The most severe constraints on modern politics have been those generated around the international economy. Capital flows over state borders can derail economies and destroy political aspiration. Changes in the prices at which goods are traded across state borders, sometimes brought about by governments themselves, can cause economic crises, precipitate regime change, and intensify geo-political conflict. By joining a monetary union or adopting another state’s currency, states commit themselves to economic policies that deprive them of the kinds of political authority and power and a rhetorical language in which to describe modern politics that most have long taken for granted. Yet the international economy also creates political opportunities that can decisively turn a country’s politics in a new direction, as China’s recent economic development has demonstrated.

This paper looks at modern politics in this context. It puts today’s debates about the nature of the international economy and its implications for modern politics in a historical context. The paper uses that historical understanding of both the arguments about economic life and the decisions governments have made about how to deal with international economic questions to illuminate different aspects of the domestic and international politics of modern nation-states today.

LECTURES

*Michaelmas term*

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<th>Day</th>
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<td>The politics of the inter-war years (Helen Thompson)</td>
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5. The Bretton Woods settlement II (Helen Thompson)
6. The collapse of Bretton Woods (Helen Thompson)

7. The politics of financial liberalisation 1974-1989: western Europe (Helen Thompson)
8. The creation of the euro (Helen Thompson)
9. Liberalisation and development (Jeremy Green)
10. The political economy of the environment (Jeremy Green)
11. The rise of China (Helen Thompson)
12. The geo-political economy of Russia’s return (Helen Thompson)
13. Global imbalances (Jeremy Green)
14. The financial crisis 2008 (Helen Thompson)
15. The euro zone crisis (Helen Thompson)
16. The political economy of energy (Helen Thompson)

*Lent term*
Tuesdays at 12

17. Permanent crisis? (Jeremy Green)
18. The re-rise of finance and the politics of distribution (Helen Thompson)
19. The future of the international monetary order (Jeremy Green)
20. The future of the liberal order (Jeremy Green)

**CLASSES**
Tuesdays at 12

There will be four classes, one a week in weeks 5-8 of Lent term. These will be taught by Jeremy Green.

1. The making of an international economy
2. Capital flows and democratic politics 1919-2007
3. Politics in a time of economic crisis
4. The limits of the international economy

**SUPERVISIONS**

You are expected to write six essays for this paper.

For essays in which you are thinking about specific examples, you should try to read some of the general reading as well as that about the particular case/s you choose.

You have about 4-5 days to write any supervision essay for this paper. You are expected to use this time and essays will be marked on the assumption that you have given this amount of time to each essay.

Essays should be at least 2000 words. There is no upper word limit.
Essays should be word-processed, double-spaced, paginated, and include a bibliography and references for citations and quotations. They should be proof read before you submit them.

Writing clearly, accurately and precisely is very important, and you cannot write a good essay without paying attention to these matters: remember, linguistic precision is a necessary condition of a clear and persuasive argument.

If you are having difficulty with punctuation or structuring sentences take a look at: http://owl.english.purdue.edu/owl/

Plagiarism is unacceptable and will not be tolerated. Any student found plagiarising supervising essays (copying from books or the internet, buying essays from the internet, or taking essays from another students) shall be reported to his or her college. Anybody caught plagiarising in the examination will be reported to the University Proctors to begin a disciplinary investigation. Students are expected to have read the Faculty’s statement on plagiarism.

TOPICS, READING AND ESSAY QUESTIONS

There are nineteen supervision topics, some of which cover a quite broad scope of material. All are examinable although there will not be a question on every topic in every exam paper. The reading marked • is the required reading for the essay, except where otherwise stated, and the reading beneath that is listed for those who may wish to read further.

1. The origins of the modern international economy

Wallerstein, I. (2011). The modern world-system I: Capitalist agriculture and the
Essay:

Was the birth of a modern international economy the result of social and political dynamics internal to Early Modern Europe?

2. The rise of the West


Essay:

Why did the West become the dominant centre of global economic and political power?
3. The politics of the inter-war years


Charles Feinstein, Peter Temen, and Gianni Toniolo, *The European economy between the wars* (Oxford: Oxford University Press, 1997), chs. 2, 3, 5, 6, 8, 10.


Liaquat Ahamed, ‘Currency wars then and now’ *Foreign Affairs*, March/April 2011 vol 90 no 2.


**Essay**
Why did governments find it so difficult to sustain an open international economy during the inter-war years?

**4 and 5. The Bretton Woods settlement**

- Helen Thompson, *Might, right, prosperity and consent: representative democracy and the international economy* (Manchester: Manchester University Press, 2009), ch. 3.


**Essay:**

Either:
What conclusions did the architects of Bretton Woods draw from the inter-war years?

Or:
Why was the post-war monetary order that emerged from 1948 not the one the Bretton Woods’ architects intended in 1944?
6. The collapse of Bretton Woods

- Eric Helleiner, States and the re-emergence of global finance: from Bretton Woods to the 1990s (Ithaca: Cornell University Press, 1994), part II.
- Andrew Britton, Monetary regimes of the twentieth century, (Cambridge: Cambridge University Press, 2001), chs. 6-8.
- Jeffry A. Frieden, The fall and rise of global capitalism (New York: W.W. Norton, 2006), ch.15
- Helen Thompson, Might, right, prosperity and consent: representative democracy and the international economy (Manchester: Manchester University Press, 2009), pp. 131-151.


**Essay:** How far was the Bretton Woods system destroyed by its own contradictions?


*For a general interview of the implications of financial liberalisation*


**Britain**

*On the 1970s and the Thatcher governments*


D. Smith, *(From boom to bust: trial and error in British economic policy 2nd revised*


France


Germany


Linda Weiss, The myth of the powerless state: governing the economy in a global era (Cambridge: Polity, 1999), ch. 5.


Social democracy in western Europe


Essay:

What were the domestic political consequences of financial liberalisation in western Europe? Discuss with reference to at least two of the UK, France and Germany.

8. The creation of the euro


Essay:

Why did the EU create a monetary union?
9. Liberalisation and development


**Essay:**

Are liberalised financial flows compatible with stable economic development?

10. Political economy and the environment


Clémençon, R. (2016). The two sides of the Paris climate agreement: Dismal failure or historic breakthrough?.


**Essay:**

How transformative is the concept of the ‘Great Acceleration’ for our understanding of the post-WWII international economy?
11. The rise of China

- Eyck Freymann, *One belt, one road; Chinese power meets the world* (Cambridge MA: Harvard University Press).


**US-China relations**


Charles Glaser, ‘Will China’s rise lead to war?’ *Foreign Affairs*, March/April 2011.


**China and renminbi internationalisation**


Eric Helleiner and Jonathan Kirshner (eds.) *The great wall of money: power and politics in China's international monetary relations* (Ithaca: Cornell University Press, 2014), chs. 7 and 8.


**One belt, one road**

Peter Ferdinand, Westward ho – the China dream, and ‘one belt, one road,’ *International Affairs*, 2016, vol 92, no 4, pp. 941-957.
Jacob Stokes, ‘China’s road rules: Beijing looks west towards Eurasian integration,’ *Foreign Affairs*, 2015, 19 April.

**China and East Asia**

**China and Africa**
Howard French, China’s second continent (New York: Random House 2015).

**Essay:** Why did China’s integration into the international economy prove so disruptive?

**12. The geo-political economy of Russia’s return**

- Richard Sakwa, *Russia against the rest: the post-cold war crisis of the world order* (Cambridge: Cambridge University Press), chs 1-2, 5, 8, 10, 11 and conclusion.
- Andrej Krickovic, ‘Imperial nostalgia or prudent geopolitics? Russia’s efforts to reintegrate the post-Soviet space in geopolitical perspective,’ *Post-Soviet Affairs*, vol. 30, no. 6, 2014, pp. 513-528.

Mark Rassin, Sergey Glebov and Marlène Laruelle (eds.) *Between Europe and Asia: the origins, theories and legacies of Russian Eurasianism* (Pittsburg: University of Pittsburgh Press).


**Russia and energy**


**Essay:** How far does Russia’s geo-political return explain the defeat of the post-Cold War aspiration for a liberal international order?

**13. Global imbalances**


*Klein, M. C., & Pettis, M. (2020).*Trade wars are class wars: How rising inequality distorts the global economy and threatens international peace.* Yale University Press.*


**Essay:**

What are the causes and consequences of enduring payments imbalances between countries within the international economy?

**14. The 2008 financial crisis**


Carmen Rinehart & Nouriel Roubini (eds.) *This time is different: eight centuries of financial folly* (Princeton: Princeton University Press).

Philippe Legrain, *Aftershock: reshaping the world economy after the crisis* (Little Brown, 2010).


**Essay**: Was the 2008 financial crisis caused by a banking glut?
15. The 2009-2012 euro zone crisis

- Adam Tooze, Germany’s unsustainable growth: austerity now, stagnation later’ *Foreign Affairs* Aug/Sep 2012.
- Andrew Moravcsik, ‘Europe after the crisis: how to sustain a common currency’ *Foreign Affairs*, vol. 91 no. 3, 2012.
- Paul Krugman, *End this depression now* (New York: W.W. Norton 2012), ch. 10.

Greece
Vassilis Fouskas and Constantine Dimoulas, Greece, financialisation and the EU: the political economy of debt and destruction (Basingstoke: Palgrave Macmillan 2013).
Matthew Lyn, Bust: Greece, the euro and the sovereign debt crisis (Hoboken: John Wiley and son, 2010).
Michael Mitsopoulos and Theodore Pelagidis, Understanding the crisis in Greece: from boom to bust (Basingstoke: Palgrave 2011).
Jason Manolopoulos, Greece’s odious debt: the looting of the Hellenic republic by the euro, the political elite and the investment community (London: Anthem Press, 2011)

Essay: How far was the 2009-12 euro-zone crisis generated by the structural foundations of the euro-zone itself?

16. The political economy of energy

• Helen Thompson, Oil and the western economic crisis (London: Palgrave 2017).
• Daniel Yergin, The quest: energy, security, and the remaking of the modern world (Harmondsworth: Penguin, 2012), parts I and II
• Rachel Bronson, ‘The United States in the Middle East: bound by growing energy demand’, Middle East Policy, vol XX, 2014, pp. 34-49.


Pavel K. Baev, *The south stream versus Nabucco pipeline race*: political and economic (ir)rationales and political stakes in mega-projects,* International Affairs, 86 (5), 2010, 1075-1190;


Monique Taylor *The Chinese state, oil and energy security* (London: Routledge, 2014). chs. 6-8


Duane Chapman, ‘Gulf oil and international security: can the world’s only superpower keep the oil flowing,’ in Daniel Moran and James Russell (eds.), *Energy security and global politics: the militarisation of resource management* (London: Routledge, 2008).

**General**


**World War II**
Daniel Yergin, *The prize: the epic quest for oil, money and power* (Free Press, 1993), Part III.


**1950s-1970s**
Daniel Yergin, *The prize: the epic quest for oil, money and power* (Free Press, 1993), parts IV and V


**Essay**: How far has the political economy of energy shaped the post-2001 economic and political world?

**17. Permanent crisis?**


Essay:

Are rising debt levels symptomatic of a permanent crisis within global capitalism?

18. The re-rise of finance and the politics of distribution


**Essay:** Does the power of finance preclude radical politics?

**19. The future of the international monetary order**


Essay:

How robust are the foundations of the dollar’s international dominance?

20. The future of the liberal order


*Ikenberry, G. J. (2018). The end of liberal international order?. International Affairs, 94(1), 7-23.


Essay:

Is the instability of the liberal international order an inevitable consequence of globalized capitalism?
ASSESSMENT

This paper is by examination only. Note that of the 19 examinable topics set out above not all will appear on any one year's exam paper and some questions will be either/or.

Sample Exam Paper

Candidates must answer three questions.

1. To what extent do European institutional innovations explain the rise of the West?

2. Why did it prove so difficult to reconcile democratic politics with an open international economy during the inter-war years?

3. Why did the United States sponsor the Bretton Woods agreement?

4. How far does American domestic politics explain the end of Bretton Woods?

5. What was the price of financial liberalisation for developed-country states? Discuss with reference to at least one European state.

6. Do the gains for other states of China's economic rise outweigh the costs?

7. What has been the economic and political impact of Russia's return as a great power?

8. EITHER How far did the origins of the euro-zone lie in the nature of the post-Bretton Woods international economy?
   OR How far was the euro-zone crisis of 2010-12 a banking crisis?

9. Were causes of the financial crisis of 2008 political?

10. What does oil explain about the political economy facing western countries since 2008?

11. Why did the 2008 economic crash fuel such democratic discontent in western countries?

12. What determines how financial liberalisation affects developmental outcomes?

13. Does the environmental crisis necessitate the scaling back of globalisation?
14. Are global imbalances a threat to the stability of the international economy?

15. How did the Global Financial Crisis affect the dollar’s international role?

16. Is the liberal international order able to withstand contemporary pressures?