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Chapter 1

Introduction to International Political Economy

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Introduction

On Black Tuesday in October 1929 the Wall Street stock market crashed, wiping out the enormous stock gains of the Roaring 20s and leading to the Great Depression of the 1930s. The global economic and political instability that ensued fostered the political conditions for World War II. At the same time, policy experiments from the Great Depression era subsequently shaped the construction of a new postwar international economic order. In September 2008, 79 years after the Wall Street crash of 1929, the investment bank Lehman Brothers Holding Inc. filed for bankruptcy protection in the USA, with record debts exceeding US$600 billion. The collapse of Lehman Brothers, later satirized in the animated children's film *Despicable Me* as the 'Bank of Evil', is widely credited with being one of the critical events that led to the world economic crisis of 2008–09, which saw the global financial system brought to its knees.

Understanding these events, explaining the global dynamics that helped to produce them and analysing their long-term political, economic and social consequences are fundamental issues for the study of the global political economy. This book gives students a solid foundation in what this entails, how and why the study of the global political economy has continued to evolve and the ways in which to go about the business of analysing different issues and actors in the field. Through exploring the critical issues and actors in the global political economy, it equips those students who are engaging with the field for the first time and those who are brushing up on their knowledge with the key tools of the trade.

The global political economy as an evolving subject matter

The global political economy has changed dramatically since the Industrial Revolution of the late eighteenth and early nineteenth centuries, and maintaining a historically grounded view of the global political economy as an evolving subject matter is essential. This means that the study of the global political economy involves thinking reflexively about how and why changes in one dimension of the global political economy interconnect and overlap with others. Through the lens of the past, we can gain a better and more dynamic understanding of the evolution of the present in terms of changing forms of governance, authority, relationships and outcomes in the global political economy. Landmark events in three key areas – money, trade and crises – serve to illustrate the scope of changes in the global political economy.

During the last 140 years the structure of the international monetary system has been transformed on several occasions. From the 1870s until World War I, states such as Britain, France and Germany operated under the Gold Standard, and maintained the convertibility of their currencies at a fixed price in gold in the absence of controls on capital movements. International liquidity was maintained by cooperation between central banks, via loans and gold shipments. After the end of World War I this system was briefly re-established in a modified form as the Gold Exchange Standard from the mid-1920s until the mid-1930s (Oliver 2006: 109). Following the political and economic chaos associated with the breakdown of the interwar Gold Standard and the Great Depression of the 30s, a new international monetary system was created at the end of World War II with the 1944 Bretton Woods agreement, termed the Bretton Woods system. The post-World War II international monetary system incorporated the general acceptance of national controls on capital flows in order to support a fixed but adjustable exchange rate system, while maintaining the commitment to an open international trade system (Helleiner 1994: 25). The Bretton Woods agreement established the International Monetary Fund (IMF) as the institutional linchpin of the new international monetary system. The IMF was charged with overseeing multilateral monetary cooperation between countries based on a fixed rate at which the US dollar was convertible into gold, with the 'par values' of other currencies linked to the US dollar and periodically readjusted as economic conditions altered. The Bretton Woods era came to an end following the 1971 Nixon Shocks, which suspended the convertibility of the dollar into gold at a fixed rate of exchange. Many countries subsequently adopted 'floating' market-determined exchange rate regimes. Others fixed their exchange rates or managed their currency values through exchange rate intervention against major currencies such as the dollar, the deutschmark, sterling, the franc, or the yen. The dollar and the euro are now the most common 'anchor' currencies in the international monetary system. In contrast to the restrictive currency practices of the 1930s and the early decades after the end of World War II, few countries today maintain permanent restrictions on access to foreign exchange for trade in goods and services.

Since 1870 world economic output has grown on average by around 3 per cent annually. Merchandise trade in 1960 trade was over 12 times greater than it had been in 1900 (Statistical Office of the United Nations 1962). World merchandise exports have continued to increase substantially in percentage terms since 1964, with the most notable exception being a major contraction of international trade in 2009 in response to the global financial crisis, when global trade in goods decreased by 23 per cent (WTO 2011a). Growth in trade in goods and services has gone hand-in-hand with the greater legalization of global trade rules, as multilateral trade principles negotiated through the General Agreement on Tariffs and Trade (GATT, created in 1947) gradually gained authority through successive rounds of trade talks and international agreements. This led to the establishment of the World Trade Organization (WTO) after the eighth round of the GATT negotiations was concluded in 1994. The legalization of international trade has increased the stability of actors' expectations in how cross-border trade in goods and services are transacted, what procedures govern how imports and exports are taxed and paid for, and what principles and rules should limit local and central government support for domestic industries in relation to competition from foreign firms. As a result, the development of the post-World War II liberal multilateral trade system greatly expanded the volume of cross-border economic transactions, which served to integrate national markets for production and trade in goods and services.

The world economy has experienced at least eight major international financial crises since the late nineteenth century. The first four of these were: (1) the Great Depression of the 1870s; (2) the Panic of 1890; (3) the 1907 Bankers' Panic; and (4) the Great Depression of the 1930s. The Great Depression of the 1870s was driven by the collapse of German and Austrian stock markets, which led to declining capital flows and crises in European and American economies. In the Panic of 1890, sovereign debt crises in Latin America following the end of a credit boom nearly caused the collapse of the London-based Baring Brothers bank, which was heavily exposed through lending to Argentina and Uruguay. This prompted the Bank of England Governor, William Lidderdale, to form an international consortium of banks that guaranteed Baring's debts in order to avert a wider depression. The 1907 Bankers' Panic in the USA resulted in the New York Stock Exchange losing close to half its value from the previous year, prompting a loss of confidence among bank depositors, widespread bank runs, and a sharp spike in bankruptcies. Financier J.P. Morgan and other New York bankers used their own financial resources to inject liquidity into the banking system to prevent a systemic collapse, in a series of events that eventually led to the establishment of the US Federal Reserve System in 1913 (Rethel and Sinclair 2012: 12). At the end of the Roaring 20s, the Great Crash of 1929 on Wall Street contributed to the onset of the Great Depression of the 1930s. This led to a worldwide depression and sharp declines in international trade and capital flows throughout the decade preceding World War II (IMF 2009b: 128).

Since the breakdown of the Bretton Woods international monetary system in the early 70s, the world economy has experienced four further international financial crises, while individual countries have experienced a far greater number of national economic and financial crises. Credit problems in Latin American countries in 1981–82 produced a series of debt crises that lasted for most of the decade, and contributed to the long-running debt crises in a group of low-income economies that are now termed heavily indebted poor countries (HIPCs). The collapse of real estate and equity price bubbles in 1991–92 caused a severe banking crisis in Scandinavian countries, and led to a sustained recession in Japan, where the Nikkei stock market index fell by over 60 per cent between 1989 and 1992 and real estate prices dropped sharply between 1991 and 1998. These international financial problems also contributed to the European exchange rate mechanism (ERM) crisis in 1992, when the British pound was forced to withdraw from the ERM on Black Wednesday, on 16 September 1992, in response to strong pressure from currency speculation. Half a decade later, the Asian financial crisis of 1997–98 and the Russian financial crisis of 1998 prompted large outflows of capital from emerging economies, causing dramatic falls in the exchange rates of national currencies. The Russian crisis resulted in the government defaulting on its domestic debt after the stock market lost three-quarters of its value between January and August 1998. Most recently, after the expansion of residential property booms around the world over the course of the 2000s, the 2007 US subprime crisis and the 2008–09 global financial crisis were driven by the bursting of asset price bubbles and a crunch in retail and wholesale credit markets (see Chapter 13).

This brief sketch of some of the key markers of change in the global political economy since the end of the nineteenth century previews many of the evolving issues and dynamics that are discussed in greater depth throughout the chapters in this book. It highlights that the study of particular phenomena in the global political economy involves the development of both issue-specific knowledge and systematic knowledge of the global political economy in historical context. To fully grasp how the different pieces of the puzzle fit together, students of the global political economy must aim to develop in-depth knowledge of key features of the global political economy at the same time as gradually building a broad base of subject knowledge that cuts across specific issue areas.

Studying the global political economy

International Political Economy (IPE) is an interdisciplinary field of enquiry within the social sciences that is concerned with the study of the past, present and future dynamics of the global political economy. The precise definition of IPE as an academic discipline, which areas of the global political economy should be its core research focus and how they should be studied have remained contested. Like other disciplinary fields within the social sciences, IPE scholars tend to take different standpoints when it comes to questions of what there is to know, what can be known and how it can be known. Using the vocabulary of the philosophy of science, this means that they disagree in terms of *ontology* (the study of the nature of being, centred on questions about what there is to know about particular objects of study), *epistemology* (the study of what the nature of knowledge is, how it is acquired and to what extent a given subject or phenomena can be known) and *methodology* (how one goes about the business of knowing – the procedures and principles for investigating a particular subject or issue).

The parameters of IPE thus stretch to include different types of scholarship that ask starkly different questions about the global political economy. Such academic distinctions and disagreements orient the focus of IPE research towards investigating some issues more than others, and towards examining the roles played by some actors in the world economy more than others. IPE initially emerged as a sub-discipline of Political Science and International Relations (IR) in North American, European and Australasian universities in the early 1970s. During this period the global political economy underwent a process of prolonged turmoil and structural change, which produced sweeping changes in key economic sectors and in the role of states as economic governors. This involved transformations in the nature of international economic cooperation, international economic governance, the distribution of wealth stocks and resource flows between and within different countries and the balance of authority between state actors and market actors.

The importance of differences in how the field of IPE is typically understood by scholars can be illustrated by looking briefly at how it is defined in three well-thumbed texts. Robert O'Brien and Marc Williams

(2013: 24) describe IPE in broad terms as an open field of study that encompasses both the national and the international, an interdisciplinary endeavour that 'crosses the boundaries between the study of politics and economics', which may also draw on a range of other social science fields such as history and geography. John Ravenhill (2011: 19), in contrast, offers a more parsimonious and perhaps easier to grasp definition of IPE as 'a subject matter whose central focus is the interrelationship between public and private power in the allocation of scarce resources'. A further definition from Ronen Palan (2012: 1) does not see IPE as an academic discipline in its own right, but rather as a research agenda that brings together a range of social science disciplines that address two key concerns. The first is that a substantive and critical difference exists between a world economy that is understood as operating 'in an environment that is divided among sovereign states of various power and size' compared with the imagined seamless global economy that exists in the abstract in conventional economics textbooks. The second key concern for Palan is that political action in an environment of increasing international economic integration differs markedly from the understanding of political action that is the starting point within conventional studies of Political Science and IR.

In addition to competing conceptions of how the subject matter of the field is defined, scholars also differ over the appropriate historical starting point in IPE. The majority of IPE textbooks concentrate for the most part on the changing dynamics of the global political economy in the period after the end of World War II, and especially on changes that have occurred since the breakdown of the Bretton Woods international monetary system in the 1970s (see Chapter 11). Here the stress is on understanding the contemporary era of economic globalization. This era dates from the early 70s, and is associated with global dynamics of change in trade, production, monetary relations and finance. Today's globalization was preceded by an earlier era of international economic integration in the nineteenth century and early twentieth century. At this time, the world economy was dominated by colonial imperialism and was fuelled by technological changes in international transportation, a period which ended with the start of World War I in 1914 (Schwartz 2010: 165). Taking a longer-term historical view in the study of IPE helps to show how the features and dynamics of the world economy have changed over time – as well as revealing important sources of continuity across time periods that are often assumed to be historically unique. Excellent texts that skilfully explore the origins of the contemporary global political economy by combining current IPE trends with a broad historical coverage include those by O'Brien and Williams (2013) and Herman Schwartz (2010), among others.

This book does not seek to erect firm borders around an exclusive idea of the field of IPE and shares the openness of O'Brien and Williams (2013) to drawing from multiple social science disciplines for studying issues and actors in the global political economy. Crucially, IPE is conceived here as an evolving field of enquiry. This is essential in order for students and teachers in IPE to ensure that the parameters of the field keep pace with changing developments in its subject matter. For example, until the global financial crisis in 2008–09 made a mockery of such disciplinary limits, issues related to housing finance systems were largely seen as peripheral 'domestic' issues for IPE scholars (see Schwartz and Seabrooke 2009).

Contentious terminologies

Concepts and terms in the social sciences, as in all academic disciplines, comprise a language of their own that straddles the ideas and words that are commonly used in everyday conversations. The language used in the study of IPE is sometimes intimidating for novices because such terms are usually unfamiliar, but there is nothing intrinsically difficult to master about the concepts themselves. In particular, these 'contentious terminologies' can sometimes trip students up because specialized concepts from other social science disciplines often have a distinct meaning in the study of IPE. One example that helps to illustrate this point from IR is the concept of 'securitization'. Within IR, this refers to Copenhagen School approaches that study how traditionally non-security issues become 'securitized' in particular societal and political contexts at different points in time (McDonald 2008). In contrast, within IPE securitization refers instead to the economic process by which various types of financial assets are 'pooled' by financial institutions, enabling non-tradable assets such as mortgages to be repackaged and sold on to new investors (see Chapters 7 and 13). A further example is the contentious term 'globalization'. Definitions of globalization abound, and may include a more expansive emphasis that encompasses changes in cultural, technological and population mobility processes at the global level that foster interconnectedness and reduce the importance of territorial borders between many societies (Scholte 2008). Within IPE, however, economic globalization is usually defined more narrowly as the 'international integration of markets in goods, services, and capital' (Garrett 2000: 942), processes which have contributed to increasing relations of interdependence between different categories of actors in the global political economy.

Methodology is another key term used in the study of the global political economy, which refers to the set of principles and procedures that are used to investigate a specific subject or issue. There is, however, widespread contention about what techniques should be employed. Methodological debates in IPE tend to centre on the relative advantages of quantitative techniques of statistical analysis compared with qualitative analysis, and whether research designs based on large numbers of cases or small numbers of cases (or single case studies) are better for producing robust knowledge about how the global political economy works. Whereas qualitative methods aim to gain an in-depth understanding of action and behaviour, and the reasons that produce particular actions and behaviour, quantitative methods aim to systematically investigate social, economic and political phenomena through measurement. As the following brief look at the use of statistics shows, choosing a methodological 'side' is not a simple or straightforward matter.

Numbers are powerful tools in the study of the global political economy. They enable the uncovering of economic trends and comparative analysis across different countries and regions, which provide snapshots of economic change between countries and within the same country over time. The chapters in this book draw upon a wide range of descriptive statistical data to show national, regional and global trends. Like all international statistics, the statistical information that is presented here provides useful indicators of past, present and possible future trajectories in the world economy. Yet it is important to exercise caution when engaging with quantitative analyses as they often implicitly assume that 'statistics represent reality', and thus accept such data as 'a neutral, sanitized, and objective expression of an unseen truth' (Ward 2004: 25). As Robert Wade (2012) points out, 'National and international statistics offices always operate in the tension between professional standards of objectivity and political insistence on certain results.' This does not mean that all statistics are politically biased, but helps to highlight that processes and techniques of measurement – and the aggregate statistical indices they produce – can serve as a potent means of political persuasion and influence. From another perspective, statistics are fundamentally interpretive, because numbers 'embody theoretical assumptions about what should be counted, how one should understand material reality, and how quantification contributes to systematic knowledge about the world' (Poovey 1998: xii).

Like all methodological choices in the social sciences, the tools that are used to analyse, understand and explain different issues in the field shape both the types of research questions that can be asked and the quality of the answers that empirical research can provide. The choice of method should thus be based on 'a clear understanding of the comparative strengths and limits of various methods, and how they complement each other' (George and Bennett 2005: 5). For example, methodological choices influence how different types of cases are analysed and understood. A case is 'an instance of a class of events' such as economic crises, types of institutional change and policy reform, or bureaucratic cultures within international organizations, which 'the investigator chooses to study with the aim of developing theory (or "generic knowledge") regarding the causes of similarities or differences among instances (cases) of that class of events' (George and Bennett 2005: 17–18). To stay with the example of quantitative techniques, reliance on statistical methods orients analysis towards some subjects rather than others, and shapes what issues are identified as policy problems for authorities at different levels of economic governance. The use of statistics in macro-level analysis of a large number of cases (large-N studies) can potentially obscure how dynamics and processes of change actually operate at the micro- and meso-levels (Jerven 2013). In a reversal of this methodological problem, substituting qualitative approaches for quantitative statistical analysis can potentially generate greater understanding of how causal mechanisms work in a smaller number of cases or a single case (small-n studies), but the general applicability of these insights in other contexts may be harder to demonstrate.

The key point to note here is that it is important to understand and reflect upon how, when and why particular empirical methods are used to study different types of phenomena. Too often students of IPE fall into an ontological trap by assuming that either the global political economy is based on material properties that can only be studied as objective facts through the use of a quantitative methodology; or it is based on ideational properties that can only be studied through processes of intersubjective construction in a qualitative analysis. To avoid this trap, it is helpful to recognize there 'is a very wide range of useful knowledge between mathematical certainty on the one hand and romantic fiction or superstition on the other' (Stretton 1999: 26).

Expanding IPE

Issue areas that have traditionally received the most sustained attention within the study of IPE, such as international trade, production, money and finance, have been transformed as the world economy has evolved during the twentieth and twenty-first centuries. Compared with a world economy dominated by colonial empires and economic imperialism at the start of the twentieth century, the world economy of the twenty-first century is populated by a far greater variety of global actors whose behaviour is consequential for how the global political economy works, and for who gets what, when and why from global economic processes.

As a result of these changes, the common portrayal of states managing domestic economies with a high degree of national policy autonomy during the 1950s and 60s has been replaced by processes of international economic integration and economic interdependence that have intensified in the last four decades.

When IPE emerged as a distinct field of enquiry in the 1970s, much of the early literature in the field was primarily concerned with studying relations between a small number of the world's largest economies, and how these changing relations were reshaping structures of authority and economic processes in the global political economy. Notwithstanding the differences that exist both within and across research cultures (Cohen 2008), non-state actors and smaller or weaker states initially received little attention from IPE scholars. While the predominant focus of attention during the 1970s in the study of IR was on East–West relations in the Cold War, within IPE the primary country focus was usually on major West European economies, the USA and Japan, and how these countries were affected by structural changes in international monetary relations, international trade and global energy production.

Contemporary IPE research has challenged the eurocentric bias of the field (Hobson 2012), and scholars have made a strong case for 'globalizing' IPE in order to transcend the analytical limits of a preoccupation with studying advanced industrialized economies at the expense of investigating all of the 'constituent regions and processes' of the global political economy (Phillips 2005: 2). Theoretical approaches in IPE have developed in recent years to encompass new perspectives on cultural political economy (Best and Paterson 2009), everyday political economy (Hobson and Seabrooke 2007), constructivist IPE (Abdelal *et al.* 2010) and poststructuralist IPE (de Goede 2006), among others. Meanwhile, the geographical focus of scholarship has expanded to examine a broader variety of political-economic systems and different forms of economic practices across a wider range of social environments. Examples include the emergence and rapid growth of Islamic finance and banking practices in the last four decades (Rethel 2011), economic identity and national economic strategies in post-Soviet states (Abdelal 2001) and economic development processes in non-democratic political systems (Tsai 2007), to name only a few. A common theme among recent contributions to IPE scholarship has been the attempt to 'combine disciplinary knowledge that begins with Politics and Economics in ways that transcend or go beyond the specific approach of both' (Hobson 2012: 23). These scholarly developments in the field have opened up the range of issues and actors that constitute important subjects of enquiry, and have helped to expand the theoretical approaches available to formulate research questions and address empirical puzzles in new ways.

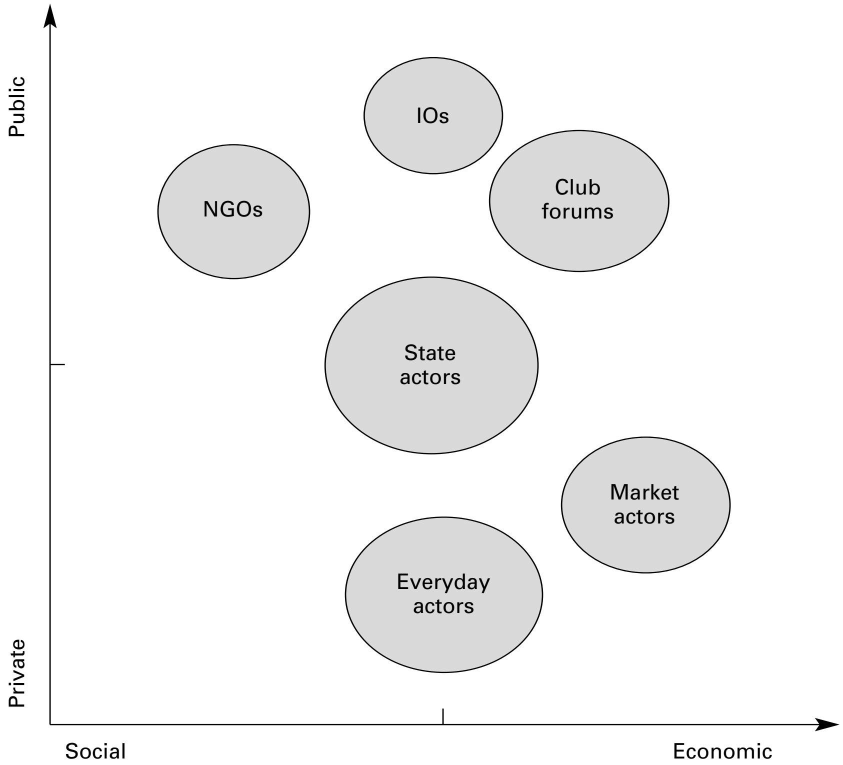
This book incorporates many of the traditional issues that have preoccupied the field as well as discussing a range of issues that have gained traction more recently. In particular, the book aims to expand how students conceive of the types and roles of actors in the global political economy, and how different categories of action are consequential in shaping and transforming global economic processes. Six categories of actors are examined in individual chapters in Part I: state actors; international organizations (IOs); club forums; market actors; non-governmental organizations (NGOs); and everyday actors. These actors cross traditional understandings of the boundaries between public and private domains of action, on the one hand, and economic and social domains of action on the other. As Figure 1.1 illustrates, these analytical boundaries are not hard-and-fast real-world distinctions in the global political economy, even though different categories of actors are often situated more in one sphere than in others.

A common way of defining the subject matter of IPE is to say that it is concerned with asking questions that fall into one of two main areas of enquiry. The first is 'how politics constrains economic choices'; the second is 'how economic forces motivate and constrain political choices' (Walter and Sen 2009: 1). Here politics is understood as comprising the public domain, while economics is located in the private domain. A similar distinction is often found between market actors (such as commercial banks and firms) and social actors (such as NGOs), whose activities are separated between the 'for-profit' economic sphere and the voluntary/non-profit 'third sector'.

These traditional distinctions are a useful way to grasp some of the core differences in actors' roles, but they can also lead students of IPE to adopt problematic assumptions about what different categories of actors do in the global political economy, and the dynamic interactions between them. State actors do not just regulate market activities and govern the 'rules of the game' that constitute how economies work. They are also major market players as employers, consumers of market goods and services, and property owners and managers. Private market players act purposively in areas that go beyond commercial transactions. This may include organized political lobbying, and funding think-tanks that aim to shape public opinion and political discourse about economic policy (Hacker and Pierson 2010). Their economic actions have enormous effects for society as a whole. NGOs, while typically understood as social actors, may also play important economic roles such as the delivery of development services.

Because of these blurred distinctions, the maintenance of strict divisions between economic and social or public and private domains is seldom possible in IPE research, even if it may sometimes serve a useful

Figure 1.1 *Domains of action in the global political economy*



heuristic purpose. As Figure 1.1 suggests, different actors tend to operate more in some domains than others, and specific categories of action may be more commercially or more politically sensitive. Yet understanding the range of factors that shape political-economic processes and outcomes requires a multidimensional analysis.

As other IPE scholars such as Geoffrey Underhill (2005) have highlighted, systems of political authority and market systems of wealth production and distribution form 'part of the same, integrated ensemble of governance' rather than distinct realms of action. The dynamics of political interaction therefore constitute '*the means by which economic structures, in particular the structures of the market, are established and in turn transformed*' (Underhill 2005: 4, emphasis original). In short, market systems and political systems are co-constitutive: states both create economic structures of production and distribution, and in turn are shaped by, and through, these market processes. The co-constitutive relationship between states and markets also cuts across the analytic distinction that is typically drawn between domestic economic processes and international economic processes. Specific institutional arrangements may be organized at the national, regional, or global level (Underhill 2005: 6), such as national trade policies, regional free trade arrangements and multilateral trade rules enforced by the WTO. For the purposes of explaining and understanding how these institutional configurations are created, which actors exercise the most influence over them, what outcomes they produce and how and why they evolve over time, a strict separation of 'international' political economy and 'domestic' political economy into separate spheres is artificial.

The focus of the book

International Political Economy is not a homogeneous academic discipline with clear agreed parameters on the limits that constitute the field. Students and scholars of IPE working in different research cultures, as well as different intellectual traditions of IPE within the same country or the same institution, define the field in various ways. These differences have consequences for what content is studied in undergraduate and graduate courses in IPE, how issues are examined, which actors are given the most attention, how dynamics of change are understood and what constitutes the historical subject matter of IPE. This book aims to provide a pluralist introduction to the global political economy, which provides students with the essential toolkit that allows them to effectively address three fundamental questions:

1. How does the contemporary global political economy work, and for whose benefit?
2. How has the global political economy changed over time, and why?
3. How do different actors shape processes of change in the global political economy, and with what effects?

While the book explains theoretical approaches and empirical concerns that relate to these three questions, it does not provide straightforward answers to the wide range of normative 'right' or 'wrong' questions that often guide the ways in which the contemporary global economy is portrayed and studied. Rather, it seeks to foster students' own critical engagement with the subject matter by showing that the ways in which *who*, *what*, *when* and *how* questions are answered can lead to radically different evaluations of the nature and purpose of the global political economy. Examples of normative questions are: (a) how should the global political economy be organized? (b) How should the architecture of global economic governance be reformed? And (c) how should the goals of global economic justice be defined and pursued? The focus of the book on *who*, *what*, *when* and *how* questions offers students an essential step to navigate and effectively address normative positions in IPE, while discouraging them from accepting pre-fabricated answers from the outset.

Overall, the book departs significantly from how IPE has traditionally been taught. Inspired by the pioneering work of Susan Strange (1994), who identified four channels of power in IPE – security, production, finance and knowledge – many undergraduate and graduate courses have traditionally put their main emphasis on the specific power structures that are assumed to shape the global political economy. This book takes a distinctive approach: while being sensitive to how power structures operate across a range of issue areas, it begins with the importance of understanding how different actors exercise agency in the global political economy and centres on the core contemporary issues with which they engage.

In contrast to other introductory texts, the book does not privilege one set of actors (such as states, club forums, or big business) as inherently more important subjects of study than others (such as NGOs, IOs, or everyday actors). It also seeks to avoid presenting one set of relational dynamics (such as inter-state rivalries, market competition, or global governance) as more consequential across-the-board for determining causal mechanisms and shaping outcomes in the global political economy. The book identifies as core concerns for the study of IPE questions relating to the distribution of wealth within and across national, regional and global contexts, and questions over the nature and evolution of different sets of power relations. This approach aims to provide students with the tools to understand and to explain how different categories of action and relational dynamics operate in contingent ways across domains, through the development of both issue-specific and systematic knowledge of the global political economy.

The next two chapters provide a basic grounding in the theoretical approaches and concepts that are used to understand current and historical developments in the field, and discuss several major debates that have dominated IPE in recent years. Following these primer chapters, Parts I and II of the book introduce the key actors and issues that comprise the contemporary study of the global political economy, beginning with the different types of actors that perform meaningful roles in global economic processes. Part I aims in particular to broaden how students of IPE understand the question of *who acts* in the global political economy, and the equally important question of *whose actions matter.* As well as introducing how the roles of different categories of actors can be understood, the chapters in Part I illustrate the importance of understanding differences between actors within the same analytic category, such as the distinctions between varieties of states, IOs, clubs, private market actors, NGOs and everyday actors. The nine chapters in Part II extend the discussion of different categories of actors by examining key topics in IPE, drawing particular attention to the evolution of different issues, contemporary developments, and future challenges and trends. The book does not contain a separate chapter on what is perhaps the paramount concern within contemporary IPE – economic globalization. The chapters in Part II instead illustrate how changing dynamics across a range of issue areas have contributed to globalizing processes in IPE, in order to provide a multidimensional understanding of the sources and challenges of international economic integration.

No single book can comprehensively include all the relevant issues and actors in the global political economy; this requires reading widely from other texts to supplement the introduction this book provides. Contemporary issues that are not examined here in chapters of their own include the changing global dynamics of economic diplomacy (Pigman 2010), health (Harman 2012), migration (Phillips 2011a), financial crime (Sharman 2011) and work (Amoore 2002). Meanwhile, actors that feature in the book but which are not the focus of individual chapters include regional institutions (Katzenstein 2005) and national agencies such as ministries of finance and central banks (Baker 2006; Hall 2008). Many of these issues and actors are discussed across different chapters, but this text is intended to be a useful point of departure for studying IPE, not the end of the journey.

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