

Preface: Rethinking Global Political Economy in the 21st century

Why this book?

Existing textbooks on International Political Economy (IPE) or Global Political Economy (GPE) prefer a theory-oriented introduction to the field. They provide students with the impression that the important dividing lines in GPE are located along theoretical boundaries. Typically, the authors of these books first provide a summary of different schools of thought or specific theories that in turn are meant to structure how students should approach the field. We have chosen to pursue a different approach that is more in line with how contemporary GPE scholarship operates in practice.

As a result, we eschew neat but ultimately simplistic classifications such as between a US and a British School of International Political Economy to make sense of IPE (Cohen, 2008). For sure, these divisions are based on existing philosophical and theoretical differences on how scholars see, comprehend and analyse specific phenomena in the Global Political Economy. However, we believe that contemporary GPE scholarship more often than not transcends these boundaries when it comes to empirical work. In other words, these purportedly essential dividing lines turn into rather fluid boundaries, with many scholars feeling increasingly uncomfortable with clear theoretical or meta-theoretical labels attached to their work (Blyth, 2009; Ravenhill, 2007).

Resonating with the spirit of Susan Strange's (1994b) famous call-out to Stephen Krasner, titled "Wake up, Krasner! The World has Changed", we argue that current, unprecedented, constantly evolving, both material and ideational transformations such as climate change, the growing frequency of pandemics, and the rise of China require a radical rethinking of entrenched beliefs at the heart of the field of GPE, not as a choice, but as a necessity. This constitutes an opportunity to rethink GPE, ensuring that it remains relevant and responsive in an ever-evolving landscape marked by rapid and increased interconnections among peoples, issues and regions.

Clearly, there are several transformations taking place. However, we focus on four that stand out for their undeniable relevance and impact on the Global Political Economy, everyday life, and the discipline of GPE:

- 1 *Profound global power shifts* that involve ideational and material changes that question the validity and relevance of the liberal international order established after World War II. Symptoms of these broader historical processes include the emergence of new powerful actors such as China, and the BRICS (Brazil, Russia, India, China, and South Africa), the increasing frequency and depth of financial crises, and the rise of populism and nationalism worldwide, exemplified by Donald Trump's election as the President of the United States and the United Kingdom's departure from the European Union, commonly known as Brexit.
- 2 *The rise of the Anthropocene*, an unpredictable era that constitutes a new phase in planetary history in which humans have and continue to change the dynamics and functioning of earth systems. This phenomenon raises questions regarding its effects on politics, economics and every aspect of society. These issues have their roots in the past but pose essential questions for the future. For example, the COVID-19 pandemic has been described as the first global economic crisis of the Anthropocene, and it is a reminder that human control over nature, on which modern life rests, is more fragile than we like to acknowledge.
- 3 *The acceleration of technological transformations* that merge the physical, digital and biological spheres, reshaping daily human activities, and which characterised the Fourth Industrial Revolution. The rapid pace and significance of these transformations redefine how we understand and interact with our world and each other. For example, the digital world has redefined how we connect. Social networks are no longer mere platforms for communication but have evolved into business, political, economic and social spaces. Our focus here is not only on how we adapt to new technologies, but on the depth of their influence on society.
- 4 *The increased importance of identity politics* signifies a departure from purely materialist interpretations, embracing a holistic approach that considers the multifaceted nature of human identity – from gender, race and sexuality, to ethnicity and class. This approach acknowledges the growing importance and long-needed recognition of diverse experiences, voices and ideas from different societal groups, parts of the world and walks of life, providing a more nuanced understanding of power dynamics. For example, over the last few years, identity has been at the heart of social movements such as Black Lives Matter and the recent wave of feminisms in Latin America. As a result, this transformation sheds light on the historical entwinement of capitalism, patriarchy and colonialism – governing systems which have, over time, instituted structures of domination affecting some groups more than others.

Considering these four transformations, we present a conceptual and analytical framework essential to studying and investigating the 21st-century Global Political Economy that accounts for transformation and uncertainty. This framework allows for a comprehensive exploration of existing theoretical approaches, the methodologies used within the field, and the role of specific actors within power structures, global issues and problems. To begin this journey and establish the basis of the learning process, we pose fundamental questions such as: What exactly is GPE and what does it study?

What is GPE?

A fundamental requirement for graduate and undergraduate students to start studying any academic field is understanding what it is and what it entails. The pursuit of defining GPE manifests a diverse journey, reflecting the discipline's interdisciplinary reach, which considers and integrates contributions from International Relations, Economics, Political Science, History, Geography, Sociology and Law, among others.

As Robert Gilpin (1975, p. 43) pointed out, GPE is the “reciprocal and dynamic interaction in international relations of the pursuit of wealth and the pursuit of power”, a testament to the interplay between economic aspirations and political might. Likewise, Jones (2013, p. 813) acknowledged the “complex interrelationship between political and economic activity at the level of international relations”, thereby enriching the scope of our understanding. Echoing this, Ravenhill (2014) contends that GPE is fundamentally about examining the shaping forces of the global economic structure, their political influences and the subsequent shaping of societal conditions. In the recent academic landscape, an alternative approach to defining GPE is evident in the works of Cohn and Hira (2020), O'Brien and Williams (2020) and Oatley (2015). These authors articulate GPE not through a rigid definition but through an assembly of issues, examples and questions.

This book aims to harmonise these rich and varied interpretations into a coherent definition of GPE. We provide a clear guide for students to navigate the field. We see GPE as posited by Susan Strange (1988) not as a discipline, a subdiscipline, an approach or a theory. Rather we understand GPE as *a particular way to look at the world, a framework of analysis that explores the human condition and how it has been affected by growing interconnections and interdependencies between economic, political and social transformations*. At the heart of this definition lies the assumption that the economy operates as a contested stage of power struggles. Thus, an intrinsic interplay exists between the political and the economic, rendering it impossible to separate them when analysing national and international dynamics. Essentially, political actions constitute the backbone of the economic system, with economic interests forming the lifeblood of politics. As a result, separating national and international levels of analysis is impossible (Tussie, 2015).

What does GPE study?

GPE gives close attention to the role of power. However, contemporary GPE considers not only where power lies today, but where it comes from and its sources and characteristics. Power arrangements are relevant as they do not result from random outcomes. Instead, they result from human decisions and worldviews in specific historical and geographical contexts and circumstances. Consequently, GPE mainly investigates **four interconnected areas and sources of power** that structure the international system: **production, finance, trade and knowledge**. These underlying structures of the world economy influence the preferences and behaviour of political actors, including states, international organisations, multinational corporations, civil society groups, individuals, and others.

In other words, it is the constant interaction between political, economic and social structures and specific actors at different levels that encompass the field of GPE. As a result, GPE scholarship analyses these interactions in terms of power relations that lead to specific outcomes in the global economy. Consider, for example, the abstract term of global economic governance. On the one hand, it refers to the US-led liberal multilateral economic order in the post-World War II world. GPE scholarship provides important insights into its historical origins and maintenance from a variety of theoretical approaches and emphasising different actors and their respective sources of power. Some authors focus on states and international organisations and areas such as international trade or finance as the essential pillars of global economic governance. Other authors focus on non-state actors such as multinational companies, or more abstract categories such as a transnational capitalist class and areas such as hegemonic ideas or race relations, when discussing the origins and pillars of the global economic order. In sum, global economic governance can be studied from the perspective of diverse areas, actors and power resources within a unified framework of analysis.

What are you going to find in this book?

Each textbook has its own unique style and distinctive features. We wish to highlight three elements that help to distinguish this book from its competitors: (1) a problem-based approach, (2) theoretical pluralism and eclecticism, and (3) the in-depth discussion of worldviews beyond dominant narratives.

A problem-based approach

Rather than pursuing the traditional theory-oriented introduction of other textbooks, this book employs a problem-based approach to identify some of the most pressing GPE problems of the 21st century. It facilitates a comprehensive understanding of the four global transformations identified in this book, and its complexities across different power structures and geographical regions. We focus on *problems* that are global in nature as they result from historical waves of globalisation, marked by the increased interconnection and interdependence among peoples, issues and regions. Our goal is to use cases and situations in everyday life that students can relate to, and propose questions and activities to facilitate discussions and debates in the classroom. These problems are defined as *potentially harmful states of affairs that emerge from the friction between a globalised economy and a fragmented political authority, particularly in the areas of production, finance, trade and knowledge*. In this exploration of multifaceted global issues, we address, for example, global energy dependency, the rise of inequality within countries, and the commodification of personal data, among many others.

Theoretical pluralism and eclecticism

We highlight the value of theory, but at the same time we identify theories as context-bound rather than universally applicable. Therefore, our approach is not based on a predefined set

of theories that can be applied in the same way to every GPE problem. Instead, we present a broad repertoire of theoretical and methodological approaches to delve into each problem without unduly advancing or privileging any particular one. As a result, it becomes apparent that not all transformations, nor all theories, are applicable in a uniform manner. By anchoring our approach in current challenges and specific dynamics of the issues explored, the book seeks to reflect the complexity of contemporary GPE.

Worldviews beyond dominant narratives

The book recognises the historical, intellectual and material dominance of specific theoretical, ontological, epistemological and methodological perspectives in GPE. We contend, however, that a truly global perspective must integrate lenses, concepts, voices and ideas from different parts of the world and walks of life. Even though our take on global problems stems from the geographical Global South – which implies a political positionality and an ethical subjectivity – such an approach does not inherently imply a commitment to advance or privilege so-called critical theories and positions in GPE.

Following Karkour and Vieira (2023) we adopt the stance of “hybrid GPE scholars”. As a result of our common professional formation in the Global North and work experience in the Global South, we wish to distance ourselves from a purely territorial notion of positionality. Therefore, we try to integrate concepts, experiences and examples both from the notional Global North and Global South. In this way, we seek to broaden understanding by embracing a variety of schools of thought, offering an inclusive examination that reflects the complexity and diversity of the global landscape.

Organisation of the book

The journey through this textbook unfolds in two significant sections. The first part, Chapters 1 to 5, presents the main characteristics, worldviews, theoretical approaches and the historical evolution of GPE. Thus, we recommend reading this part first. Please note, though, that we privilege a conceptual rather than a theoretical overview of the field. In other words, we focus on specific concepts that figure prominently in contemporary GPE scholarship. These concepts emerge from specific worldviews and are usually related to specific theories, albeit they may appear in various theories with a somewhat different meaning.

The second part, Chapters 6 to 15, addresses distinct GPE problems. These chapters will deepen your understanding of how power structures impact the areas of production, trade, finance and knowledge. They highlight the four key dimensions of change and the relevant theoretical approaches that can shed light on these problems. In our selection of GPE problems, we have aimed for a balance of traditional and emerging ones. Of course, our list of problems is and cannot be exhaustive in any way.

Chapter 1 discusses the relevance of worldviews for understanding GPE. Worldviews are unexamined, pre-theoretical foundations of the approaches with which we understand and navigate the world. We discuss where worldviews in GPE come from and reflect on how

geographical location and real-life experiences shape what scholars “see”, think about and engage with as problems in GPE. We highlight how specific political, economic and social conditions shape how scholars interpret and apply concepts or theories in GPE.

Chapter 2 provides an overview of GPE approaches from an actor-focused perspective. It analyses the complex relationship between states and markets based on a variety of actors and their interactions to formulate specific GPE problems.

Chapter 3 provides an overview of GPE approaches from a structural power perspective. Here, GPE problems emerge because of structural and productive definitions of power and how these definitions are constitutive of actors’ identities and interests in the global economy.

Chapter 4 situates the relationship between states and markets in a historical context. It discusses how the discipline of classical political economy became fragmented in two distinct academic disciplines – economics and political science – during the 20th century as well as the contributions of several precursors of the field of IPE that (re)emerged in the latter part of the 20th century.

Chapter 5 introduces the analytical framework for the book based on four fundamental transformations of the global economy in the 21st century: profound global power shifts; the rise of the Anthropocene; the acceleration of technological transformations; and the increased importance of identity politics. These transformations provide the analytical backbone for the discussions of specific GPE problems in the second part of the book.

Chapter 6 analyses the dynamic changes in global trade governance and practice, focusing on trade policies’ historical context and emerging shifts from liberalisation to protectionism, including the resurgence of state-led development strategies. It discusses the implications of these transformations on global value chains and geopolitical tensions. Thus, it provides a critical analysis of these transformations and their implication for the future of global trade.

Chapter 7 highlights how the reemergence of financial globalisation has led to an increased number and depth of financial crises in the global economy. It distinguishes between three types of financial crises and two analytical categories to classify different theories that analyse their causes. The chapter also discusses how financial crises impinge on or are affected by issues of identity, the environment, and technological transformations.

Chapter 8 analyses the transformation of the global monetary system composed of states and national currencies into a multilayered global credit money system. It discusses the challenges for states to maintain monetary sovereignty in this new system of money creation as well as the ambivalent nature of digital or cryptocurrencies in their technological, financial, environmental and political dimensions.

Chapter 9 discusses the importance of the division of labour in a capitalist world economy. It analyses the evolution of the international division of labour towards a global division of labour, reflects on the current evolution of work and the possible consequences for the future of the Global Political Economy, and discusses the relationship between the global organisation of production and workers’ rights.

Chapter 10 explores the historical evolution of development ideas and practices within the Global Political Economy, from early theories to contemporary approaches. It examines the influence and contributions of key actors, including international organisations, states, civil society and multinational corporations, for shaping and redefining development agendas

over time. It highlights the interplay between development ideas and practices and the transformation of global capitalism in the 21st century.

Chapter 11 analyses the challenges and opportunities of the global transition towards renewable energy sources, and how this transformation impacts GPE dynamics. It evaluates the varied interests and roles of international institutions, multinational corporations, governments, civil society organisations and local communities concerning energy dependency, and analyses the impacts of these actors on the global energy landscape.

Chapter 12 explores inequalities within countries, across countries and globally. It highlights the contributions of economic and statistical studies of resource inequalities to a more encompassing GPE perspective on the socio-political dimension of inequalities, and addresses the ethical underpinnings of the discussion on global inequalities, including the level of acceptable inequality, the trade-offs in national and international policies to tackle inequalities, and the primacy of the fight against poverty vs. inequality.

Chapter 13 discusses what makes a product or an activity in the global economy illegal or illicit and why this difference matters. It highlights the contingent nature and social construction of illegal and illicit goods in the global economy and questions the role of states as declared “enemies” of illicit economies and critically analyses their ambivalent relationship with illicit economies.

Chapter 14 analyses the role of personal data in contemporary capitalism and its connection to technological change. It discusses the different approaches to the governance of global data flows and the regulation of digital markets, and reflects on the challenges posed by data collection and data analysis technologies such as artificial intelligence for the distribution of power along the different power structures of the Global Political Economy.

Chapter 15 explores a series of tensions to analyse how different actors of the Global Political Economy understand and react to global health threats and how they manage, mitigate and finance initiatives to address those threats. Examples include the tensions between national sovereignty approaches and global governance, conflicts between private interests and equitable access to medications worldwide, power shifts between the public and private sectors, and the balance between technological advancements and ethical concerns.

Pedagogical features

To make your journey through this book both enriching and engaging, we have incorporated a host of pedagogical features. For example, case studies offer in-depth explorations of specific issues, and key concepts are spotlighted throughout, with additional content and further reading suggestions at your disposal, including accessible online resources. Concluding each chapter, you can find a summary that recaps the main ideas, thought-provoking questions for discussion, and suggestions to explore the more recent debates and works on the chapter's theme. These chapters are independent of each other, allowing readers to explore them in any order based on their interests.

We believe this structure provides both breadth and depth to understand what GPE has been, where it stands now and, more importantly, where it is heading (see Figure 0.1).

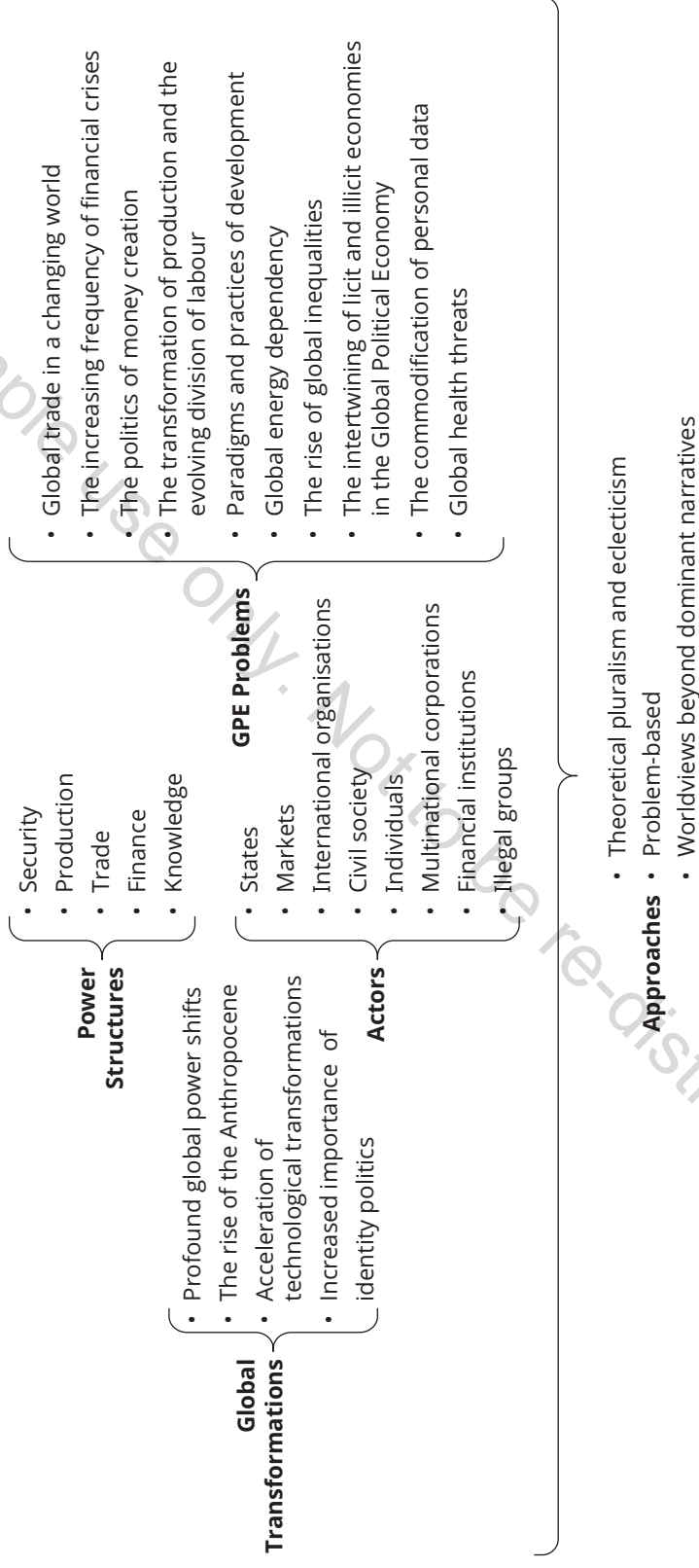


Figure 0.1 Book framework