understood it as ‘the application of the methodology of formal economics, that is, the so-called rational actor model, to all types of human behaviour’. Others meant by the term adoption of a ‘specific economic *theory*’—such as game, collective action, Marxist theories, the theory of the public choice approach, etc.—‘to explain social behavior’. More modern and recent scholars used it as ‘a set of questions generated by the interaction of economic and political activities’ with whatever theoretical and methodological resources are at hand.<sup>3</sup>

To Crane and Amawi, PE aims at explaining ‘how political power shapes economic outcomes and how economic forces influence political action’, implying that instead of being a conflation of these two traditional disciplines, PE represents a new synthesis which is critical of their scope and methods. It is as disdainful of the other-things-being-equal type of qualifiers and exception for ‘exogenous’ variables, found in neo-classical economics, as of the insensitivity of political science to questions of how economic processes and structures shape and control the play power. For them, the criterion of a good theory of PE is its capacity to capture the dynamics of the interpenetration of politics and economics.<sup>4</sup> Regarding the significance of addition of the adjective international to PE, Tooze says it is a ‘perception of IPE...drawn from within the perspective of international relations, rather than directly from economics or politics’, where the ‘initial emphasis on the international (or world) level’ stems from the realization that in times of extreme penetration of the states by other social, economic and political entities, inattention to international factors is inappropriate. So IPE denotes ‘an area of investigation, a particular range of questions and a series of assumptions about the nature of the international “system”’. Generally speaking, IPE’s concern is with an area constituted by the coalescence of previously discrete areas of “international” economics, “international” politics, domestic (i.e., national) economics and domestic politics’. Specifically, this generates preoccupation with problems and issues such as international trade, international monetary relations, North–South relationships, transnational corporations, global economic problems, the foreign economic policies of states and a whole range of other specific topics where ‘economics and politics at international and domestic levels are integrated and cannot be understood independently of each other’. So an IPE problématique not only wants economics and politics to cross-fertilize each other but wants to see how this cross-fertilization is affected by the interaction between the domestic and the international.<sup>5</sup>

The implications of such a description of the field are manifold, as described below.

First, unlike Waltz’s neorealism, IPE cannot be tied to the international level of analysis, since in spite of the presence of quite a few internationally oriented empirical topics such as trade, finance, investment and development, a large chunk of the field

searches inside particular countries for clues to understand how domestic factors impact on international *action*.

Second, the italicized word *action* clearly shows that IPE looks not only at structures but also at actions from a Weberian viewpoint, though not 'primarily', let alone 'exclusively'. Looking mostly at 'activities taking place *among* international actors'<sup>6</sup> would privilege 'liberal, transnational and some other non-structural perspectives' on IPE, and afford a one-sided view of IPE as any purely structural viewpoint would. CT and specifically Cox show how action makes no sense without historically embedded structures and 'is never absolutely free but takes place within a framework for action' which 'changes over time', generating a 'historical structure'. Emanating from 'thought patterns, material conditions and human institutions', it does not 'determine people's actions in any mechanical sense but constitutes the context of habits, pressures, expectations and constraints within which action takes place'. Viewing this framework or structure from the top 'would quickly lead back to problem-solving'. It should be viewed 'rather from the bottom or from outside in terms of the conflicts which arise within it and open the possibility of its transformation'.<sup>7</sup>

Third, the above description of the field and some famous definitions of it leave the point unresolved where IPE is to be located among social sciences. State-centric definition of IPE, like Gilpin's, as the 'reciprocal and dynamic interaction in international relations of the pursuit of wealth and the pursuit of power', would automatically make it a part of political science and the realist tradition in spite of its integrative conception,<sup>8</sup> as would his later description of IPE's fundamental as 'the impact of the world market economy on the relations of states and the ways in which states seek to influence market forces for their own advantage'.<sup>9</sup> Even while defining global political economy (henceforth GPE) more recently and comprehensively 'as the interaction of the market and such powerful actors as states, multinational firms and international organizations', he admits to adopting 'a consciously realist state-centric approach' to analysis of IPE.<sup>10</sup>

Accepting Gilpin's first definition of IPE as 'useful from a descriptive standpoint', Keohane defined it 'as the intersection of the substantive area studied by economics—production and exchange of marketable means of want satisfaction—with the process by which power is exercised that is central to politics'. That this definition too will place IPE in the realist tradition of IR, and even political science, is made clear by Keohane's attending clarification that whenever, 'in the economy, power is exercised over one another, the economy is political...contrasted with "pure economics," in which no actor has any control over others but faces an externally determined environment'.<sup>11</sup>

But some conceptions of IPE see it as an unaccommodable broader area in IR or political science, saying that 'economics is never above or below politics—economics is politics', and stress, against a narrow perception of IPE, 'the totality of political-economic relationships'.<sup>12</sup> Some others say that when 'we use "economics" in the sense of economic calculation, then politics becomes the place to apply such calculation'.<sup>13</sup> But not all who talk of wider conceptions of IPE give primacy to economics over politics. Strange said that IPE being a more inclusive field, IR be better seen as a subfield within it, or both IR and IPE be made subfields of a broader area of international studies.<sup>14</sup> As an autonomous and superior analytical method, PE can be applied gainfully by: anthropologists studying more unfamiliar societies,

comparative political economists exploring socialist and market societies, or international political economists studying a world system comprising simultaneously a single global social and economic system and a bunch of coexistent national societies. This can be done by asking: (a) ethical questions like what values are ranked highest and lowest in them; and (b) old, political who-gets-what-when-and-how-type questions to detect who in these societies derive benefits...and get or are barred from opportunities, understood not just as 'goods and services', but 'more fundamentally' as 'a share of all the values'. Accordingly, the main concerns of IPE are shown as 'the social, political and economic arrangements affecting the global systems of production, exchange and distribution, and the mix of values represented therein'.<sup>15</sup>

All these different definitions and profiles of IPE establish the propriety of its labeling as a 'hosting metaphor'<sup>16</sup> that has crystallized after decades of its theoretical evolution, which in turn is linked with historical/contextual and structural developments which made IPE an important meeting point of disciplines, their main organizing ideas and their central conceptual units.

## WHAT BROUGHT IPE INTO PROMINENCE: DISCIPLINARY AND CONTEXTUAL FACTORS

More than the early conceptual leads, it was British economists led by Adam Smith who brought the *problématique* of PE into theoretical spotlight and were responsible for its desuetude till its American revival in the 1960s, resounding in Richard Cooper's *Economics of Interdependence* (1968).<sup>17</sup> Across the Atlantic, Strange lamented two years later that the study of IR in British and other universities was not addressing the 'unequal pace of change in the international political system and in the international economic system, and the effects of this unequal rate of change on the international society and on the relations of states with one another', and was even 'allowing the gulf between international economics and international politics to grow yearly wider and deeper and more unbridgeable than ever'. In their 'political naiveté', economists were pretending that 'political factors and attitudes simply did not exist and could be brushed aside as some kind of curious quirk or aberration of dim-witted politicians'. Strange warned about these lacunae that unless 'they are soon made good, they are likely to be increasingly damaging and disabling' to the whole field of IR. And confident about the pressures of a fast-growing international economy on a more inflexible international political system, she pleaded for 'a theory of international economic relations, a political theory which is consistent with whatever other sort of theory of international relations we individually find most satisfactory'.<sup>18</sup>

As if answering Strange's plea, in just the next two decades, IPE developed into a major sub-discipline of IR. In a survey of 31 British IR and politics departments in August 1993, 26 respondents informed in December 1993 that IPE was 'firmly established in the majority of institutions teaching IR in Britain' in various depths.<sup>19</sup> In the USA, in a formal survey of IR faculty at colleges and universities of the USA in 2005, some 1,084 political scientists ranked Keohane, Gilpin, Peter Katzenstein, Krasner and Cox, all of whom were wholly or partly from IPE, among 20 top scholars who had

created the greatest impact in the study of IR.<sup>20</sup> Now what historical/contextual and structural factors made IPE suddenly so relevant? Charles de Gaulle considered economic considerations, and the 'low politics' they represented as 'quartermaster's stuff' best left to lesser people, leaving tall statesmen free to focus on 'high politics' involving war and peace.<sup>21</sup> 'Low politics' found a sudden turnaround in fortunes due to three factors.

First, the rapid enlargement and spread of the world economy during the post-Second World War 'long boom', coupled with the accelerated international economic and commercial activity promoted by the growth of multinational enterprises and the faster growth of Japan and the EC than most national economies, beclouded, under the ailing Bretton Woods system, the sunny days of a Keynesian liberal economist order underwritten by a post-Second World War US hegemony. Both this process and the problems emanating from it induced a realization that the upkeep of the international system was now in equal measure a political and technical challenge, which the overheated American economy, due to her deep involvement in the Vietnam War during 1961–1973 and the 'first oil shock' delivered by OPEC, could not shoulder alone. The political decision of stopping the gold convertibility of the American dollar communicated, apart from generating a feeling of US invulnerability, the realization that 'politics and economics hang together'.

Second, it became impossible in the 1970s to depoliticize issues of redistribution between rich and poor countries like in the early decades of decolonization, as newly independent less developed countries started voicing their dissatisfaction against their subordinate position in the international system. This made the politicization of the development issue manifest in two theoretical and practical developments: (a) critiques of liberal economics by the structuralist model of ISI of ECLA, ILPES or CESO scholars and the suggestions for 'delinking' or alternative development by the *dependentistas* during and since the 1960s<sup>22</sup>; (b) the subsequent radicalization of North–South economic relationships after the first oil shock and call by less developed countries at the UN in the 1970s for NIEO.

Third, the intimate connection between politics and economics was highlighted in the post-Cold-War demand of both East European states/economies and the erstwhile Soviet Union for both economic and political integration in the sense of 'more intensive links of economic interdependence with the advanced economies of Western Europe, North America and Japan, as instantiated in their entry into the EU, OSCE, even NATO (as member states or partner countries) and other international bodies, and efforts for it.'<sup>23</sup>

## THEORETICAL EVOLUTION OF IPE

### Precursors and Pre-theories

Customarily, textbooks start tracing the theoretical evolution of IPE through three major schools of thought identified by Gilpin, comprising a bunch of assumptions and values for approaching the field, namely 'nationalist' (alternatively labelled as 'mercantilist' and later 'realist'), 'liberal' and 'Marxist'. Since in my view they are actually pre-theories or precursors of modern IPE, I will deal very briefly with them.

## ***Mercantilism: Its Rise and Decline***

Evolving from the 16th to the 19th centuries, classical mercantilist thought was catalytic in changing scholarly focus from medieval scholastic concern with the universal good under transnational Christendom to national gain under the aegis of centralized states. Defined as ‘a doctrine of extensive state regulation of economic activity in the interest of a national economy’ (Viner) or as ‘a theory of the coherent intervention by the political state into the workings of the economy in the joint interests of the prosperity of the one and the power of the other’ (Anderson), mercantilism predictably found its maximum influence and theoretical development in Britain and France, sites of the first rise of absolutist states in Europe. Seeking consolidation of the national economy domestically and taking the shape of protectionism internationally, intervention was the ‘lasting contribution of mercantilism to the lexicon of IPE’. Contrasted with naive mercantilist ‘bullionists’, believers in processed gold and silver in state coffers, more sophisticated forms of mercantilism saw in national stocks of precious metals important signs of national wealth, since in those days preceding paper money and central banks, ‘specie’ was best form of money. A state’s balance of trade was thought to be the best predictor of its position in the international BOP. States were required accordingly to execute all types of projects to increase the power and wealth of their prospective tax payers through building transportation infrastructure in the interests of a unified national economy, centralized systems of justice and administration, and military might not only to seize foreign economic resources but frustrate state-building initiatives of rival monarchs. Initially focused on holding specie domestically, soon mercantilists understood that export of specie was acceptable for better imports of them later. Belying their bad reputation of hostility to international trade, they only supported trade flows that benefited domestic production and employment and opposed those which weakened national wealth and power,<sup>24</sup> as proven by Jean Bodin’s early 1576 recipe of low tariffs on import of raw materials and export of manufactured goods, coupled with high tariffs to legal ban on export of raw materials and export of manufactured goods.

Despite being coeval with the absolutist state and sensible enough sociologically to seem legitimate, mercantilism never achieved greater theoretical status than a ‘folk doctrine’ (Viner). The disturbing anomalies it evinced by the 18th century led David Hume to contend that the basic goal of mercantilist policy, persistent trade surplus, was a chimera, due to automatic adjustment of trade imbalances through international money flows, and Smith to argue that optimization of state interests through prescriptions of intervention and protectionism was impossible. For, state policy to control flow of specie or maintain a favourable balance of trade was fruitless. Ultimately, Smith’s logic carried the day since gains from Britain’s policy of free trade, backed by the UK’s economic hegemony seemed to invalidate the logic of mercantilism.

Mercantilism was later refurbished by Alexander Hamilton in the USA in an innovative argument for a strategic trade policy to further America’s economic development.<sup>25</sup> Friedrich List added an infant industry argument to it, while showing why certain states, Germany especially, should be allowed a bout of protectionism to make up for her late start of industrial revolution and catch up with the other industrialized states; and another insight in the 1840s, that of ‘productive power’, which essentially suggested that the ability to produce is more effective than the result of producing or

stored wealth. But being ultimately a proponent of free trade, List cannot be called a champion of mercantilism nor can his followers like Gustav Schmoller of the German Historical School, whose insights about the interactive relationship of politics and economics remained of limited impact due to their idiographic focus on Germany. And mercantilism lost out to liberalism, till its revival after the Second World War and reintroduction in IPE.<sup>26</sup>

### **Liberalism and Its Contribution**

Originating from Hume's and Smith's critiques of mercantilism, liberalism essentially believed that economics and the market are best left free from intentional manipulation by politics and the state. Smith's concept of 'rational egoism' is the only one he shares with mercantilists. But it is otherwise tempered with one of an 'impartial spectator',<sup>27</sup> which lives in one's breast as one's socialized conscience. Consequently, 'led by an invisible hand to promote an end which was no part of his intention',<sup>28</sup> individuals promote public good through their private impulses. True to their nature, markets, if left alone, are prone to expand spontaneously for the satisfaction of human needs. Against mercantilists' assumptions of the violent origins of states and national markets, Smith and later liberals belittled the role of force in bringing about social cooperation and laid more stress on the innate nature of human beings 'to truck, barter and exchange one thing for another', and the division of labour emerging from the historical development of human skills. Theological overtones of the invisible hand have also been researched, urging 'understanding of the invisible hand as special providence',<sup>29</sup> and of PE as its science.

David Ricardo, however, not only departed from Smith's philosophical and holistic frame and its moral and historical context by separating out economic questions from political and sociological ones but placed at the core of his theory a more rigorous methodological individualism, which later defined liberal IPE. While Smith made free trade dependent on absolute advantage, where each nation can produce one particular commodity more efficiently than others, Ricardo cited the examples of England and Portugal to show how trade based on comparative rather than absolute costs, even in situations of relative advantage, and how also afforded mutual economic gains. Ricardo also provided this insight that while market mechanisms shift from the national to the international economy, international economic relations too will witness some kind of equilibrium, and as domestic prices of goods adjust with international money flows, they will through natural forces balance payments and trade. His quantity theory of money, inherited from mercantilists but refined, directly linked changes in reserves to changes in domestic prices, laying to rest misplaced concerns over the price or quantity of money in a domestic economy.

As liberal theory became more daring in emphasizing the international nature of markets, John Stuart Mill claimed that free trade not only instigates the work and saving habits of people newly exposed to the 'bounty of industrial production' but by weaving together different cultures and societies, it spreads civilization to 'barbarians', and boosts international cooperation by showing how gains to oneself are not possible without gains to others and, thus, guarantees 'the peace of the world'. With these insights, liberalism could explain more riddles about the emerging international economy than mercantilism. Truly, as say Paul and Amawi, with 'early liberals, the positive causal arrow generally runs one way, from economics (free markets) to

politics (peace), while the negative causal arrow runs from politics (tariffs, special interests) to economics (poverty)'. But still they *had* a view of politics: of 'the rational management of a naturally harmonious community'. Its appeal lay just not in its empirically progressive pretensions but also in the policy changes it initiated throughout the Western world, especially in England. It paved the ground for the rescinding of restrictions on British gold exports in 1821 and for the famous Corn Laws in 1846, contributed to international free trade and establishment of the international gold standard, and established itself as *the* solution, drowning out feeble voices of List and German Historical School.<sup>30</sup>

### **Marx, the Early Marxists and IPE**

Since Marxism in IR has already been discussed elaborately in Chapter 16, only themes and issues of Marxism in/as IPE would be discussed here, dispensing with its general points relevant for IR. In/as IPE, Marxism stretches even the few common points it has with both mercantilism and liberalism to an extent that dialectically reveals its diametrical difference and opposition. While sharing with liberals the view that economics cannot but dominate politics, Marxists offer one of the most deep-going critiques of economic liberalism and of its view of the economy as a positive-sum game where all varyingly gain, since the economy is the place where exploitation and class inequality are rampant. Agreeing with mercantilists that politics and economics are closely linked and rejecting with them the liberal perception of the economic sphere operating under its laws, Marxists part company with mercantilists in rejecting their view of economics as a tool of politics. Economics is put first,<sup>31</sup> but transcendence of its present form is given more importance, and that is possible not through politics of states but through politics of classes.

Since the four general and constitutive themes of historical materialism—material determination, historicism/historical determination, centrality of classes and centrality of conflict—identified by Halliday for IR are also relevant for IPE but have already been discussed in Chapter 16,<sup>32</sup> here I will just state and test their corollaries.

1. States are not autonomous, being driven by ruling class interests. This renders conflicts between states, including wars, explicable only in the economic context of competition between capitalists of different states for shares of international markets, and makes class conflict more fundamental than its smokescreen of state conflicts.
2. Marx never believed in a timeless human nature or a human essence. Viewing the making of human nature through the lens of historical materialism, he wrote in a revealing sentence that 'for a socialist what is called world history is nothing but the creation of man by human labour and the development of nature for man'. So human history is nothing but a gruesome struggle of human beings to satisfy their basic material needs, and to 'participate in', confront and control the natural world for that.<sup>33</sup>
3. This gruesome struggle and the resultant process of human development was understandable only through the emergence and dissolution of diachronic modes of production, giving rise in the West to primitive communism, serf or slave societies, feudalism and capitalism, and in the East to



what Marx called the 'Asiatic mode of production'. Among these societies, all of them riven by class conflicts, capitalism was initially the most progressive. But the inevitable contradiction between socialization of the forces of production and the private ownership of the means of production turned it into a stinking, reactionary and exploitative system.<sup>34</sup> So capitalism was destined to fade or 'wither away', supplanted first by a socialist and then by a communist society, taking the clock back thousands of years back to primitive communism.

4. Regarding the mode of transition from one socio-economic formation to another and propulsion of human beings through history, there is a complex literature in Marxism on the struggle between the forces and relations of production. The latter includes not only 'the property relations within the framework of which they have operated hitherto' but the whole immense superstructure' built on it, with 'the legal, political, religious, artistic or philosophic, in short, ideological forms in which men become conscious of the conflict and fight it out'.<sup>35</sup>
5. In conventional view, Marx never wrote a systematic book on IPE. But from the way Marx brings out the complex nexus between capital and the state, ideas critical of mercantilism and liberalism can be derived. First, Marx shows how the bourgeoisie, the protagonist of capital accumulation, is goaded by the 'need of a constantly expanding product' to impart 'through its exploitation of the world market...to production and consumption in every country', and substitute the 'old local and national seclusion and self-sufficiency' by 'intercourse in every direction, universal inter-dependence of nations', and that 'as in material, so also in mental production'.<sup>36</sup> Second, elsewhere he suggests that 'the whole organization of nations, and all their international relations', is nothing but 'the expression of a particular division of labour', which must 'change when the division of labour changes'.<sup>37</sup> Marx's description of the role of the state as the 'executive of the modern state', that is, 'a committee for managing the common affairs of the whole bourgeoisie', in its pursuit of the capitalist general interest accordingly transcends the national level to cover the international level as well. The argument does not avail here that sovereignty of states does not extend externally because for a long time, capitalist states have forged networks of bilateral and even multilateral arrangements 'for the support of national jurisdiction' and 'specific functional multinational organizations for the coordination of state functions'.<sup>38</sup> We have shown this in Chapters 14 and 15 dealing with liberalism, specifically interdependence and regime theories. But for Marxists, the issue of the states' pursuit of capitalist general interest internationally brought to the fore the theme of imperialism.
6. Although imperialism is Marx's and early Marxists' most important contribution to IPE, Brewer reminds that Marx himself 'did not use the word "imperialism"' nor had anything in his work that corresponds at all exactly to the concepts of imperialism advanced by later Marxist writers'.<sup>39</sup> But Barone contends that short of setting down to write his projected book about capitalism and world markets, Marx spared no words in showing how in the innate expansionism of capital, it will, while expanding, change the non-capitalist world 'in its own image' and how the 'foreign sector' played a role in primitive

accumulation (even in the first volume of *Capital*). He diagnosed the need for world markets as a bulwark against the inevitable tendency of the rate of profit to fall and mentioned how the 'furious combat' for market shares incited rapid technological changes. Finally, the transition from competitive capitalism to monopoly capitalism, which is the germinal seed of Leninist theory of imperialism, was also portended in his words.<sup>40</sup> It was in the context of the looming First World War that a host of Left-liberal and Marxist thinkers, including John A. Hobson, Rudolf Hilferding, Nikolai Bukharin, Karl Kautsky, Luxemburg and Lenin, started developing their separate but related theories of imperialism. Lenin's theory started from the transition from competitive capitalism to monopoly capitalism, arguing that a constantly increasing number of industrial firms are being dominated by a few enterprises that have merged with the largest banks. As a result, a few monopolists and financial tycoons are dominating not only the international economy but are also exercising decisive influence over the state. Facing decreasing profit rates, they are now exporting not only commodities but capital to other states, thereby pocketing a large portion of the surplus value of these other lands and acquiring a 'parasitic' character. After initial loss of vitality and enlivening through technological progress, imperialist capitalism finally becomes stagnating, 'decaying' and 'dying'. Lenin found this 'inter-imperialist rivalry', emerging from the unequal or uneven process of capitalist expansion, as one of the most potent causes of the First World War.<sup>41</sup>

It is evident from the above ideas of Marx and early Marxists that despite his opposition to English PE and to Smith, Ricardo and Mill, Marx stands out as the last stalwart of the 19th-century PE, and this at a time when 'political economy, in general, and Ricardianism, in particular, were suffering a deep crisis in confidence'. Despite his stringent criticism of the untidy mix of esotericism and exotericism in Smith's holistic synthesis and Ricardo's ahistorical deductivist turn, Marx stood between them and the marginalist revolution that coveted pure economics away from PE. On the one hand, Marx 'should be seen as drawing on the more holistic and abstract aspects of their methods in conjunction with their theory of value, radically reconstructed, as his main analytical tool'. On the other hand, 'although Marx saw his PE as continuation as well as a break with classical PE, all marginalist writers considered their work as conscious departure from most aspects of classical PE', except for Ricardo's 'marginalist' rent theory.<sup>42</sup>

## **Theoretical Evolution of IPE through Later Revisions of Three Pre-theories**

### ***Contemporary Revisions of Liberalism***

Some historical/structural developments required revisions of all the three ideological precursors of IPE. The joint impacts of the Great Depression and the Second World War were two. Depression brought out Marxism and concept of the state out of oblivion in Germany and elsewhere into renewed prominence, amidst the disarray of international trade, end of the gold standard, emergence of welfare states, endemic

governmental planning of the economy all over the Western world and the sudden unpopularity of liberalism. The final shock was dealt by the Second World War.

In this situation, John Maynard Keynes saved liberalism by changing its parlance. The pervasive mass employment of the 1930s disillusioned him about the entrenched liberal assumption that left alone, markets tend to bring about a socially helpful equilibrium. For, despite being greatly beneficial, the market economy is also susceptible to pitfalls of 'risk, uncertainty and ignorance', requiring its improved political management to stave off suboptimal solutions. At the height of Depression, Keynes even opposed free trade, and towards the end of the War, he was instrumental in installing a new international political-economic arrangement that preserved the autonomy of the nation states to guide economies towards full employment. This positive attitude towards the state, permissive of state interference and direction of the market economy, still remained liberal because somehow contrary to the economic nationalism of the 1930s, the post-war order pursued multilateralism, especially in trade. Additionally, despite IPE being available to preserve domestic economic stability against volatile globalized capital flows, the domestic orders continued to be liberal. In the economic sphere, the Keynesian overhauling of classical liberalism was domestically tamed in a neoclassical synthesis which proved compatible with the sway of classical realism in IR, without necessitating a return to nationalist theory, because the leading realists themselves were liberal in matters of domestic politics. Their position, not much different from List in the classical phase, agreed with Keynes that minimization of 'economic entanglement among nations' could coexist with internalization of ideas of 'knowledge, science, hospitality and travel'. An alternative school of modern liberalism, which ignored the visible anomalies and 'retreated into neoclassical orthodoxy', maintaining the separation between economics and politics, and unable to influence, or enlighten, liberal understanding of IPE, ended in the 'marginalist revolution' mentioned above, was adopted by the International Bank for Reconstruction and Development (IBRD) and the IMF.

The more the politico-economic stability of the post-war economic order became moribund, the more this liberal compromise began to look frayed. IR pundits still under state-as-actor, billiard-ball model of realism and its concern with military issues (such as Keohane, Nye, Strange) started grumbling against the marginalization in IR of non-state actors and non-military relations between states. Barring its developments within Marxism spanning the entire 20th century, the current brew of liberalism within IPE started after the Bretton Woods system lay in tatters in the early 1980s that witnessed the greatest debt crisis in global history and signalled the end of the state management of international commodity markets.<sup>43</sup>

Another revision of liberalism came from interdependence theory and its offshoot, regime theory, both discussed elaborately in Chapters 14 and 15 of this book. After pre-theorizations by Angel, Delaisi and Muir were brought into currency again by Cooper (in late 1960s) and Morse (in 1970), interdependence was most famously theorized as IPE in IR by Keohane and Nye.<sup>44</sup> Its points of departure from state-centric IR were concerns with 'new issues' (IPE rather than international security), 'new actors' (transnational actors instead of states), 'new forms of interaction' (transnational and transgovernmental relations in preference to interstate relations), 'new outcomes' (international cooperation in contradistinction to international conflict) and 'new structures' (international institutions instead of 'pure' anarchy). Clubbed together, they not only constitute the fundamentals of Keohane's theory of state cooperation but

also supply the core assumptions of the modern theoretical IPE. Athwart realist expectations of more homogeneous preferences for security as some public good, Keohane and Nye demonstrate how the interdigitations of domestic and transnational forces, together with the increasing 'politicization' of international economics with concomitant 'secular trends', have heightened governmental accountability for economic welfare and economic internationalization and rendered governments 'more sensitive to external disturbances that may affect developments within their own societies'.<sup>45</sup>

The way Keohane and Nye pit their concept of 'complex interdependence' against the 'signature argument' of realism<sup>46</sup> also has had profound implications for IPE. Complex interdependence essentially means that: (a) all societies are linked by multiple channels, including 'informal ties' of interstate, transgovernmental and transnational dimensions between both governmental and non-governmental elites, and transnational organizations; (b) even the realist-friendly agenda of interstate relationships comprise multiple issues ranked or graded not clearly or distinctly, so that military security does not always 'dominate the agenda'; and (c) military force may not be used here for settling differences on economic issues among members of an alliance, although it may be applied against governments outside the region or on other issues. This eco-social complex interdependence can also affect the political/realist 'asymmetrical interdependence' of states in IR. For, the resultant reduced role of force in IR will tempt/compel 'less vulnerable states' to 'try to use asymmetrical interdependence in particular groups of issues as a source of power' and 'try to use international organizations and transnational actors and flows'. Since '[m]ost economic and ecological interdependence involves the possibility of joint gains, or joint losses', shared awareness of them and the wariness about weakening each other's position through 'overly rigorous struggles over the distribution of the gains can limit the use of asymmetrical interdependence'.<sup>47</sup> Here, Keohane's regime theory becomes important. In *AH*, where regimes are most theoretically treated, Keohane said 'there is likely to be increasing demand for international regimes as interdependence grows and policy spaces become more dense [*sic*]'.<sup>48</sup> In *PAIWPIT*, he offered 'four roughly sketched models' of regime changes, of which the first took account of its economic and technological dimensions; the second and third considered structural aspects, the second resorted to 'overall power structure to predict outcomes' and the third depended on 'the distribution of power within issue areas'. The fourth model was an 'international organization model', wherein 'networks of relationships, norms and institutions' were treated as 'important, independent factors helping to explain international regime change'.<sup>49</sup> This deservedly earned their theory the other name of neoliberal institutionalism, and, as we have pointed out in Chapters 14 and 15, they never parted company with political realism. A critic said that they later sought to 'graft' *PAIWPIT* 'onto neorealist theory', and instead of tracing out 'the linkages between complex interdependence and liberal internationalism', they made a consistent attempt to develop 'potentially complementary models' to political realism.<sup>50</sup> Besides, even though their second model of regime change did look at the 'overall power structure to predict outcomes', Keohane and Nye never resorted to purely power-based or structural accounts of regime building and regime change, particularly when dealing with the management of the global economy.<sup>51</sup> So an autonomous theory of IPE was lacking here.

In the 1980s, yet another innovation in liberal thinking on IPE connected with regime theory came via Ruggie's concept of 'embedded liberalism'.<sup>52</sup> It criticized the hasty verdict on 'the content of international economic orders and about the regimes

that serve them', without first judging 'how power and legitimate social purpose have fused to project political authority into the international system', so as to mistakenly equate the 19th-century liberal international economic order and its post-Second World War/Bretton Woods era counterpart, marked by 'embedded liberalism'. It occupies a middle ground between the liberal economic bigotry of open markets and the political orthodoxy of discriminatory trade and monetary practices that 'had plagued the interwar period' to visualize 'a compromise', where 'unlike the economic nationalism of the 1930s, it would be multilateral in character; unlike the liberalism of the gold standard and free trade, its multilateralism would be predicated on domestic interventionism'.<sup>53</sup> Later, Ruggie described it as a multiform 'grand social bargain', where different countries and sectors 'agreed to open markets', but each addressed their social adjustment costs uniquely, while retaining its integral idea of 'economic liberalization...embedded in social community'.<sup>54</sup>

Post-1990s, 'open economy politics', still another strand of liberalism, invaded liberal IPE and the American academia. Sustained by the interaction between neoclassical economics and international trade theory, it derived interests of actors from the former and has become the site of Ricardo-Viner, Heckscher-Ohlin and Stolper-Samuelson trade model frameworks.<sup>55</sup> But much like the former marginalist revolution, this new trend also is yet to significantly affect the core versions of liberal IPE, many which are still full of 'ideational', 'liberal normative' elements, 'republican government, international law and institutions, and open markets towards a world of comity and even perpetual peace'.<sup>56</sup>

### **Contemporary Revisions of Economic Nationalism**

We have already seen how having withered away after the Smithian attack, mercantilist or nationalist IPE (also called 'realist' nowadays) reappeared in the 19th century in the writings of Hamilton, List and Schmoller, as modification of liberalism towards American and German industrialization. In the 20th century, it appeared in the policy prescriptions of the *dependentistas*. Many Third-World countries such as Brazil and India adopted mercantilist measures, composed of state direction of markets and ISI strategies, to quickly remove their backwardness in the post-decolonization era. But because it failed to deliver, neo-mercantilist policies were again substituted by free trade policies. However, R. H. Tawney rightly commented that with capitalism and feudalism, mercantilism is one of diehard 'isms'.<sup>57</sup> Even as historically pure forms of mercantilism are long departed, mercantilism-inspired policies are influential in Europe, Asia, Africa and North America, as visible in activities of Japan's Overseas Development Assistance; polarization between 'free traders' and 'protectionists' in the EU (Brexit-mode Britain is the best example of the latter) and temporization by the USA, putative post-war champion of free trade strategies, in fulfilling its tariff-lifting, subsidy-dropping and economy-opening requirements (best current example is President Trump's policies). Impact of dirigisme, an offshoot of mercantilism, is seen in regulation of how China's non-trade enterprises enter markets,<sup>58</sup> energizing of Japan's industrial development before its economic stagnation in the 1990s<sup>59</sup> and longstanding adherence of the South Korean state to its own dirigisme derived from the Japanese model before shifting to neoliberalism.<sup>60</sup>

Economic nationalism/neo-mercantilism became relevant again during the post-1970 crisis of economic cooperation both among Western democracies and between

developing and developed nations, when the liberal recipe of rise of NSAs and international organizations for renewed cooperation was countered by nationalists emphasizing the centrality of states. While liberals pointed to the declining ability of states to shield domestic policies from the pushes and pulls of international markets, nationalists reposed their faith in the power of states to rein in international markets for national purposes. The most famous voice in this thinking was that of Gilpin, who rejected Keohane and Nye's view of complex interdependence to suggest state power as yet the most potent determinant of economic tendencies. The interests of state elites represented the most prominent force behind such historic developments like the unification of Germany in the 1870s or the founding of the EU after the Second World War. Gilpin was sure that the 'post-war age of multilateral liberalization is over and the world's best hope for economic stability is some benign form of mercantilism'.<sup>61</sup> Gilpin's mercantilist credentials are manifest in his assertion that 'political values and security interests are crucial determinants of international economic relations...transnational actors and processes are dependent upon peculiar patterns of interstate relations'. And he looks upon the state as a tool in the hands of the most powerful domestic elites.<sup>62</sup> Krasner, another important theorist of mercantilism, said that 'a system composed of a large number of small, highly developed states...is likely to lead to an open international trading structure',<sup>63</sup> because of the play of national interests. As we shall see below, this has implications for an offshoot of mercantilism, namely hegemonic stability theory. Commenting on the persistent distributional issues that tend to bedevil cooperative initiatives, Krasner affirms that 'the distribution of national capabilities' provides a better explanation of 'the nature of institutional arrangements' than 'efforts to solve problems of market failure'.<sup>64</sup>

Economic nationalists are as dubious about the newness of complex interdependence and the convergence of economic interests it ushers in as about the novelty of the international process of diffusion we call globalization. For them, the process of international economic integration is a long-drawn process and has never been marked by the 'supersession of politics by economics, and states by markets', as claimed by liberals. About the power of states, some have been adversely affected by globalization, but others have increased their control over markets and money.

The differences between economic nationalism and liberalism are not as unbridgeable as it seems. This is because like realist IR, realist IPE too has taken in many basic ideas of contemporary liberal economics. Unlike classical mercantilists and other economic nationalists, they no more support tariffs, quotas and other restrictive trade practices. Actually, while analysing his own perspective of 'state-centric realism', Gilpin clarified that nationalists might be realists 'but realists are not necessarily nationalists'. Wight was a 'Christian pacifist'. Morgenthau condemned 'universal nationalism' and urged states to respect the interests of other states'.<sup>65</sup> Kirshner's insightful comment is: 'liberals and realists share the view that both power and plenty are crucial and complementary aims of state action, and further that power flows from productive capability, and productive capability from economic growth. The realist dissent is with liberal politics, not with liberal economics'.<sup>66</sup> Paul and Amawi's comment is that due to this mercantilist-liberal fusion, realist IPE often acts as 'liberalism's pragmatic conscience or pessimistic alter ego than as a robust pragmatic alternative'.<sup>67</sup>

## Contemporary Revisions of Marxism

Contemporary revisions of Marxism in North America and its echoes and independent developments in Latin America, are flowing in the following currents:

- North American neo-Marxist current, represented by Paul Sweezy, Paul Baran, French economist Marc Bloch, British economist Maurice Dobb and a host of other modern non-Marxist economists cited by Cardoso as his intellectual sources.
- The structuralist theory of Latin America and its centre–periphery paradigm developed mainly by scholars associated in the 1950s and the 1960s with ECLA, ILPES and the UNCTAD led by Raúl Prebisch, Celso Furtado, Aníbal Pinto among Latin Americans and contemporarily or before them by Ragnar Nurkse, Hans Singer, Gunnar Myrdal and Albert Hirschman.
- The dependency tradition of Latin America, spearheaded by Andre Gunder Frank, Fernando Cardoso, Enzo Falletto, Osvaldo Sunkel and many others.

The denial of the validity of the liberal principle of comparative advantage was influenced not only by Marxist thinkers but also by Prebisch, Furtado, Pinto, Nurkse, Singer, Myrdal and Hirschman, who controverted it in varying degrees. Prebisch was, of course, the most influential in his argument that the principles of classical or neo-classical economics were founded on the actual ground of economic relations determined by the positions of the principally industrial ‘centre’ and the predominantly ‘agricultural and extractive’ ‘periphery’. In the backdrop of this asymmetric centre–periphery relations—underemphasized by proponents of the dynamics of comparative advantage—and unequal division of gains of trade between centre and periphery, both development in the centre and underdevelopment in the periphery sprang from the iniquities of the international trading system and were both causally and functionally related manifestations. This theme was developed theoretically by the *dependentistas*, among whom orthodox/Marxist scholars such as Frank and Dos Santos suggested that development in the core bred ‘development of underdevelopment’ in the periphery. So for their liberation from the shackles of international capitalist markets, they have two options: ‘delinking’ for nationally pursued development strategies (foregrounding the national state) and a socialist revolution. Contrastively, unorthodox/reformist scholars such as Cardoso, Sunkel and Falletto suggested the path of a state-led or market-led ‘dependent or associated development’ as the precursor of alternative development or even what Escobar calls ‘post-development’. It needs to be pointed out that the dependency position is wholly against liberal IPE, largely supports Marxist IPE and has hidden sympathies for statist IPE.

Another fundamental revision of Marxism is by Immanuel Wallerstein. For him, the evolution of international economy is the history of the ‘capitalist world-system’, or the capitalist ‘world economy’, which first emerged in Europe during the ‘long 16th century’ of 1450–1650, with its accompanying ideology liberalism, and after three centuries of expansion, started experiencing a crisis, since the Revolution of 1968, especially since the 1980s, which represented ‘a fundamental break with the intellectual premises of...the geoculture of the capitalist world economy’. Through his concept of production for exchange, he sees capitalism not as a mode of production but mistakenly locates the defining properties of capitalism in exchange and not in

the relations that govern the way commodities are produced: in trade rather than in production. The whole theme, with critiques of Wallerstein's definition of capitalism and world-system, has been elaborately discussed in Chapter 18 of this book. Readers are advised to go back to it for details.

A more Marxian revision of the Marxist school has been done by Robert Cox, a founder of modern IPE, and author of 'Labor and Transnational Relations'. But his version is less 'economistic' than Wallerstein's, 'even though its starting point is the same: a historical analysis of the main phases of global capitalist development'. Departing from 'problem-solving theory' in favour of 'critical theory',<sup>68</sup> Cox provided IPE with a new sensibility in all the three areas of methodology, epistemology and ontology. 'Whether approached through his diachronically related double triptych of ideas/material capabilities/institutions plus social forces/world orders/forms of states or through his Gramscian-inspired reading of historical blocs',<sup>69</sup> his methodology during the 1980s was oriented to asking this important question, 'are we moving into a period of structural transformation, most importantly in terms of the decline or resurgence of a world hegemonic order?'<sup>70</sup>

Although apparently referring to the HST, the question is deeper. While, for Cox, the process of change was leading us away from the USA-dominated post-1945 world order, the transformations were proving more profound in three areas: (a) economic globalization was knitting national economies together in a dense global mesh, but retaining its hierarchical character, simply because economic power was concentrated in the centre; (b) the speed with which states are ceding political and economic power to non-territorial bodies such as TNCs augurs evil for the Westphalian system of independent nation states, and market forces jeopardize international governance by states; and (c) a more equal and democratic order is not unfeasible if governments backed by the popular majority can resume control over the economy and turn it into instruments of welfare goals.<sup>71</sup>

This critical approach predictably views questions of power, state and markets differently from the problem-solving approach. While testing the case of 'Britain's relative decline in state power from the late-19th century' and the similar 'relative decline in US power' since the early 1970s, Keohane examined the theory in specific issue areas of energy, money and trade, since he believed that 'power was not a fungible asset but has to be differentiated according to the contexts in which a state tries to be influential'. In this analysis too hegemony is shown to be based on material power. But critical theorists including Cox analyse the relative stability of successive world orders by 'equating stability with a concept of hegemony that is based on a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order (including certain norms), and a set of institutions which administer the order with a certain semblance of universality (i.e., not as the overt instruments of a particular state's domination). In this formulation, state power ceases to be the sole explanatory factor and becomes part of what is to be explained'.<sup>72</sup> Regarding markets too, accepting Karl Polanyi's description in *The Great Transformation* of 'the self-regulating market of classical economic theory as the project of subordinating society to abstract economic theory',<sup>73</sup> he showed how markets were protected by states. Previously 'a bulwark defending domestic welfare from external differences', inward-looking agencies of the state 'are now more and more to be seen as transmission belts from world economy trends and decision-making into the domestic economy, as agencies to promote the carrying out of tasks they had no part in deciding'.<sup>74</sup>



From this perspective, IPE is, for Fox, about ‘the interaction of a transnational market economy with a competitive system of states and non-state actors across the domestic and international economic space’. Unlike in mainstream IPE, states and markets are not just juxtaposed, and this reveals the full complexity of GPE.<sup>75</sup>

## HEGEMONIC STABILITY THEORY

Contrary to common belief, neither Kindleberger nor Gilpin (despite his 1975 discipline-shaping article ‘Three Models of the Future’) introduced HST in IPE. Of course, of the two basic premise of HST: (a) no international economic order is imaginable without a hegemonic power which sustains the requirements of orderliness and openness, and (b) the hegemon holds the system together by supplying public or collective goods, Kindleberger is a source for the first. About the multiple shocks to the international economy coming from the depression from 1929–1931, his diagnosis was that the ‘difficulty lay in the considerable latent instability in the system and the absence of a stabilizer’. The Keynesian ‘foot-dragging’ since the 1930s until late in the war missed one vital lesson of the interwar years: ‘that for the world economy to be stabilized there needs to be a stabilizer—one stabilizer’.<sup>76</sup> But regarding the second premise, scholars who have for more than four decades been testing the theory of collective action to study international politics and hegemony—including John Ruggie (for his germinal article, ‘Collective Goods and Future International Collaboration’, 1972)—should be remembered. Even further back, scholars have drawn from Mancur Olson’s path-breaking book, *The Logic of Collective Action* (1965), the lesson that collective goods will be forthcoming at greater levels ‘if a group is “privileged”, that is, if it is small in size, with one large member or a few large members who make disproportionately large contributions to the supply of the good’. Pahre comments that this hypothesis is at the core of HST.<sup>77</sup>

HST received empirical support from two historical examples of liberal hegemons: Great Britain during the latter half of the 19th century and the early 20th century, and the USA after the Second World War. The US example was more apposite because after the First World War and the Great Depression and its aftermath in the 1930s, during which the USA took no responsibility despite already being the leading power, she took a proactive role in rebuilding the war-ravaged economies of Europe and protecting them from ‘subversions’ through a series of initiatives, announcing the Truman Doctrine and Marshall Plan, and taking the lead to create the ‘Bretton Woods system’, all in the same momentous year 1947. The main and ancillary institutions of the Bretton Woods system, going beyond the IMF, IBRD, GATT (now replaced by the World Trade Organization [WTO]) and the Organisation for European Economic Co-operation (now replaced by OECD), quickly followed to give shape to a liberal world economy and bring the economies of Europe and Japan to full steam by the late 1950s and the early 1960s. However, these economies started catching up with the US economy. Faced with growing deficits in the American balance of payments and finally first trade deficits in the 1970s, the USA adopted protectionist measures to help its own affairs in place of holding up the post-1945 world order, bringing to the fore the assumptions about the importance of hegemonic power for stability in North American IPE during the 1970s and the 1980s, and making definition of the hegemon,

the type of power it requires and existential questions about its continuance as hegemon became intense subject of debate.

One major point of debate was between the realist view of the hegemon as 'self-regarding' actor and the liberal view of 'other-regarding' provider of public goods, a difference reflected in the neorealist and neoliberal views on economic cooperation. As Higgott puts it, 'it was in the significance attached to US hegemony for the provision of public goods in international economic life that realism and liberalism found common cause in the development of American IPE throughout the 1970s–80s'.<sup>78</sup>

Differences raged over what types of power resources the hegemon should possess. After 'risks of nuclear escalation', popular resistance, uncertain impact on the achievement of economic goals and opposition from domestic opinion 'to the human costs of the use of force' have irretrievably weakened the hierarchy revolving around military power' and have revealed its non-exchangeability or fungibility (Keohane and Nye),<sup>79</sup> HST, 'as applied to the world political economy, defines hegemony as preponderance of material resources'. Four sets of resources are important here: control over and/or access to crucial raw materials; sources of capital; large markets and their maintenance for imports; and possession of 'competitive advantage in the production of highly valued goods',<sup>80</sup> or what Wallerstein calls 'quasi-monopolies of leading industries' technically backed by 'innovation' and 'transmogrification' of products.<sup>81</sup>

The hegemon was needed to redress the problem of 'free riding', that is, enjoyment of indivisible public goods without making any contribution in its creation or upkeep, by identifying free riders and penalizing deviants because of his/her huge stake in the system as leading power. For example, the USA's role was restoration of the liberal world economy and sustenance of the new institutions it created, so as to ward off Soviet attempts to spread influence in Europe, which allegedly received a jolt after the USA in the early 1970s started behaving like a 'predatory hegemon', looking after its own narrow national interests than those of the open world economy and even exploiting its dominant position to reap special benefits. Gilpin critiqued this new phase of 'increasing protectionism, monetary instability and economic crisis'. But while accepting the general point of the need for a hegemon in founding and supervising a liberal world economy, many scholars including Strange, Russett, Nye and so on disagreed with Gilpin that the US economic power had declined so much that it could not play this role anymore. The main thrust of their criticism was that despite a relative decline in economic and technological sectors, the strength of the USA in traditional fungible power resources was still substantial. She was still the leader in high-tech innovation and competition. Perception of decline largely resulted from the ways in which the US position was miscalculated because of: (a) focusing on the territorial economy enclosed by borders, instead of calculating the big percentage of world output of 'primary products, minerals and food and manufactured goods and services' controlled by executives of US companies; and (b) not reckoning the strength of the USA in the most advanced and profitable information technology sector, its privileged position in non-material power resources through the universal appeal of its popular culture (in movies, music and so on) and the dominance of the liberal values consonant with American ideology (Strange). All of these invest the USA with vast amounts of what Nye terms as 'co-optive power'.<sup>82</sup> Russett says after distinguishing between 'power base and control over outcomes' that regarding the latter, the American position cannot be seen to have substantially shrunk,

especially not if one considers security goods as well as economic goods. The substantial continuity of outcomes in the post-World War II era stems in large measure from the degree to which the goods provided have been private goods that particularly benefit the United States rather than collective goods...These benefits, especially those from 'cultural hegemony', have helped the United States to sustain much control over outcomes.<sup>83</sup>

Actually, Strange differs strongly from this 'hegemonic obsession', which in her view explains why 'power has been rather superficially treated in the literature of IPE', and instead of blaming 'American mismanagement and abuse of power for the disorders of the financial and trade systems from the late 1960s, HST scholars went on searching for an alternative reason of loss of America's power, ignoring 'bad or inadequate American policy choices'.<sup>84</sup>

Beyond these assessments of critiques of US decline (e.g., by Milner and Snyder, who contended that Strange had wrongly interpreted a table describing 'changing shares of output in the United States among various economic sectors' as 'percentage of total [world] output produced in the United States'),<sup>85</sup> Strange's words reflected another point of contention, that of the actual need of a hegemon to supervise a liberal world economy. Even Keohane, who had pleaded about this need for establishing international cooperation in areas such as finance, trade and oil admitted that once the necessary institutions for international cooperation had been set up to give it momentum, the role of the hegemon was not that important. Mentioning another problem with hegemon-centred explanations, that of excessive emphasis on the hegemon at the cost of smaller if not lesser powers, who are mistakenly treated as egoistic free riders, Strange shows how the exclusive focus on the hegemons, including the USA in the 1970s and the 1980s, led to inattention to the power position of China, India and so on, and the USA was equally mistakenly viewed as an altruistic provider of collective goods, although whatever she did for Western Europe and Japan was in her security interests against the spread of communism.

The Marxist position accommodated the problem of hegemony in the general context of long cycles of economic growth, tied to recent phases of post-war capitalist expansion. We have already seen how for Wallerstein the period between 1967 and 1973 betokened beginning of the end of the world economic expansion, start of decline of US hegemony and in the long term, early indications of a possible systemic disintegration of the 500-year-old capitalist world economy, and how this was caused by Kondratiev B cycles, set off in turn by the exhaustion of quasi-monopolies dependent on the patronage of strong states like the USA.<sup>86</sup> Wallerstein and Amin traced this crisis to the shortage of cheap skilled labour in the European and Japanese semi-periphery and periphery.<sup>87</sup> Cox, however, does not view hegemony in the conventional IR sense of 'a dominant state's relationship with other less powerful states'. It is rather 'a structure of values and understandings about the nature of order that permeates a whole system of states and non-state entities', so that hegemony emanates from 'the ways of doing and thinking of the dominant social strata of the dominant state or states, insofar as these ways of doing and thinking have acquired the acquiescence of the dominant social strata of other states'.<sup>88</sup> This being so, America's material decline would not affect her hegemony so much.

Other criticisms of HST showed how it never showed how hegemonic power promoted international cooperation, and their understanding of power being relational could never do it adequately. Critics showed that behind its universalist façade, there

was a historically embellished model carved out from 25-year US history of world dominance and a moral plea to continue it. Ruggie's concept of 'embedded liberalism' showed how post-war US aspirations for a liberal multilateral system compromised with more interventionist tendencies of its European allies to create this order.<sup>89</sup> Other critics said that once liberal world economy survived the initial hiccups after the decline of the US power, HST became irrelevant, in both its security and public goods oriented versions. Cohen said, although the theory itself 'may have died...its legacy lives on'.<sup>90</sup> But the theory may not have been that defunct. Posen says, as late as 2003, that people 'who recommended a policy of "primacy"—essentially hegemony...have carried the day', and detects 'a debate about which variant of a hegemonic strategy the United States should pursue': 'unilateral'; 'nationalistic'; pursued through military means; or 'multilateral and liberal', concerned about 'international legitimacy'. Clark, however, thinks that here scholars were blurring the difference between primacy and hegemony.<sup>91</sup>

## CONCLUSION: RECLAIMING IPE FROM REVISED HOLY TROIKA TO ECLECTIC CURRENT

This chapter has discussed the origins of IPE, defined it and has explored the relevance, theoretical evolution and recent disciplinary transformations of IPE in IR after pointing out what disciplinary and contextual factors brought the area to a new prominence. It has shown how the disciplinary evolution has primarily occurred around the three pre-theories of 'nationalist' (alternatively labelled as 'mercantilist' and later 'realist'), 'liberal' and 'Marxist' schools of thought, as systematized by Gilpin, and their contemporary revisions of mercantilism, liberalism and Marxism. But concluding this discussion with modern and contemporary revisions of these three known academic terrains, and their ideal combinations and contestations, would make the contours of IPE clear and coherent, but not truthful enough about the current creative ferment in the field. Just shifting from 'traditional' approaches, consisting of the 'politics of international economics' and 'the economics of international politics', to an 'inclusive approach' which views IPE as a methodology to view the interaction and integration of economic and political domains beyond states and markets also would not be able to capture the ferment. Not even when it focuses, in the way of Strange, on the structures of security, production, finance and knowledge in order to 'synthesize politics and economics by means of structural analysis of the effects of states—or more properly any kind of political authority—on markets and conversely, of market forces on states', and that too in the way of Gill and Law at the level of global rather than international (interstate) relations.<sup>92</sup>

The ferment is best captured by what O'Brien calls an 'eclectic IPE current' beyond crossovers and combinations. Scholars from almost any social science discipline are welcomed to join the venture, provided they are interested in the interaction of international politics and economics, and accept it as their subject matter in all its complexity. It is hoped that the profusion of conceptions, approaches and perspectives employed by them while floating in the current, and the analytical opportunities can be availed, and some of the perspectives 'cultivated within this heterogeneous, eclectic conception of IPE' will generate 'insights that are hardly achievable by other means',

if some attendant disadvantages can be tided over. Three of these are particularly problematic: (a) 'the different languages scholars from different disciplines are trained to use' problematize their intelligibility and readability across disciplines; (b) quite a few insights get lost in translation or are accessible to only 'limited segments of the research community'; (c) owing to the 'absence of common criteria for best practice scholarship', it is difficult to determine what exactly the state of the eclectic IPE art is....<sup>93</sup>

Another characteristic of this ferment is that 'it is always moving towards "the New IPE,"' which makes it different from the 'established consolidated orthodoxy' of disciplines such as economics. Veseth finds the first source of this dynamism in the fact that 'IPE defines itself by its *problématique*, not by its philosophy or method'; and the *problématique* has shifted 'from Cold-War theories of IR to multilevel problems of globalization'. Even while IPE stays 'rooted in the tensions of state and market, the branches of the plant reach in many directions, probing a variety of problem areas'. This evolutionary dynamism now impels IPE scholars to test out their insights about state-market relations beyond economics in and through their impacts on cultural relations, gender relations and the environment. The second reason is that if there is any IPE project, its main goal is to pull down the disciplinary fences that restrict intellectual enquiry into the interdigitations of economics and politics in the sociocultural and political problems we experience today. The third reason is that while IPE is defined by scholars in their academic work, it is 'more obviously than other disciplines...socially constructed'.<sup>94</sup>

So in a far side of this eclectic current, we notice a derivative of rational choice analysis, fathered by Robert E. Lucas and christened 'positive political economy' (PPE). With its focus on microfoundations and grounding in rational actor methodology of microeconomics, PPE has shed both the normativism and historicism of older IPE approaches to emphasize 'both economic behaviour in political processes and political behaviour in the marketplace'. For older IPE, an economic approach of 'constrained maximizing and strategic behaviour by self-interested agents' is employed to account for the creation and maintenance of political institutions and the framing and implementing of public policies. To bring out the latter, however, it specifies the political context in which market phenomena happen.<sup>95</sup>

At the other end of the New IPE spectrum, we have the green perspective on IPE, which looks at the world not so much from the lenses of states and markets as from that of a global biosphere. Green IPE is concerned about the balance of nature, both for environmental issues and for political-economic ones. Bringing the environment at the core of IPE makes inescapable consideration of how it affects and is in turn affected by state-market relations at all levels of analysis. One understands that although IPE analysis is not inevitably green oriented, green analysis is necessarily IPE relevant. An apt example would be Austrian economist Leopold Kohr, who included among the many vices of industrialism that he identified in *The Breakdown of Nations* (1957) and other writings, some of which are universally accepted sources of environmental degradation, such as militarism and economic competition between nation states. Kohr contends that in the large-scale mass societies of the industrial age, individuals not only lose sense of the environmental implications of their actions but miss the benefits of indigenous and local forms of knowledge dealing with appropriate environmental management. From his environmentally informed critique of the large-scale nature of industrial life as the source of all evils, which Kohr termed as

‘the size theory of social misery’, he argued for ‘decentralization’ or ‘the establishment of a system of social units of such small size that accumulations and condensations of collective power to the danger point can simply not occur’. Basically, this meant creation of small states on the lines of the mediaeval European order. Most contemporary greens, however, move beyond such statist solutions to plead for non-statist, voluntarist initiatives for decentralizing social life, since the decentralism of the medieval age emanated not from the smallness of its states but from the location of economic and political life within local community life through quotidian activities of individuals and social groups.<sup>96</sup>

Still another component of the recent shift to new IPE is feminist and/or gendered IPE. Even though most IPE today contain some references to gender issues and feminist research, feminist scholarship is ignored or sidelined despite its recent resurgence in some of the most celebrated texts in what feminists call the IPE ‘malestream’, such as Cohen’s *International Political Economy* (2008) and Blyth’s (edited) *Routledge Handbook of International Political Economy* (2009). While still now ‘no singular or straightforward way of “doing” feminist IPE’ exists, spokeswomen of feminist IPE list research sources from which a multi-pronged feminist IPE can be constructed. These are: (a) diverse traditions of feminist scholarship seeking to pinpoint the political-economic foundations of gender-based oppressions, particularly prominent in Marxist/socialist feminist thought and in some branches of Black feminist scholarship; (b) analyses by feminist sociologists and anthropologists about the ways ‘historically and culturally specific forms of social reproduction’ condition and are conditioned by gender relations, and how they criss-cross larger macro-historical processes; (c) works in feminist economics which problematize the assumptions of ‘the rational economic man’, foundational for mainstream liberal economic thinking and implying the ‘undervaluing of care’; (d) work on the central importance of gender relations in the politics and practices of international development; (e) researches bringing out the importance of forging transnational feminist solidarities in the battle against gender iniquities bred by capitalist globalization; and (f) feminist IR texts from the 1980s onwards, which have shown how the functioning of the global economic system affects women and how it was also constituted by gender relations.

The intellectual and political movements for a gendered IPE aim at changing the way IPE thinks about actors and institutions, because whether at the individual, state or system levels, women are insufficiently recognized; and much like Green analysis, gender analysis too presupposes IPE thinking, because consideration of many issues of gender relations is impossible without taking into account forces and effects of state and market. After the turn of the 20th century, feminist scholars endeavoured to define feminist IPE through the lenses of development, neoliberal restructuring, globalization and disciplinary implications of efforts to articulate what doing feminism in IPE implied. Some called this ‘feminist re-sightings of global restructuring’. In the same way, Peterson drew upon both the cultural and material foundations of global restructuring to show how gender in GPE operates through various circuits of reproductive (R), productive (P) and virtual (V) economies and power. This analytic scheme, called RPV framing by Peterson, avowedly helps in the identification of a host of global processes, as in the theorization of their interconnections. Consequently, gender issues are fit to be considered in IPE in much the same way that core and periphery issues are. Going further than this, gendered IPE urges scholars to judge how human institutions studied by IPE (such as the state and market) and the theoretical prisms

through which they are studied (like HST) are also gendered artefacts. So what is urgently necessary is putting gender issues and values at the very centre of both the theory and practice of IPE.<sup>97</sup>

At the opposite pole of PPE, we have postmodernism and post-structuralism in IPE. Postmodernism contends that IPE analysis is rooted in anachronistic, 'modern' modes of thought. The separation of and interaction between the state and the market, which is the basis of IPE orthodoxy, is a vestige of the modern era and is no more sensible since the state is no more the exclusive centre of authority or the sole locus of social and communal activity. Even as IPE remains fixated on the state concept, the reality of the state has changed, as authority is diffused around, above and below the state. Likewise, the concept of the market as the sole site of private resource allocation and wealth generation is also anachronistic. To postmodern IPE, the world is 'negotiated, fragmented, undisciplined, uncertain and unresolved'. Accordingly, language and modes of thought attuned to concepts of 'order' and 'hegemony' are ill-applied in efforts to depict this world. This needs reconceptualizing IPE as a discipline that flouts traditional conceptual boundaries as nothing more than obsolescent psychic images.<sup>98</sup>

Post-structuralist inroads in IPE have themselves been criticized as 'sporadic', 'disparate', 'abstractionist', lacking in 'real-world application' and marked by obfuscation of 'material conditions'. Two early critics contended that because of its anti-foundationalism and preoccupation with the generative powers of discourse, post-structuralism cannot give due importance to 'social power relations' in global politics, bring out the agency and structural power motivating certain discourses, enlighten us about why certain discourses like the financialization of capitalism or the tendency towards 'speculation' and 'risk' in financial practice are so endemic and who and for what reason have mastered these discourses. Besides, while 'inscribing ontological centrality to ideas', post-structuralism witnesses 'a moment that not only clearly establishes and separates the material and ideational dimensions but also grants causal priority to the latter in political economy'.<sup>99</sup> But others differ. Taking lessons from the global financial crisis, which betokened a potent conflation of 'material, embodied and ideational cultures of privileges', deeply affecting and having potential to affect everyday life, they argue that post-structuralism is best seen as part of a wider critical project of interrogation of the taken for grantedness of GPE, even if more as a mode of 'interpretive intervention' than as an 'objective pursuit of cumulative knowledge' on the lines of IPE's rationalist mainstream. For, as 'a direct challenge to conventional rationalist accounts of/in IPE', post-structural questions assume importance in IPE not only because they interrogate practices and processes of 'cultural representation', 'discourse' and the 'ambiguity of political dissent' but also because apart from being able to raise questions about the basis of power, knowledge, representation and identity in GPE, post-structuralism asks 'how we are able or not able to act in GPE, how we measure and interact with otherwise abstract categories such as 'capital', 'finance' and 'risk', or how we might better take account of the day-to-day realities of ordinary people in our accounts of GPE'.<sup>100</sup>

Still other scholars think that the post-structuralist leaven in IPE facilitates a second-level thickening of the depiction of politics on a global scale. The traditional conceptualization of 'the international' in IR, as of a 'thin' space of strategic interaction, comes from the blockage of a 'thick' cluster of social relations in it, comprising 'social and cultural flows as well as political-military and economic interactions', because of its adoption of sovereignty and the states system as central categories.

Contrarily, IPE, as the exploration of the politics–economics interaction at the global level, has the potential of facilitating a broadened view of the world order beyond the circumscribed interstate order that includes many other things. These are: ‘at the very least, patterns of trade, division(s) of labour, migration(s) of bodies, movement(s) of goods/information, as well as the types of power exercised by states and international organizations, which, at the global level, includes not only negotiation but the deployment of (military) force. Similarly, post-structuralism too attempts to expand the scope of IR beyond a study of flows and relations revolving around territorial sovereignty, or the ‘anarchy problématique’, to stretch it to wider flows and relations covering, what David Campbell felicitously terms as ‘the philosophical anthropology of everyday life on a global scale’.<sup>101</sup>

There is no point in offering a critique or evaluation of a discipline, field of subfield, beyond that of its individual approaches, which we have done already for the holy troika. About the new floaters in the eclectic current any such critique or evaluation would be premature now. Let us wait for its further evolution.

## REVIEW QUESTIONS

1. Give a comprehensive definition of IPE after evaluating other conventional definitions.
2. Comment on the early evolution of IPE up to the emergence of its three pre-theories in IR.
3. Show how the three pre-theories of IPE—mercantilism, liberalism and Marxism—underwent revision in their applications in IR.
4. Show the strengths and weaknesses of HST as an explanation, justification and critique of America’s decline after showing which of the three pre-theories of IPE it was closest to.
5. What view of IPE can you conceptualize beyond contemporary revisions of mercantilism, liberalism and Marxism?
6. Comment on the potentialities of green, feminist and post-structuralist IPE.

## NOTES AND REFERENCES

1. All three cited in Ivano Cardinale and Roberto Scazzier, ‘Political Economy: Outlining a Field’, in *Palgrave Handbook of Political Economy*, eds Ivano Cardinale and Roberto Scazzier (London: Palgrave Macmillan, 2018), 4–5. Serra is credited by Schumpeter as ‘the first to compose a scientific treatise...on Economic Principles and Policy’, see Joseph Schumpeter, ‘Introduction’, in *Antonio Serra and the Economics of Good Government*, eds Sophus Reinert and Rosario Patalano (New York, NY: Palgrave Macmillan, 2016), 1.
2. Cardinale and Scazzier, ‘Political Economy’, 5.
3. Robert Gilpin, *The Political Economy of International Relations* (Princeton, NJ: Princeton University Press, 1987), 8.
4. George T. Crane and Abla Amawi, ‘Theories of International Political Economy’, in *The Theoretical Evolution of International Political Economy: A Reader*, eds Crane and Amawi, 2nd ed. (New York, NY: Oxford University Press, 1996), 4.



5. Roger Tooze, 'I.P.E.—What Is It', excerpted from Roger Tooze, 'Perspectives and Theory: A Consumer's Guide', in *The Theory and Practice of International Relations*, ed. William C. Olson (Englewood Cliffs, NJ: Prentice Hall, 1987), 29–33.
6. Crane and Amawi, 'Theories', 4.
7. Robert Cox with Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 97.
8. For the quote and its implications, see Robert Gilpin, *US Power and the Multinational Corporation* (New York, NY: Basic Books, 1975), cited in Tooze, 'I.P.E.', 32.
9. Gilpin, *Political Economy*, 22.
10. Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton, NJ: Princeton University Press, 2001), 4, 15–19.
11. Keohane, *After Hegemony*, 21.
12. Tooze, 'I.P.E.', 34.
13. James A. Caporaso and David P. Levine, *Theories of Political Economy* (New York, NY: Cambridge University Press, 1992), 31.
14. Susan Strange, 'Theoretical Underpinnings: Conflicts between International Relations and International Political Economy', delivered at the British International Studies Association Annual Meeting, December 1995, in Jackson and Sørensen, *Introduction*, 176.
15. Susan Strange, *States and Markets*, 2nd ed. (London: Continuum, 2003), 18, 1–6.
16. Richard Higgott, 'International Political Economy', in *Contemporary International Relations: A Guide to Theory*, eds A. J. R. Groom and Margot Light (London: Pinter Publishers, 1994/1999), 157.
17. For Cooper's basic ideas, see Note 12 of Chapter 14.
18. Susan Strange, 'International Economics and International Relations: A Case of Mutual Neglect', *International Affairs* 46, no. 2 (April 1970): 304–315.
19. Robert O'Brien, 'International Political Economy and International Relations: Apprentice and Teacher', in *Boundaries in Question: New Directions in International Relations*, eds John Macmillan and Andrew Linklater (London: Pinter Publishers, 1995), 91–94.
20. Susan Peterson, Michael J. Tierney, and Daniel Maliniak, 'Inside the Ivory Tower', *Foreign Policy*, no. 151 (November–December 2005): 58–64, cited in Benjamin J. Cohen, *International Political Economy: An Intellectual History* (Princeton, NJ: Princeton University Press, 2008), 10.
21. See Jackson and Sørensen, *Introduction*, 176.
22. See Notes 1, 2 and 11–17 of Chapter 17.
23. For the factors which brought IPE into prominence, see Higgott, 'International Political Economy', 157–158; Jackson and Sørensen, *Introduction*, 176–177, and their citations.
24. For Jacob Viner, 'Power versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries', *World Politics* 1, no. 1 (October 1948): 1–29; Perry Anderson, *Lineages of the Absolutist State* (New York, NY: New Left Books, 1974), 36; Gustav Schmoller, *The Mercantile System and Its Historical Significance* (New York, NY: Peter Smith, 1895/1931), cited in Crane and Amawi, 'Theories', and mercantilism generally, 5–6.
25. For Jean Bodin, *Six Books of the Commonwealth*, abbr. and trans. M. J. Tooley (Oxford: Basil Blackwell, 1955), 188; and Jacob Viner, 'Mercantilist Thought', in *International Encyclopedia of the Social Sciences*, ed. David S. Sills, vol. 4 (New York, NY: Macmillan, 1968), 435–443, and mercantilism generally, see Darel Paul and Abba Amawi, eds, *The Theoretical Evolution of International Political Economy*, 3rd ed. (New York, NY: Oxford University Press, 2013), 8–11.
26. Friedrich List, *The National System of Political Economy* (New York, NY: Kelley, 1966), cited in Jackson and Sørensen, *Introduction*, 180.
27. Adam Smith, *The Theory of Moral Sentiments*, 2nd ed. (Edinburgh: A Millar, 1761), 60, 133, 140, 172, 208, 220, 286, available at <https://books.google.co.in/books?id=bZhZAAAAcAAJ> (accessed on 24 April 2019).

28. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Edinburgh: Thomas Nelson and Peter Brown, 1827), 184, available at <https://books.google.co.in/books?id=rpMuAAAAYAAJ> (accessed on 24 April 2019).
29. Paul Oslington, 'Divine Action, Providence and Adam Smith's Invisible Hand', in *Adam Smith as Theologian*, ed. Paul Oslington (New York, NY: Routledge, 2011), 61–75, esp. 64. Many other articles in this book discuss this point.
30. This section draws on Crane and Amawi, 'Theories', 6–8; Paul and Amawi, 'Theories', 11–13, for analysis and quotes of Smith and Mill; Jackson and Sørensen, *Introduction*, 180–182, 184; Cohen, *International Political Economy*, 34.
31. See Notes 53–60 of Chapter 16.
32. Fuller statement in Notes 23, 24, 28–30 of Chapter 16.
33. Fuller description in Note 35 of Chapter 16.
34. Marx, 'Preface'.
35. Fuller description in Note 44 of Chapter 16.
36. Fuller statement in Notes 45–46 of Chapter 16.
37. Fuller statement in Note 48 of Chapter 16.
38. Picciotto, 'The International Capital'.
39. Anthony Brewer, *Marxist Theories of Imperialism: A Critical Survey*, 2nd ed. (London: Routledge, 1990), 25.
40. Marx, *Capital*, vol. III, pp. 237–239; Marx, *Capital*, vol. I, 450–451; Marx, *Poverty of Philosophy*, as quoted by Charles Barone, *Marxist Thought on Imperialism: Survey and Critique* (London: Routledge, 1985), 11–12.
41. See Note 51 of Chapter 16.
42. Dimitris Milonakis and Ben Fine, *From Political Economy to Economics: Method, the Social and the Historical in the Evolution of Economic Theory* (Abingdon: Routledge, 2009), 26, 33–36, 71–72.
43. See Paul and Amawi, 'Theories', 16–19; Crane and Amawi, 'Theories', 11–12; Jackson and Sørensen, *Introduction*, 182–183.
44. See Notes 7–14 of Chapter 14.
45. Moravcsik, 'Robert Keohane', 244–248.
46. See Note 22 of Chapter 4.
47. Keohane and Nye, *Power and Interdependence*, 3rd ed., 21–31, esp. 21–27.
48. Keohane, *After Hegemony*, 79–80.
49. Keohane and Nye, 'Power and Interdependence Revisited', 732–733.
50. Notes 26–27 of Chapter 14.
51. Walker, 'A Circumspect Revival', 151.
52. J. G. Ruggie, 'International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order', *International Organization* 36, no. 2 (Spring 1982): 379–415.
53. *Ibid.*, 382–383, 393.
54. J. G. Ruggie, 'Taking Embedded Liberalism Global: The Corporate Connection', in *Taming Globalization: Frontiers of Governance*, eds D. Held and M. Koenig-Archibugi (Cambridge: Polity Press, 2003), 93–94.
55. See Michael Rauscher, *International Trade, Factor Movements, and the Environment* (Oxford: Clarendon Press, 1997), 122; Knud Erik Jørgensen, 'The International Political Economy Tradition', in *International Relations Theory: A New Introduction* (London: Palgrave Macmillan, 2018), 157–158.
56. Paul and Amawi, 'Theories', 21.
57. Lars Magnusson, *Mercantilism: The Shaping of an Economic Language* (London: Routledge, 1994), vii.
58. See Feng Xingyuan, Christer Ljungwall, and He Guangwen, *The Ecology of Chinese Private Enterprises* (Singapore: World Scientific Publishing, 2015), 26.

59. Jonah D. Levy, 'The Transformations of the Statist Model', in *The Oxford Handbook of Transformations of the State*, eds Stephan Leibfried, Evelyne Huber, Jonah D. Levy, Matthew Lange, Stephan Leibfried, and Frank Nullmeier (Oxford: Oxford University Press, 2015), 400.
60. Iain Pirie, *The Korean Developmental State: From Dirigisme to Neo-liberalism* (London: Routledge, 2008), 1.
61. Robert Gilpin, 'Conversations in International Relations: Interview with Robert Gilpin', *International Relations* 19, no. 3 (2005): 361–372, esp. 368, available at <https://doi.org/10.1177/0047117805055412> (accessed on 26 August 2020).
62. Robert Gilpin, 'The Politics of Transnational Economic Relations', *International Organization* 25, no. 3 (Summer 1971): 398–341; Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981), 19, both cited in Paul and Amawi, 'Theories', 22.
63. See Krasner, 'State Power', 321–323.
64. Steven B. Krasner, 'Global Communications and National Power: Life on the Pareto Frontier', *World Politics* 43 (1991): 336–366, cited in Paul and Amawi, 'Theories', 22–23.
65. Gilpin, *Global Political Economy*, 15–16.
66. Jonathan Kirshner, 'Realist International Political Economy: Traditional Themes and Contemporary Challenges', in *Routledge Handbook of International Political Economy (IPE): IPE as a Global Conversation*, ed. Mark Blyth (London: Routledge, 2009), 38.
67. Paul and Amawi, 'Theories', 23. This section draws heavily on this source, pp. 21–24; and Jørgensen, *International Relations Theory*, 144–148, except for the references independently explored.
68. See Robert Cox, 'Social Forces, States and World Orders: Beyond International Relations Theory', *Millennium Journal of International Studies* 10, no. 126 (1981): 126–155, esp. 128–130, available at <https://doi.org/10.1177/03058298810100020501> (accessed on 8 April 2021).
69. For the triptych, *ibid.*, 135–138; for historical blocs, Robert Cox, 'Gramsci, Hegemony and International Relations: An Essay in Method' *Millennium Journal of International Studies* 12, no. 2 (1983): 162–175, in Robert Cox with Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 131–135.
70. Randall Germain, 'Of Margins, Traditions and Engagements: A Brief Disciplinary History of IPE in Canada', in *Routledge Handbook of International Political Economy (IPE): IPE as a Global Conversation*, ed. Mark Blyth (London: Routledge, 2009), 87.
71. Jackson and Sørensen, *Introduction*, 187.
72. Cox, 'Social Forces', 139.
73. Robert Cox, 'Influences and Commitments', in Robert Cox with Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 31.
74. Robert Cox, 'The Global Political Economy and Social Choice', in Robert Cox with Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 193.
75. Higgott, 'International Political Economy', p. 162.
76. Charles P. Kindleberger, *The World in Depression, 1929–1939*, revised and enlarged edition (Berkeley: University of California Press, 1986), pp. 290, and 304.
77. Robert Pahre, *Leading Questions: How Hegemony Affects the International Political Economy* (Ann Arbor: University of Michigan Press, 1999), p. 23.
78. See Higgott, 'International Political Economy', 160, for analysis and references.
79. Notes 24 and 32 of Chapter 15.
80. Keohane, *After Hegemony*, 32–33.
81. Wallerstein, *Capitalism Future*, 11–16; Note 84 of Chapter 20.
82. Jackson and Sørensen, *Introduction*, 192–194; S. Strange, 'The Persistent Myth of Lost Hegemony', *International Organization* 41, no. 4: 551–574; Joseph S. Nye, Jr., *Bound to*

- Lead: The Changing Nature of American Power* (New York, NY: Basic Books, 1990), cited in *ibid.*
83. Bruce Russett, 'The Mysterious Case of Vanishing Hegemony; or, Is Mark Twain Really Dead?' *International Organization* 39, no. 2 (1985): 207–231.
  84. Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University, 1996), 21.
  85. H. Milner and J. Snyder, 'Lost Hegemony?' *International Organization* 42, no. 4 (1988): 749–750.
  86. Notes 38–39, 52–53 and 65 of Chapter 18.
  87. Wallerstein, *Politics of the World-Economy*; Samir Amin, 'Toward a Structural Crisis of World Capitalism', *Socialist Revolution* 5, no. 1 (1975): 1–25.
  88. Cox, 'Towards a Post-hegemonic Conceptualization of World Order: Reflection on the Relevancy of Ibn Khaldun', in Robert Cox with Timothy J. Sinclair, *Approaches to World Order* (Cambridge: Cambridge University Press, 1996), 151.
  89. Higgott, 'International Political Economy', 160.
  90. Cohen, *International Political Economy*, 68.
  91. B. R. Posen, 'Command of the Commons: Military Foundation of U.S. Hegemony', *International Security* 28, no. 1 (2003): 5–46, cited with comments by Ian Clark, *Hegemony in International Society* (Oxford: Oxford University Press, 2011), 24–27.
  92. Strange, *States and Markets*; Stephen Gill and David Law, *The Global Political Economy* (New York, NY: Harvester, 1988), cited after comments by O'Brien, 'International Political Economy and International Relations', 89–90, 94–99.
  93. Jørgensen, *International Relations*, 150–151.
  94. Michael Veseth, 'International Political Economy', in *Global Security and International Political Economy*, eds P. Bilgin, P. D. Williams, M. Sekiguchi, J. K. Galbraith, S. T. Inayatullah, J. Wiener, R. A. Schrire, and I. L. Murphy, vol. III (Singapore: EOLSS, 2010), 59–60, 41.
  95. James E. Alt and Kenneth A. Shepsle, 'Editor's Introduction', in *Perspectives on Positive Political Economy*, eds James E. Alt and Kenneth A. Shepsle (Cambridge: Cambridge University Press, 1990), 1.
  96. See Leopold Kohr, 'The Power Theory of Aggression', available at <http://www.panarchy.org/kohr/power.html> (accessed on 18 May 2019); Veseth, 'International Political Economy', 60; Eric Helleiner, 'International Political Economy and the Greens', *New Political Economy* 1, no. 1 (1996): 59–77; Paul and Amawi, 'Theories', 328–332.
  97. For feminism in new IPE generally, and citation of Spike V. Peterson's, *A Critical Rewriting of Global Political Economy*, see Juanita Elias and Adrienne Roberts, 'Introduction: Situating Gender Scholarship in IPE', in *Handbook on the International Political Economy of Gender*, eds Juanita Elias and Adrienne Roberts (Cheltenham: Edward Elgar, 2018), 2–3; Veseth, 'International Political Economy', 60–61.
  98. Veseth, 'International Political Economy', 61.
  99. Andreas Bieler and Adam David Morton, 'The Deficits of Discourse in IPE: Turning Base Metal into Gold', *International Studies Quarterly* 52, no. 1 (2008): 103–128, esp. 112–113, cited in Penny Griffin, 'Gender, IPE and Poststructuralism: Problematizing the Material/Discursive Divide', in *Handbook on the International Political Economy of Gender*, eds Juanita Elias and Adrienne Roberts (Cheltenham: Edward Elgar, 2018), 86–87.
  100. Penny Griffin, 'Poststructuralism in/and IPE', in *Critical International Political Economy: Dialogue, Debate and Dissensus*, eds Stuart Shields, Ian Bruff, and Huw Macartney (New York, NY: Palgrave Macmillan, 2011), 43–44.
  101. Martin Coward, 'Securing the Global (Bio)Political Economy: Empire, Poststructuralism and Political Economy', in *International Political Economy and Poststructural Politics*, ed. Marieke De Goede (New York, NY: Palgrave Macmillan, 2006), 60–61.