POL18: The politics of the international economy
2022-23

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CONTENT

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 (Jeremy Green)
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


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
• Helen Thompson, *Might, right, prosperity and consent: representative democracy and the international economy* 1919-2001 (Manchester: Manchester University Press, 2009), ch. 2.


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*


Adam Tooze, https://adamtooze.substack.com/p/chartbook-newsletter-25


**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
• Eric Helleiner, States and the re-emergence of global finance: from Bretton Woods to the 1990s (Ithaca: Cornell University Press, 1994), part I.


• 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.


Donald Markwell (ed.) John Maynard Keynes and international relations; economic paths to war and peace (Oxford: Oxford University Press, 2006), ch. 6.


Charles Maier, ‘The politics of productivity: foundations of American international economic policy after World War II,’ in Between power and plenty: the


Essay:

EITHER:
What conclusions did the architects of Bretton Woods draw from the historical experience of 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

- Eric Helleiner, States and the re-emergence of global finance: from Bretton Woods to the 1990s (Ithaca: Cornell University Press, 1994), part II.
- Helen Thompson, Disorder: Hard times in the 21st century, ch 4.
- James L. Butkiewicz and Scott Ohlmacher, ‘Ending Bretton Woods: evidence from the Nixon tapes,’ The Economic History Review, February 2021,
- 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


**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**


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 limits to growth debate*


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 energy upheavals of the 1970s?

8. **The creation of the euro**


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

**Essay:** Why did the EU create a monetary union?

**9. Liberalisation and development**

Wade, R. H. (2003). What strategies are viable for developing countries today?
The World Trade Organization and the shrinking of ‘development space’. 
*Review of international political economy*, 10(4), 621-644.

**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

- Pranab Bardhan, Awakening giants, feet of clay: assessing the economic rise of China and India (Princeton: Princeton University Press, 2016), chs 1, 2, 5 and 10.
- Eyck Freymann, One belt, one road; Chinese power meets the world (Cambridge MA: Harvard University Press).

Elizabeth Economy, The world according to China (Cambridge: Polity 2021).

Robert Bickers, Out of China: how the Chinese ended the era of western domination (Harmondsworth: Penguin 2018),


**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.


**China and energy**


**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.


Eric Pardo Sauvageot ‘Between Russia as producer and Ukraine as a transit country: EU dilemma of interdependence and energy security,’ *Energy Policy* 2020 vol 145, October.

On Russia in the 1990s


Russia and energy under Putin 2000-2014

Russian geopolitics in long history
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).

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**


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 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.
Martin Feldstein, ‘EMU and international conflict,’ *Foreign Affairs*, vol. 76, no. 6, 1997, pp. 60–73.
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.
Matthias Matthijs. ‘Integration at what price? The erosion of national democracy in the periphery of the euro zone?’ *Government and Opposition*, vol. 52, no. 2,
2017, pp. 266-294.

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 geopolitical economy of energy 2001-

• Helen Thompson, Disorder: Hard Times in the 21st Century (Oxford: Oxford University Press), ch 3, ch 6 and conclusion
• Daniel Yergin, The quest: energy, security, and the remaking of the modern world (Harmondsworth: Penguin, 2012), parts I and II.
• The Oxford Institute for Energy Studies, ‘The geopolitics of energy: out with the old, in with the new?’ February 2021 Issue no 126

**Fossil fuel energy**


**The energy transition**
Guillaume Pitron *The Rare Metals War: the dark side of clean energy and digital technologies* (London: Scribe UK).

**Russia**


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**


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

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


**Essay**: How robust are the foundations of the dollar’s international dominance?
18. The re-rise of finance and the post-2008 politics of distribution


**Essay:** Does the power of finance preclude radical politics?
19. Global financial hierarchy after the pandemic


**Essay:** What have the pandemic and its legacies revealed about the nature of global financial hierarchy?
20. The political economy of green transition


Dafermos, Y., Gabor, D., Nikolaidi, M., Pawloff, A., & van Lerven, F. (2020). Decarbonising is easy: Beyond market neutrality in the ECB’s corporate QE.


**Green New Deal**


**Global South**
Green transition case studies


Essay: Which factors are most determinative for the prospects of green transition?

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?