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*

1. Origins of the modern international economy (Jeremy Green)
2. The rise of the West (Jeremy Green)
3. The politics of the inter-war years (Helen Thompson)
4. The Bretton Woods settlement I (Helen Thompson)
5. The Bretton Woods settlement II (Helen Thompson)
6. The crisis of the 1970s 1: The collapse of Bretton Woods (Helen Thompson)
7. The crisis of the 1970s 2: the energy crisis and the new geopolitical economic order (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 geopolitical economy of Russia’s return (Helen Thompson)
13. Global imbalances (Jeremy Green)
14. The financial crisis 2007-8 (Helen Thompson)
15. The euro zone crisis (Helen Thompson)
16. The geopolitical economy of energy 2001- (Helen Thompson)

Lent term

17. Permanent crisis? (Jeremy Green)
18. The re-rise of finance and the post-2008 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

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

International monetary politics and democracy


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.


The geo-economic origins of the Second World War

• John Darwin, The Empire project: the rise and fall of the British world system, 1830–1970 (Cambridge, 2009), chs. 8-11.
• Mark Mazower, Hitler’s empire: Nazi rule in occupied Europe, London: Penguin, 2009, chs. 2-3, 17-18,

Adam Tooze, https://adamtooze.substack.com/p/chartbook-newsletter-25
Karl Polanyi, The great transformation: the political and economic origins of our times (Boston: Beacon Press, 1944), chs. 2, 19, 20.
Jon Jacobson, When the Soviet Union entered world politics, Berkeley and Los Angeles: University of California Press, 1994,
Andreas Hillgruber, Germany and the two world wars, trans. William Kirby, Cambridge, MA, and London: Harvard University Press,

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

OR What part did the economics of empire play in the geopolitical origins of the the Second World War?
4 and 5. The Bretton Woods settlement

• Andrew Britton, *Monetary regimes of the twentieth century* (Cambridge: Cambridge University Press, 2001), chs. 4-5.
• Helen Thompson, *Might, right, prosperity and consent: representative democracy and the international economy* (Manchester: Manchester University Press, 2009), ch. 3.
• Jeffry A. Frieden, *The fall and rise of global capitalism* (New York: W.W. Norton, 2006), ch. 11.


**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 crisis of the 1970s 1: The collapse of Bretton Woods**

- Jeffry A. Frieden, *The fall and rise of global capitalism* (New York: W.W. Norton, 2006), ch.15


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

7. **The crisis of the 1970s 2: the energy crisis and the new geopolitical economic order**

- Helen Thompson, *Oil and the western economic crisis* (London: Palgrave, 2017), ch. 4

Matthew Connelly, ‘Future shock; the end of the world as they knew it’ in *The shock of the global: the 1970s in perspective* edited by Niall Ferguson, Charles S. Maier, Erez Manela, Daniel J. Sargent


**The domestic politics of US energy decline**


**The long history of energy and population**


**The limits to growth debate**
World Commission on Environment and Development, Our common future, 1987
https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf
Francis Sandbach, ‘The rise and fall of the limits to growth debate’, Social Studies
of Science, 1978, vol 8 no 4, pp. 495-520.

Essay: What were the geopolitical consequences of the economic upheavals of
the 1970s?

8. The creation of the euro

• Barry Eichengreen and Jeffry Frieden, The political economy of European
• Andrew Moravcsik, The choice for Europe: social purpose and state power from
• Loukas Tsoukalis, The new European economy revisited, Third ed. (Oxford:
Oxford University Press, 1997), chs. 7-8.
• David Marsh, The euro: the battle for the new global currency (New Haven: Yale
University Press, 2009) chs. 3-6.
• Harald James, Making the European monetary union (Cambridge MA: Harvard

Daniel Gros and Niels Thygesen, European monetary integration from the
European monetary system to the European monetary union, second ed.

C. Randall Henning, ‘Systemic conflict and regional monetary integration: the case

Otmar Issing, The birth of the euro (Cambridge: Cambridge University Press,
2008).

Carlo Altomante and Mario Nava, Economics and policies of an enlarged Europe
Wayne Sandholtz, ‘Choosing union: monetary politics and Maastricht,’
International Organisation 41, 1, 1993, pp. 1-40.
Kenneth Dyson and Kevin Featherstone, The road to Maastricht (Oxford: Oxford
University Press, 1999).

Thomas Pederson, Germany, France and the integration of Europe: a realist

Kevin Dowd, ‘The misguided drive toward monetary union.’ in Money and the
nation-state: the financial revolution, government and the world monetary
system, eds. Kevin Dowd and Richard H. Timberlake Jr (London:

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.
Andrew Small, ‘The backlash to belt and road: a south Asian battle over Chinese economic affairs,’ Foreign Affairs, 2018, February.
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
• Daniel Yergin, The new map: energy, climate, and the clash of nations (London: Allen Lane, 2020), chs. 9-16
• 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
Pavel Baev, Russian energy policy and military power: Putin's quest for greatness, (London: Routledge, 2009)

Essay: What does Russia’s return explain about the geopolitics of the present world economy?

13. Global imbalances


**Essay:**

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

14. The 2007-8 financial crisis


Paul Krugman, The return of depression economics and the crisis of 2008 (London: Allen Lane, 2008), chs 7-10
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).
George Cooper, The origin of financial crises: central banks, credit bubbles and the efficient market fallacy (Harriman House Publishing 2008).
Terence Casey (ed), The legacy of the crash: how the financial crash changed Britain and America (New York: Palgrave 2011).

Essay: Was the 2007-8 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.


Paul Krugman, *End this depression now* (New York: W.W. Norton 2012), ch. 10.


**Greece**


Matthew Lyn, *Bust: Greece, the euro and the sovereign debt crisis* (Hoboken: John Wiley and son, 2010).


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 geopolitical economy of energy 2001-

• Helen Thompson, *Oil and the western economic crisis* (London: Palgrave 2017).
• The Oxford Institute for Energy Studies, ‘The geopolitics of energy: out with the old, in with the new?’ February 2021 Issue no 126

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).
Helen Thompson, ‘The geopolitical fight to come over green energy,’ https://engelsbergideas.com/essays/the-geopolitical-fight-to-come-over-green-energy/

General
Brenda Shaffer, Energy politics (University of Pennsylvania Press, 2009), chapter 2.

Essay: What does energy explain about the geopolitics of the world economy in the 21st century?

17. Permanent crisis?


Essay:

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

18. The re-rise of finance and the post-2008 politics of distribution


• John Judis, The populist explosion: how the great recession transformed American and European politics (New York: Columbia Global Reports, 2016).


• Peter A. Gourevitch, Yet more hard times?: reflections on the great recession in the frame of earlier hard times’ in Miles Kahler and David A. Lake (eds.), Politics in the new hard times: the great recession in comparative perspective, (Ithaca: Cornell University Press, 2013).

• Thomas Piketty, Capital in the twenty-first century, (Cambridge, MA: Harvard University Press, 2014), parts II and III.

• Wolfgang Streeck, How will capitalism end: essays on a failing system, (London: Verso, 2016), ch. 2.
Jacob Hacker and Paul Pierson, Winner-takes-all politics: how Washington made the rich richer and turned its back on the middle class (London: Simon Schuster 2011), parts 1 and 3.
Ferdinand Mount, The new few: or a very British oligarchy (London: Simon and Schuster 2012), parts 1 and 3.

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


**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 can 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. Was the 1970s economic crisis primarily an energy crisis?

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 the causes of the financial crisis of 2007-8 political?

10. How far is the bid for a green energy revolution transforming the geopolitics of the post-2001 world economy?

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?