
Literature Report

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Abstract

Asymmetric influence in global banking regulation

- Review of International Political Economy---2015-
--Roman Goldbach

Global regulatory standard setting is one of the most lucrative battlefields of the international political economy. Asymmetric influence and regulatory capture in setting such standards can undermine the regulation of economic activity, with negative externalities for the society. Scholars of International Political Economy, and of global finance in particular, are in the process of revealing the mechanisms underlying such regulatory capture and failure. I contribute to this analysis with an empirical evaluation of the mechanisms underlying influence in setting such standards. I assess the influence of nine different national, transnational, and international actors in the case of global banking regulation (the Basel II framework of the Basel Committee on Banking Supervision). On the basis of a quantitative--qualitative assessment, I develop integration and rejection rates to measure influence in global regulation. My findings reveal that the key dynamic in setting global standards is the simultaneous influence of national (competition state) coalitions of politicians and firms as well as transnational harmonization coalitions

of transnationally active firms and regulators. The results provide a basis for a new argument to understand regulatory capture and failure.

Multilateral trade governance as social field: Global civil society and the WTO

- Review of International Political Economy---2015-
--Kristen Hopewell

The 1999 Seattle protests, which brought thirty thousand people to the streets in opposition to the World Trade Organization (WTO) and set off a series of other protests against the multilateral economic institutions, helped spark significant academic interest in global civil society and its potential to act as a transformative force in global economic governance. In this article, however, I argue that many of the civil society actors that have sought to engage with and influence the WTO have been transformed in the process. They have both become more technocratic and increasingly moved toward advocating positions that accord with the neoliberal trade paradigm. I draw on Bourdieu's field theory to explain why and how this transformation has occurred. I argue that, in order to understand these changes among parts of civil society, we need to see multilateral trade governance as a social field, which civil society actors enter into as they seek to impact outcomes at the WTO. The case of the WTO challenges existing

theories that conceive of global civil society as an exogenous force that acts upon the institutions of global governance, showing instead that global civil society is not in fact independent or autonomous but shaped and influenced by the institution it targets.

Oil and state capitalism: government-firm coopetition in China and India

- Review of International Political Economy---2015--Jonas Meckling,Bo Kong,Tanvi Madan

This paper examines the domestic sources of the internationalization of national oil companies (NOCs) in China and India. It argues that -- counter to notions of state-led internationalization -- the going abroad of NOCs reflects a pattern of ‘coopetition,’ i.e., the co-existence of cooperation and conflict between increasingly entrepreneurial NOCs and partially supportive and interventionist home governments. In China, the state has predominantly assumed the role of resource supplier, rarely stepping in as a veto player. In India, the NOC--government relationship has been more adversarial, with the state intervening more often as a veto player than its Chinese counterpart and only slowly emerging as a resource supplier. These patterns of internationalization can be explained by how two major trends have been playing out in the two countries: (1) the marketization of NOCs, and (2) the reform of the governance of overseas investments. The findings matter to theory and policy. First, they unpack the relational dynamics of business--government relations in hybrid models of capitalism beyond notions of top-down and bottom-up dynamics. Second, our analysis shows that the state intervenes in the international energy strategies of emerging economies as the occasional veto player rather than actively leveraging NOC internationalization for geopolitical goals.

Neopluralism and globalization: the plural politics of the Motion Picture Association

- Review of International Political Economy---2015--Alexandre Bohas

This article examines the transnational politics of the

Motion Picture Association (MPA), the trade association of Hollywood major studios, from the viewpoint of the neopluralist. The MPA aims at stopping copyright violations by framing materially and discursively markets. For this reason, it maintains a worldwide spectrum of relations with other business associations, workers of the motion picture industries and governments. These relationships serve the MPA in a multitude of ways, from intergovernmental negotiations and litigations to anti-copyright violation efforts in association with law enforcement. Although the MPA has acquired an authoritative position beyond audiovisual sectors, its policy remains unachieved owing to pluralizing world spheres. This neopluralist perspective underlines first the fundamentally multicentered, cross-cut and fragmented aspects of globalized politics which lead actors to resort increasingly to coalitions. Second, it takes a broader perspective at politics showing not only the strengths but also the weaknesses of assumed all-powerful organizations. Third, neopluralism argues strongly for a reconsideration of the dominant views on firms, economies and governments in international political economy.

Innovation and deadlock in global financial governance: transatlantic coordination failure in OTC derivatives regulation

- Review of International Political Economy---2015--Peter Knaack

The institutional arrangement chosen by the leading nations in order to address financial regulatory reform in the wake of the 2007--2009 crisis exhibits two key features of global economic governance innovation. First, it employs a minilateral approach, restricting the participants that negotiate new regulatory standards to a few, highly involved stakeholders. Second, it relies heavily on government networks that operate on the basis of soft law. The arrangement circumvents the traditional intergovernmental model that has proven overly rigid and ineffective in addressing the problems that arise from highly interconnected and fast-changing global markets. Current theories of global economic governance predict that this twofold innovation enhances the

effectiveness of financial regulatory reform. Yet a study of the evolution in over-the-counter (OTC) derivatives regulation shows that this is not the case. The paper then exposes three obstacles to cross-border regulatory cooperation between the two dominant players, the European Union and the United States. Authorities on both sides of the Atlantic are concerned about the distributive consequences of regulation, legislators and legislation hinder cross-border harmonization, and government networks are weak and incomplete. The paper concludes with suggestions of how to overcome coordination failure and theoretical implications for the political economy of networked governance.

The tools of globalization: ways of regulating and the structure of the international regime for pharmaceuticals

- Review of International Political Economy---2015--David Demortain

This article investigates the relationship between regulatory globalization and neoliberal standard-setting arrangements building on industry capacities and responsibilities. Focusing on international pharmacovigilance, it recounts the history of the World Health Organization programme for the international drug monitoring, to shed light and explain the concomitant rise of the International Conference on Harmonization and of its standards. It shows that the neoliberalization of a regime or installation of a regulatory standard-setting arrangement responsabilizing the industry is inseparable from the emergence of an altogether different way of regulating pharmaceuticals (including a different definition of the problem of pharmaceuticals safety, of the organizations in charge of this problem and of the kinds of expertise and information used to make decisions about it). This happens incrementally, through gradual changes and hybridization of the existing regime, much more than all-out replacement of the regime. The rise of a market-oriented regulatory arrangement can therefore not be reduced to the influence of a neoliberal scheme, but is on the contrary linked to the ways in which a tool gains legitimacy as a way of tackling a global issue.

'Governed' trade: global value chains, firms, and the heterogeneity of trade in an era of fragmented production

- Review of International Political Economy---2015--Mark P. Dallas

Over the past several decades, firms have de-verticalized and internationalized increasingly complex manufacturing and service functions, a phenomenon studied across the social sciences. However, the disciplines disagree over whether the fragmentation of production is substantively novel, requiring amendments to trade theory, or is simply a secular deepening of the international division of labor. Some economists view it as 'just trade,' driven by well-known actor-less determinants, such as factor endowments, technology, and returns to scale, while more recent firm heterogeneity trade theories consider firm behavior. By contrast, other heterodox social science approaches differ by focusing on the strategic actions of firms and sector-specific governance as independent drivers which 'govern' trade and determine the division of value between countries. This paper develops novel measurements by utilizing unique transactional trade data - the raw firm-level trade transactions that comprise standard inter-country trade statistics - on 439 of China's largest exporters in 18 subsectors of the electronics and light industries, to examine whether trade is heterogeneously governed in ways theorized by the global value chain (GVC) literature. It finds substantial empirical support for GVC-governed trade, and advances both GVC and firm-centric trade theory along several fronts.

Organized business and regional integration in Africa

- Review of International Political Economy---2015--Okechukwu C. Iheduru

Although the role of organized business in regional economic integration is well documented, extant scholarship portrays them as mere legitimizers and partners of regional policy. This neat categorization fails to capture the complicated, 'multiscalarity' of business and

overall civil society's role in regional governance. Drawing insights from social constructivism and empirical evidence from fieldwork conducted in 2012 and 2013 on the interactions between the Economic Community of West African States (ECOWAS) and region-wide business associations and advocacy networks since the early 1990s, this article shows that although African business groups are relatively new actors at the regional stage, their impact on regional governance is substantial. This is not only in terms of getting governments to adopt particular policies or the ability to hold the state accountable, as functional institutionalists might argue, but also in terms of the regional socialization effects, namely the willingness and ability to frame issues that influence the choices of political decision-makers. Business regional governance roles also straddle competing conventional roles, and sometimes counter the neoliberal vision of regional integration, even among those that owe their emergence to regional organizations. The study also challenges the pervasive view of business actors (especially in Africa) as simply profit-seekers by highlighting the ways business actors have deployed and acted on principled beliefs about regional identity collectively or individually to forge denser and relatively effective policy coalitions that signal unfolding changes in the direction of regional policy in Africa.

Soft power with a hard edge: EU policy tools and energy security

- Review of International Political Economy---2015-
--Andreas Goldthau, Nick Sitter

International security debates surrounding the European Union (EU) energy supply challenge commonly invoke the need for more EU hard power - e.g. getting tough on Russia or engaging directly with other exporters. This article investigates whether what might be labelled 'soft power with a hard edge' instead amounts to a consistent policy strategy for the EU. The central argument is that the EU has turned a weakness into strength, and developed a set of tools that sharpen the way soft power is exercised in the energy sector. The article explores how soft power affects companies that 'come and play' on the EU market:

the rules of the Single European Market (SEM) and how they affect external firms. It also assesses the long reach of the SEM: both the gravitational 'pull' the SEM exerts in the 'near abroad', and the EU's 'push' to facilitate the development of midstream infrastructure and upstream investment. The conclusion is that the EU regulatory state is emerging as an international energy actor in its own right. It limits the ways states like Russia can use state firms in the geopolitical game; and it exports its model into the near abroad, thus stabilizing energy supply and transit routes.

Crisis theory and the historical imagination

- Review of International Political Economy---2015-
--Amin Samman

This article makes a theoretical contribution to the constructivist and cultural political economy literatures on crisis. While these new approaches have highlighted the imaginary dimensions of crisis, they have neglected the specifically historical forms of imagination through which events are construed and constructed as crises. In particular, they have yet to adequately theorise how the recollection of prior crises might interact with efforts to diagnose and resolve a crisis in some later present. I respond to this lacuna by developing a novel set of tools for analysing the meta-historical dimensions of crisis. These include a typology that identifies three distinct ways of recalling past crises, and a concept of 'history-production', which captures how different interpretive practices feed into the diagnosis and negotiation of crisis episodes. Taken together these tools help illuminate a complex interaction not only between historical analogies, narratives, and lessons, but also between these representational modes and the imaginary dimensions of crisis.

The domestic sources and power dynamics of regulatory networks: evidence from the financial stability forum

- Review of International Political Economy---2015-
--Alexander Reisenbichler

Regulatory networks are key elements of the global

economy, but little is known about their variation. Why do some states prefer the creation of state-centered networks, while others advocate technocratic networks? This article addresses this question by examining the creation of the Financial Stability Forum (FSF) in 1999. It advances an argument about how domestic regulatory structures and state power explain the variation in regulatory networks that empower certain actors over others in shaping global financial regulation. This article finds that while the USA favored a state-centered FSF, driven by finance ministries, European states preferred a technocratic forum, driven by international bodies. This is because the USA can secure control of state-centered networks given its bargaining weight, while European states tried to constrain US power through technocratic structures, especially under conditions of domestic regulatory fragmentation. The final outcome was a state-centered FSF dictated by the USA. By analyzing primary archival material and interviews with key policymakers, this study sheds light on the state preferences and bargaining capabilities of G7 states. This article also generates portable and testable implications for the creation of other regulatory networks.

The impact of trade policy on global production networks: the solar panel case

- Review of International Political Economy---2015--Louise Curran

This paper seeks to shed light on the interactions between public institutions and global production networks (GPNs) through a case study of the 2012-2013 European Union anti-dumping investigation on Chinese solar panels. Drawing on trade data and interviews, as well as press reports and position papers, I analyze the facts of the case and the debate around it and explore the impacts on the geography of production. The case draws attention to two issues which deserve greater attention in research in the GPN tradition. First, the position of companies within a GPN may dictate their political interests more clearly than their nationality. Second, GPNs are seen to be malleable. They can adjust their structures in reaction to new

trade restrictions. This fact draws attention to the need to incorporate institutional factors, like trade policy, more effectively into GPN analysis. I propose some criteria to help researchers to do so. Finally, in terms of broader political economy, the case illustrates how, in the post financial crisis context, their domestic market is becoming an important lever for the Chinese government in international negotiations. Thus, at least in the trade sphere, the rise of China as a consumer market is changing global power relations.

The non-ratification of bilateral investment treaties in Brazil: a story of conflict in a land of cooperation

- Review of International Political Economy---2015--Daniela Campello, Leany Lemos

This article examines Brazil's unique experience with bilateral investment treaties (BITs) - the country signed 14 of them in the 1990s, but none was ever ratified. The case is puzzling for a number of reasons. First, BITs were an initiative of the presidency, and the Brazilian political system is notorious for executive branch's high level of success at enacting legislation. Second, the record of treaty ratification is very high in the country; between 1988 and 2006, 98% of the treaties signed entered into force in less than 18 months. Finally, the Brazilian Congress approved various investor-friendly policies that required even higher voting thresholds in the same period that BITs were being negotiated. We use primary legislative data and interviews with policymakers and bureaucrats to argue that a concentrated but strong ideological opposition in the Congress certainly contributed to hinder BIT ratification, but an unresolved executive - which addressed most investor's demands through alternative channels - was the decisive factor in explaining non-ratification. Ultimately, our findings imply that scholars need to open the black box of the executive in order to better understand the determinants of treaty ratification.

What were they thinking? The Federal Reserve in the run-up to the 2008 financial crisis

- Review of International Political Economy---2015--Stephen Golub,Ayşe Kaya,Michael Reay

The Federal Reserve (the Fed) is responsible for monitoring, analyzing and ultimately stabilizing US financial markets. It also has unrivalled access to economic data, high-level connections to financial institutions, and a large staff of professionally trained economists. Why then was it apparently unconcerned by the financial developments that are now widely recognized to have caused the 2008 financial crisis? Using a wide range of Fed documents from the pre-crisis period, particularly the transcripts of meetings of the Federal Open Market Committee (FOMC), this paper shows that Fed policymakers and staff were aware of relevant developments in financial markets, but paid infrequent attention to them and disregarded significant systemic threats. Drawing on literatures in economics, political science and sociology, the paper then demonstrates that the Fed's intellectual paradigm in the years before the crisis focused on 'post hoc interventionism' - the institution's ability to limit the fallout should a systemic disturbance arise. Further, the paper argues that institutional routines played a crucial role in maintaining this paradigm and in contributing to the Fed's inadequate attention to the warning signals in the pre-crisis period.

Global corporate crime-fighters: Private transnational responses to piracy and money laundering

- Review of International Political Economy---2015--Carolyn Liss,J.C. Sharman

Countering cross-border crime is conventionally portrayed as a struggle between a new breed of transnational criminals and a defensive reaction by state authorities. In contrast, this paper argues that combating quintessentially transnational crimes like piracy and money laundering increasingly depends on private transnational companies fighting crime for profit by selling their services to other private firms. The paper

broadens the literature on private security and global security governance by focusing on transnational responses to transnational threats in previously neglected maritime and financial realms. The rise of such corporate crime-fighters is explained by the recent evolution of environments structured by overlapping sovereignty claims which limit state enforcement while simultaneously creating new markets for security services. These cases represent instances of global governmentality insofar as they are diffuse, networked exercises of indirect power carried out by private actors, situated in markets, who are responsible for policing themselves and others.

Predicting the unpredictable: Value-at-risk, performativity, and the politics of financial uncertainty

- Review of International Political Economy---2015--Erin Lockwood

Starting from an observation about the high-profile predictive failures of Value-at-Risk (VaR), an internationally instituted financial risk model, this article has attempted to make sense of its continued use by analyzing its productive, rather than predictive, power. This line of inquiry leads me to identify VaR's (counter)performative effects and the way in which it produces banks as authoritative, responsible managers of an uncertain financial future. Viewing financial markets through the lens of Keynesian uncertainty and model performativity helps explain VaR's failures by revealing VaR to be an inherently limited and potentially destabilizing practice. Its use participates in the construction of a financial system that is only temporarily stable and controllable. At the same time, VaR is an important source of authority for banks vis-à-vis regulators and the public because it represents the future as statistically calculable and expert prediction as the optimal, objective mode of preparing for that future. This, in turn, makes less thinkable other responses to uncertainty - ones that might be better suited to contend with the possibility of devastating losses unforeseeable - and perhaps produced - by the widespread use of VaR.

Professional ties that bind: how normative orientations shape IMF conditionality

- Review of International Political Economy---2015-
--Jeffrey M. Chwieroth

Staff play a key part in designing IMF conditionality, and yet the literature provides a narrow view of their motivations. This article shows how the design of IMF conditionality is linked to the normative orientations of the staff and their common professional training. Professional ties from similar training help to bind the staff together around a shared set of normative orientations that inform the IMF's policy goals. When borrowing-country officials do not share these orientations, the staff are motivated to tighten conditionality. This behaviour also fits with staff concerns about time-inconsistency and moral hazard. I find robust statistical support for this argument using a dataset based on the professional ties that exist between the IMF staff and borrowing-country officials. Yet conditionality is not found to be more lenient when country officials share the normative orientations of the IMF staff. Staff concerns about time-inconsistent preferences and moral hazard likely weigh against more lenient treatment where normative adherence is stronger.

The peripheralization of Southern European capitalism within the EMU

- Review of International Political Economy---2015-
--Francesca Gambarotto, Stefano Solari

The paper discusses the problem of the Southern European (SE) capitalism and its difficult path into the EMU (European Monetary Union), looking at the remote causes of the crisis that hit these economies. For this reason, we consider European countries as a set of asymmetrically integrated variety of capitalism. The institutional configuration chosen by Europe to aggregate the many varieties of capitalism not only reduced the political autonomy of the single states, but effectively hindered the specific coordination mechanism of Southern European (SE) capitalism which was importantly based on state intervention as a structural element and on inflationary policies. Despite the deep

market-oriented reforms this change caused both structural and macroeconomic unbalances. The aim of the paper is to integrate some principles of the variety of capitalism and the dynamics of institutional change with some insights inspired by the work of Arrighi to supply a synthetic and 'alternative' perspective on the difficult role that Southern countries are experiencing in Europe.

Credit Rating Agencies and the IPE: Not as influential as thought?

- Review of International Political Economy---2015-
--Dimitrios Soudis

Do Credit Rating Agencies (CRAs) affect national policy? This study critically examines assertions of a possible convergence to neo-liberal standards induced by sovereign bond ratings. By arguing that the role of the agencies in the global political economy has been exaggerated, the study finds that CRAs do not have a direct causal effect on domestic economic reforms. Employing a sample that covers the great majority of rated countries, it is shown that there is a robust trend towards deregulation and reform in accordance with neo-liberal standards. Nevertheless, sovereign bond ratings are not directly related to this process. Lower rated countries, or those more frequently downgraded, do not differ significantly from the highly rated countries in their pattern of policy reform. This result holds for policy domains such as regulation of credit, labour and business, inflation levels, legal structure and security of property rights, and the size of the public sector. It is concluded that the role of the CRAs as potential instigators of domestic reform is limited.

The stabilizing state: State capitalism as a response to financial globalization in one-party regimes

- Review of International Political Economy---2015-
--Richard W. Carney

One of the most important developments in the modern global economy is financial globalization. This has raised threats to the stability of political regimes in two

ways: (1) by enhancing the possibility of a financial crisis that could cause political turmoil; and (2) by easing access to foreign sources of financing for opposition political groups. I argue that state capitalism - defined as state-owned publicly listed corporations - is greater among one-party regimes as a way to address these dual threats. One-party regimes have both the motivation and a greater institutional capacity for addressing these threats in comparison to other regimes. Tests are conducted on 607 firms in 1996 and 856 firms in 2008 across seven East Asian economies, and are supplemented with case studies of Malaysia and South Korea. The evidence suggests that financial globalization is contributing to the rise of the state as a counter reaction.

The political economy of the euro area's sovereign debt crisis: introduction to the special issue of the Review of International Political Economy

- Review of International Political Economy---2015-
--David Howarth,Lucia Quaglia

This special issue has two main aims: to examine the contribution of political economy analyses of the sovereign debt crisis and to relate these findings to longstanding debates in the sub-disciplines of comparative political economy, international political economy and European economic governance. This introduction begins by reviewing the comparative political economy literature on national financial systems in order to account for the playing out of the crisis. It then examines the international political economy literature on the International Monetary Fund (IMF) and financial (sovereign debt) markets that played such a key role in the unfolding of the sovereign debt crisis. Finally, it outlines longstanding academic debates on the main 'asymmetries'; in European economic governance, and provides a critical overview of the three main policy and institutional reforms adopted by European Union governments in response to the crisis.

Banks and the political economy of the sovereign debt crisis in Italy and Spain

- Review of International Political Economy---2015-
--Lucia Quaglia,Sebastián Royo

This paper sets out to explain why Spain experienced a full-fledged sovereign debt crisis and had to resort to euroarea financial assistance for its banks, whereas Italy did not. It undertakes a structured comparison, dissecting the sovereign debt crisis into a banking crisis and a balance of payments crisis. It argues that the distinctive features of bank business models and of national banking systems in Italy and Spain have considerable analytical leverage in explaining the different scenarios of the crises in each country. This 'bank-based' analysis contributes to the flourishing literature that examines changes in banking with a view to account for the differentiated impact of the global banking crisis first and the sovereign debt crisis in the euroarea later.

What difference does Euro membership make to stabilization? The political economy of international monetary systems revisited

- Review of International Political Economy---2015-
--Deborah Mabbett,Waltraud Schelkle

For many political economists, the loss of monetary sovereignty is the major reason why the Southern periphery fared so badly in the Euro area crisis. Monetary sovereignty here means the ability of the central bank to devalue the exchange rate or to buy government debt by printing the domestic currency. We explore this diagnosis by comparing three countries - Hungary, Latvia and Greece - that received considerable amounts of external assistance under different monetary regimes. The evidence does not suggest that monetary sovereignty helped Hungary and Latvia to stabilize their economies. Rather, cooperation and external assistance made foreign banks share in the costs of stabilization. By contrast, the provision of liquidity by the European Central Bank inadvertently facilitated the reduction of foreign banks' exposure to Greece which left the Greek sovereign even more

exposed. By viewing the Euro area as a monetary system rather than an incomplete state, we see that what is needed for Euro area stabilization is cooperation over banking union, rather than a fully-fledged federal budget.

Financial nationalism and its international enablers: The Hungarian experience

- Review of International Political Economy---2015--Juliet Johnson, Andrew Barnes

Viktor Orbán and his centre-right Fidesz party won Hungary's April 2010 parliamentary elections in a landslide, running on a nationalist-populist platform of economic self-rule. This paper explores Hungary's financial nationalist turn and its surprisingly successful resistance to IMF and EU pressures to change course. We open by theorizing financial nationalism, and then trace its ideational roots and contemporary character in Hungary. We subsequently argue that two international factors ironically enabled Orbán to take his financial nationalist ideas from theory to practice: 1) IMF and EU policies that first contributed to Fidesz's electoral victory and then made it difficult to counter Orbán once in power; and 2) the tolerant behavior of international bond markets. In particular, Orbán's willingness and ability to use unorthodox, financial nationalist policies to control government deficits and debt both reduced EU and IMF leverage over Hungary and encouraged bond markets to overlook the unsavory politics that produced those numbers.

The IMF as a de facto institution of the EU: A multiple supervisor approach

- Review of International Political Economy---2015--Dermot Hodson

This paper seeks to understand and explain the International Monetary Fund's (IMF) evolving relationship with the European Union (EU) before and after the global financial crisis of 2007-2008. Prior to this crisis, the two sides operated on parallel tracks with little scope for mutual adjustment even during the economic

turmoil of the 1970s. After the global financial crisis, the IMF emerged as a de facto institution of the EU thanks to European leaders' delegation of supervisory powers to both the Fund and the European Commission. The reasons for, and consequences of, this dual delegation are explored here by means of a multiple supervisor variation on the classic principal-agent-supervisor approach.

Building the euro area's debt crisis management capacity with the IMF

- Review of International Political Economy---2015--Daniela Schwarzer

Since the financial crisis hit the EU in 2007/8, the governance structures of the euro area have undergone significant changes, most of them incremental. There is, however, one substantial innovation: the euro area's building of its capacity to deal with liquidity crises in member states. This article seeks to explain why the governments, which initially seemed to converge on a euro-area-only approach, decided to shape their crisis management structures around an external actor, the International Monetary Fund. It argues that the concept of learning under severe time constraints and external pressure helps to understand the sudden decisions taken on crisis management and governance reform which embed the IMF in the euro area. The analysis identifies learning in three areas crucial for the design of the crisis management set-up: in the field of practical lending and programme implementation, in the understanding of the nature of the crisis and in the evolving acknowledgement of the incompleteness of the euro area's governance set-up.

All in: Market expectations of eurozone integrity in the sovereign debt crisis

- Review of International Political Economy---2015--Michele Chang, Patrick Leblond

The behaviour of sovereign bond investors stands at the heart of the euro area debt crisis. By pushing upward the yields on the government debts of member states standing in the eurozone's periphery, investors caused,

in a self-fulfilling way, the crisis that ultimately threatened the eurozone's integrity and the euro's survival. So how do we explain the behaviour of market investors before, during and after the eurozone's sovereign debt crisis? Why did investors not discriminate in their pricing of eurozone sovereign bonds before the crisis? Why did they abruptly change their minds in 2010? And why have they gradually felt reassured enough from mid-2011, depending on the country, to ask for significantly lower yields on sovereign bonds? To answer these questions, the paper argues that investors' confidence rests to a large extent on the expectation of the eurozone's solidarity, which is why large-scale multilateral solutions coming from the euro area were more successful in resolving the crisis than unilateral ones coming primarily from the debtor countries. As a result, this paper improves our understanding of the international political economy of financial (currency, bank and debt) crises by looking at the particular case of a monetary union with a single currency.

Club governance and the making of global financial rules

- Review of International Political Economy---2015--Eleni Tsingou

Who writes the rules of global finance? This article explains how the transnational financial policy community can influence the content of financial governance by organizing itself via a club model. This agent-centered explanation advances the concept of a club to highlight the mechanisms through which actors operate, the expertise and skills valued by this community and the way in which principles for what constitutes appropriate financial governance are derived. Evidence is provided by an investigation of the Group of Thirty, part-think tank, part-advocacy group, a hybrid organization whose members are active in both the official and private sectors. Club characteristics can be seen in the group's high profile and prestigious membership, which self-presents a strong sense of honor. The article highlights the club as a location for those traditionally understood as financial elites. It emphasizes the collective attributes of the club, such as reputational

consistency of membership, but also the importance of a track record of policy work for the enduring relevance of club arrangements in agenda-setting, consensus building and establishing mechanisms for private influence in financial governance. The study draws on 80+ interviews with key stakeholders from the community, including group members, conducted between 1998 and 2010.

The role of shadow banking entities in the financial crisis: a disaggregated view

- Review of International Political Economy---2015--Photis Lysandrou, Anastasia Nesvetailova

This article examines the role of the shadow banking system in the global financial crisis of 2007-9. In order to do this, one must first explain the reasons for the explosive growth of shadow banking in the immediate pre-crisis era. Current explanations for this growth tend to hold two contrasting positions: one emphasising factors endogenous to the banking sector (notably regulatory arbitrage and financial innovation); the other emphasising exogenous factors (notably the 'search for yield'). Integrating these two explanations, in this article we develop a disaggregated view of the shadow banking system. After clarifying the nature of the relation between the regulated and shadow banking systems, we inquire more closely into the different entities that inhabit the shadow banking system, the different activities that these entities performed and the different financial products that these entities supplied. The disaggregated view of shadow banking suggests that while some parts of the system played an important role in the initial subprime phase of the crisis through their involvement with the toxic securities that were at its centre, other parts of the system were key to the subsequent money and inter-bank phases of the crisis through their close ties with the regulated banks.

Brave New World? Macro-prudential policy and the new political economy of the federal reserve

- Review of International Political Economy---2015--Lucy M. Goodhart

The Financial Crisis that started in 2007 ushered in new responsibilities for central banks, particularly for what is termed 'macro-prudential policy', or MPP. The goal of this policy is to monitor and contain overall risk in the financial sector. Implementing MPP, however, carries the potential for distributional conflict with the largest financial firms and the politicization of central bank policy. In light of this risk, this essay analyses the institutional implications of MPP for a leading central bank, the US Federal Reserve. Specifically, how will MPP affect the autonomy of the Fed to set the policy it thinks right? The analysis is based on interviews with financial regulators, including Fed staffers and policymakers, and with journalists who report on financial regulation. It is also informed by a case study of the 'Volcker Revolution' in monetary policy. Based on these sources, I identify the factors that contributed to Fed autonomy in the conduct of monetary policy during the Volcker Revolution and assess the extent to which those same factors hold for MPP. I close with an assessment of what MPP means for the new political economy of the Fed in particular and developed world central banks more broadly.

Different paths to power: The rise of Brazil, India and China at the World Trade Organization

- Review of International Political Economy---2015-
--Kristen Hopewell

New powers, such as China, India and Brazil, are challenging the traditional dominance of the US in the governance of the global economy. It is generally taken for granted that the rise of new powers is simply a reflection of their growing economic might. In this article, however, I challenge this assumption by drawing on the case of the World Trade Organization (WTO) to show that the forces driving the rise of new powers are more heterogeneous and complex than suggested by a simple economic determinism. I argue that these countries have in fact taken different paths to power: while China's rise has been more closely tied to its growing economic might, the rise of Brazil and India has been driven primarily by their mobilization and leadership of developing country coalitions, which enabled them

to exercise influence above their economic weight. One important result is that Brazil and India have assumed a more aggressive and activist position in WTO negotiations than China and played a greater role in shaping the agenda of the Doha Round. Thus, although the new powers are frequently grouped together (as the 'BRICs', for example), this masks considerable variation in their sources of power and behaviour in global economic governance.

The declining exceptionalism of agriculture: identifying the domestic politics and foreign policy of agricultural trade protectionism

- Review of International Political Economy---2015-
--Cameron G. Thies

This paper explores the similarity of agricultural and industrial protectionist foreign policies through an analysis of the political determinants of agricultural producer support in OECD countries. While most qualitative studies of agricultural protectionism assume that it is exceptional or at least in some ways still different, this paper builds on an emerging quantitative literature that finds evidence of similarity with industrial protectionism. The paper enhances first-generation general statistical models of agricultural protectionism in the political science literature by considering political-institutional variables central to the industrial protectionism literature. The results of several cross-sectional time-series analyses suggest that the politics of agricultural producer support conform to general patterns of protectionism in other areas of industry.

Vulgarisation of Keynesianism in China's response to the global financial crisis

- Review of International Political Economy---2015-
--Yang Jiang

When Keynesianism received renewed interest in the global financial crisis, some economists regarded China's response as exemplary of effective Keynesian counter-cyclical strategy or even a non-crisis development strategy. At the same time, there have been critical voices against China's Keynesian measures. This

article therefore asks: To what extent was China's response to the global financial crisis Keynesian? What factors determined the Chinese characteristics of Keynesian policy both in design and in implementation? It points out that China did follow a Keynesian formula in its crisis response, boosted infrastructure construction, GDP growth and created some employment. However, Chinese Keynesianism is a vulgarised version that is merged with its developmental state model. It simply boasted a big state and massive deficit spending, and socialised investment without really benefiting consumers or the private sector. This article also provides an analysis of how ideational and institutional politics in China vulgarised Keynesianism and exacerbated socio-economic problems. Ideational politics included the dominance of Keynesian discourse at the beginning of the crisis and an obsession with short-term results. Institutional factors included 'firework' local government politics, the state being captured by state-owned enterprises and a concentration of central distributive power without proper monitoring over implementation.

Something left to lose? Network preservation as a motive for protectionist responses to foreign takeovers

- Review of International Political Economy---2015--Helen Callaghan

International market integration reduces the overlap between economic and political borders, but what, exactly, does that imply? According to some rational choice accounts, it means that globalization will eventually undermine itself by triggering protectionist backlashes. Previous scholarship has highlighted flaws in the underlying assumption that elected politicians prioritize local stakeholders over anonymous shareholders. The present article adds that, regarding foreign takeovers, levels of protectionism would vary even if governments did prioritize local stakeholders, because stakeholder preferences vary across corporate governance regimes. Where, as in the UK, coordination relies more on market mechanisms than on networks, foreign acquisitions are less disruptive, and political mobilization against them is weaker. To the extent

that the internationalization of corporate ownership spreads outsider governance by destroying networks, resistance therefore declines as the market expands. Quantitative correlational evidence is supplemented by case studies of bids for three British companies that provoked unusual levels of political mobilization.

Who survived? Ethiopia's regulatory crackdown on foreign-funded NGOs

- Review of International Political Economy---2015--Kendra E Dupuy,James Ron,Aseem Prakash

How do public regulations shape the composition and behavior of non-governmental organizations (NGOs)? Because many NGOs advocate liberal causes, such as human rights, democracy, and gender equality, they upset the political status quo. At the same time, a large number of NGOs operating in the Global South rely on international funding. This sometimes disconnects from local publics and leads to the proliferation of sham or 'briefcase' NGOs. Seeking to rein in the politically inconvenient NGO sector, governments exploit the role of international funding and make the case for restricting the influence of NGOs that serve as foreign agents. To pursue this objective, states worldwide are enacting laws to restrict NGOs' access to foreign funding. We examine this regulatory offensive through an Ethiopian case study, where recent legislation prohibits foreign-funded NGOs from working on politically sensitive issues. We find that most briefcase NGOs and local human rights groups in Ethiopia have disappeared, while survivors have either 'rebranded' or switched their work from proscribed areas. This research note highlights how governments can and do shape the population ecology of the non-governmental sector. Because NGOs seek legitimacy via their claims of grassroots support, a reliance on external funding makes them politically vulnerable. Any study of the NGO sector must include governments as the key component of NGOs' institutional environment.

Capital controls and the global financial crisis:

An introduction

- Review of International Political Economy---2015-
--Ilene Grabel, Kevin P. Gallagher

2015

The rebranding of capital controls in an era of productive incoherence

- Review of International Political Economy---2015-
--Ilene Grabel

The rebranding of capital controls during the global crisis has widened the policy space in the financial arena to a greater, more consistent degree than following the Asian crisis. How are we to account for this extraordinary ideational and policy evolution? The paper highlights five factors that contribute to the evolving rebranding of capital controls. These include: (1) the rise of increasingly autonomous developing states, largely as a consequence of their successful response to the Asian crisis; (2) the increasing assertiveness of their policymakers in part as a consequence of their relative success in responding to the current crisis; (3) a pragmatic adjustment by the IMF to an altered global economy in which the geography of its influence has been severely restricted, and in which it has become financially dependent on former clients; (4) the need for capital controls by countries at the extremes, i.e. those that faced implosion, and also and more importantly by those that have fared 'too well'; and (5) the evolution in the ideas of academic economists and IMF staff. The paper also explores tensions around the rebranding of capital controls as exemplified by efforts to 'domesticate' their use via a code of conduct.

Managing and transforming policy stigmas in international finance: Emerging markets and controlling capital inflows after the crisis

- Review of International Political Economy---2015-
--Jeffrey M. Chwieroth

The past three decades have shown the increasing importance of the efforts of the international financial

community to socialize emerging markets to accept norms of financial governance. Social sanctions often have been used to mark non-compliant states and their policies as deviant. Yet, we know little about how deviant states strategically manage such policy stigmas in international finance and how this management shapes the international normative order. Recent scholarship in international relations suggests that stigma management strategies tend to either reinforce or fracture the international normative order. This article, by contrast, contends that such strategies also have the potential to transform the international normative order so that it resembles more closely the preferences of the deviant. This argument is illustrated using evidence drawn from Brazil and South Korea's management of the policy stigma associated with controls on capital inflows.

Countervailing monetary power: Re-regulating capital flows in Brazil and South Korea

- Review of International Political Economy---2015-
--Kevin P. Gallagher

In the wake of the global financial crisis most emerging market and developing countries experienced a surge in capital inflows that accentuated financial fragility in those countries. Unlike similar surges in the 1990s and in the five years leading to the global financial crisis in 2008, this time many emerging market and developing countries re-regulated cross-border financial flows. According to the literature such acts are seen as quite difficult, given the pervasiveness of the 'capital mobility hypothesis' which renders that the structural power of global financial markets is too much of a match for states, especially those in emerging markets. The paper traces how Brazil and South Korea were able to countervail the structural power of global capital markets and put in place regulations on cross-border finance in the wake of the crisis. The paper also outlines the contours an inductive theory regarding the conditions under which emerging market and developing nations may deviate from the 'capital mobility hypotheses' and similar literatures. This concept is referred to as 'countervailing monetary power'.

From control by capital to control of capital: Iceland's boom and bust, and the IMF's unorthodox rescue package

- Review of International Political Economy---2015-
--Silla Sigurgeirsdóttir, Robert H. Wade

For decades past the IMF has been a byword for economic orthodoxy, which included disapproval of policy limits on cross-border capital flows. But in 2012 it announced a new "institutional view" giving more scope for capital flow management and in effect restricting the rights of capital owners. The Fund's program in Iceland after the October 2008 crash helped to pave the way; it was the first time the Fund had endorsed capital controls in a developed country. The essay describes Iceland's boom and bust, and how the government and IMF tried to manage the crisis. With IMF support, the government implemented capital outflow controls, initially as an emergency response and then as a longer-term stabilization measure. The control regime evolved in a complicated "game", sometimes referred to in public debate as "the battle of Iceland", between the central bank implementing a professionally-led capital account liberalization strategy versus political parties seeking to turn the controls to their advantage. From this political economy perspective we explain why the "temporary" capital controls remain in place more than five years on. At the end we draw some broad lessons from the Iceland case for the financial booms and busts to come.

Currency wars in the advanced world: Resisting appreciation at a time of change in central banking monetary consensus

- Review of International Political Economy---2015-
--Manuela Moschella

The purpose of this paper is to consider certain consequences of large post-crisis capital flows in advanced economies. Specifically, I offer an examination of the Swiss response to large capital inflows during the early stages of the global financial crisis. Why did the Swiss National Bank (SNB) intervene in the foreign exchange market and introduce an exchange rate floor? Why did

the SNB gamble with its highly valued anti-inflationary reputation in attempting to stem the appreciation of the Swiss franc? To answer these questions, this paper suggests a broader and more complete explanation than one that focuses solely on the configuration of domestic interests. Specifically, the paper argues that a thorough explanation of the SNB's response requires accounting for the changing monetary paradigm of the central banking community. This emerging monetary paradigm influenced the SNB's policy decisions by making the SNB particularly sensitive to financial stability risks and by providing it with the policy space to experiment with (macroprudential) tools to manage these risks.

The economic geography of North Korean drug trafficking networks

- Review of International Political Economy---2015-
--Justin V. Hastings

How has the involvement of the North Korean state influenced the geographic development of North Korean drug trafficking networks? In this paper, I use global value chain analysis to examine the characteristics of North Korean trade networks engaged in drug trafficking in two time periods during which state hostility toward drug trafficking varied markedly (from the early 1990s until 2005, when the central state encouraged production and trafficking, and since 2005, when North Korea cracked down on drugs). Access to a favourable institutional environment and state resources was associated with a spatial distribution of drug trafficking activities that was both territorially concentrated and territorially dispersed while the North Korean state sought to control as much of the value chain as possible. In the second period, the North Korean central state deprived many drug trafficking networks of state support, leading to networks with territorial distributions of production, distribution, and retail concentrated within both North Korea and adjacent countries, and more complex business relationships with various levels of the North Korean state, leading to a more distributed capture of value along the value chain.

The political economy of precarious work in the tourism industry in small island developing states

- Review of International Political Economy---2015-
--Donna Lee, Mark Hampton, Julia Jeyacheya

International tourism is now the predominant industry driving growth in many small island developing states (SIDS). Governments of small islands in the Indian Ocean, Caribbean and Pacific have seemingly put most of their eggs into one development basket - the all-inclusive holiday in a luxury hotel, resort or cruise ship. While this industry generates employment, foreign direct investment, and income for island governments and the private sector, it also brings with it dependencies which are borne from the transnational ownership of these all-inclusive accommodations, the risks from exogenous factors - many of which are tied to the wider security of the global system - as well as the domestic economies in the source markets in Europe and North America. We reflect upon these dependencies and risks through a case study of the Seychelles based on fieldwork research conducted in 2012. Our findings highlight that the international tourism industry in the Seychelles - even in a situation of high or growing demand - creates structurally driven precarity for tourism workers who are predominantly low paid, low-skilled, and increasingly recruited from overseas. These findings provide new evidence that contributes to the growing research into tourism in IPE. Our findings highlight the precarious condition of labour in this fast growing service sector of the world economy and in so doing also adds much needed empirical insights from the South to recent debates about an emerging precariat in contemporary capitalism.

Equality means business? Governing gender through transnational public-private partnerships

- Review of International Political Economy---2014-
--Elisabeth Prügl, Jacqui True

From the World Bank's 'gender equality is smart economics' to The Economist's 'womenomics' and Nike's 'girl effect', feminism seems to have well and truly

penetrated the business world. Government action on behalf of gender equality is well institutionalized but private corporations appear as a new actor in this cause. This article asks: What do businesses and their public partners do in order to advance gender equality? What motivates their engagement now and how does it fit into existing public and private relationships of power? What do they mean for feminist agendas? How legitimate are they? And how effective are they? To address these questions the article examines four exemplary initiatives involving businesses in advancing gender equality and women's empowerment: the Goldman Sachs 10,000 Women Global Initiative, the World Economic Forum's Women Leaders and Gender Parity Program, the European Union's Programme on Gender Balance in Decision-Making Positions, and the UN Global Compact-UNIFEM Women's Empowerment Principles for Business. Our purpose is to conceptually locate these initiatives as new private forms of governance involving partnerships with governments. We assess these initiatives employing criteria of feminist evaluation and find decidedly ambiguous results. We argue that the new attention to gender equality in business and global economic governance is both an expression of and a key process in the transformation of states and corporations in the context of global competition and restructuring.

Islamic finance in global markets: Materialism, ideas and the construction of financial knowledge

- Review of International Political Economy---2014-
--Eddy Fang

In light of the dramatic expansion Islamic finance (IF) has experienced over the past few decades, the industry has received increasing attention, not only within Muslim economies, but all around the world, as illustrated by the involvement of numerous non-Muslim public and private institutions. As the Islamic financial movement is increasingly becoming a global phenomenon, this paper critically examines the 'materialist'-led contributions in the social sciences (especially in economics and finance) on the rise of this alternative set of prac-

tices and ideas. In doing so, social constructivism is introduced as a fertile intellectual framework to complement the current debates on this topic. At the end of this paper, three new perspectives on IF are distilled from the latter's encounter with social constructivism. These reside in (1) providing an alternative epistemological position on the encounter between conventional and Islamic financial knowledge; (2) highlighting the presence of structures of authority in the emergence of financial alternatives such as IF; and (3) emphasizing the role of key economic agents/institutions in the global diffusion of Islamic financial ideas.

In the Shadow of Basel: How Competitive Politics Bred the Crisis

- Review of International Political Economy---2014--Matthias Thiemann

What if global governance mechanisms undermine the capacity of national banking regulators to deal with the deviant activities of their banks? Such was the case, this paper argues with respect to the Basel Accords and the regulation of the bank-based shadow-banking system. Securitization-activities by banks, driven by regulatory arbitrage have been an integral part of the shadow banking sector and a central transmission mechanism during the financial crisis. They have been identified as problematic by the international regulatory community since 1999, motivating reforms in Basel 2. This paper investigates why, nevertheless, regulatory loopholes that allowed banks to engage in these activities without core capital charges persisted in almost all Western jurisdictions pre-crisis. It lays emphasis on the global nature of the securitization business in conjunction with its national regulation, and shows that these national regulations on the fringes of global banking regulation were driven by competitiveness concerns. The Basel Accords were central in this dynamic, as they guaranteed the global nature of this market and gave national banking regulators the leeway to exempt securitization-activities from global regulation. Rather than eliminating competitive inequity concerns, the Basel Accords channelled them to its fringes, where they introduced a regulatory race to the bottom.

Regulatory competition as a social fact:

Constructing and contesting the threat of hedge fund managers' relocation from Britain

- Review of International Political Economy---2014--Barbara Sennholz-Weinhardt

Concerns about national competitiveness can undermine the prospects of enhanced financial regulation, as the threat of industry relocation makes states less willing to tighten rules. This logic seems applicable in the case of the European Alternative Investment Fund Managers Directive: in fear of managers relocating, the UK, which hosts almost the entire European alternative investment sector, successfully advocated a watering down of the proposed requirements. This paper, however, questions the origins of the - seemingly natural - British negotiation position. The empirical record confirms that the relocation threat is not a necessary fact imposed by a global logic of market forces, but a scenario constructed and contested both by the regulator and firms. The scale and imminence of the threat posed to the UK's competitiveness depends on the use and function of competing narratives about hedge fund managers' relocation and these narratives inform the behaviour of both hedge fund managers and their regulator. The British authorities hence not only influence the degree of regulatory competition through acts of liberalisation, but also through their influence on dominant narratives. This means that regulatory competition is a social, not a brute fact, and that the associated power relationship between state and market actors is discursively produced.

Why parties politicise international institutions:

On globalisation backlash and authority contestation

- Review of International Political Economy---2014--Matthias Ecker-Ehrhardt

Why do political parties increasingly address international institutions? This paper analyses the politicisation of international governance, that is, a process in which institutions' policies and procedures become salient and controversial on the level of mass politics.

It uses data on party platforms' content from 26 OECD countries to test a number of explanations for politicisation. Results suggest that scholarly debate tends to overestimate the role of globalisation for driving politicisation, while institutional variables are too often neglected. First, increased scope of international governance has made questions of international governance much more salient topics of party manifestos. Second, recent shifts of political authority to the international level can explain increased contestation of international governance to a remarkable extent. What is more, the contestation of international authority in the realm of electoral politics seems to be substantively shaped by exclusive nationalism, but not by democratic concerns.

'Much ado about nothing?' Transnational civil society, consumer protection and financial regulatory reform

- Review of International Political Economy---2014--Lisa Kastner

The literature on financial regulation has typically emphasized the role of the powerful financial industry in shaping regulatory outcomes. However, capture theories cannot explain the prominence of financial consumer protection in post-crisis reform agendas. By contrast, this article argues that, despite their collective action disadvantage, a polymorphous network of civil society organizations was able to gain momentum after the financial crisis and to influence the financial reform process. In this policy window, where decision-makers were looking out for an alternative source of expertise, a transnationally connected civil society (TCS) network successfully mobilized to place consumer protection on reform agendas in tandem with public entrepreneurs and on the back of a popular backlash against big finance. This argument will be explored through a comparative study of the impact of transnational pressures on policy-makers in Europe and the US in the immediate aftermath of the crisis. In the conclusion, the article shortly discusses the substance of the financial reforms that have been undertaken.

How much policy space still exists under the WTO? A comparative study of the automotive industry in Thailand and Malaysia

- Review of International Political Economy---2014--Kaoru Natsuda, John Thoburn

This paper investigates the policy space open to developing countries under the WTO regime. It is apparent that industrial policy options in developing countries are limited by the TRIPs, GATS, TRIMs and SCMs agreements under the WTO. However, policy options are not fully closed, and a narrower range of policies is still available. Focusing particularly on TRIMs, this paper examines the contrasting development of the automotive industries in Thailand and Malaysia, showing the different ways these countries have carved out new industrial policies within the now available policy space.

Same as it ever was? Continuity and change in the international monetary system

- Review of International Political Economy---2014--Jonathan Kirshner

For at least a decade, many have argued that the predominance of the dollar as the world's currency will gradually erode, and give way to a more multipolar international monetary order. The four papers in this special issue challenge this conventional wisdom, and hold that the hegemony of the dollar remains irresistible and unchallenged. Looking carefully at available evidence, each paper argues forcefully that the dollar remains predominant, and that expectations of its decline are greatly exaggerated. Nevertheless, although the dollar stands unrivaled at the moment, the pillars of support that have historically sustained its hegemony are eroding. Three warning signs loom especially large: regarding the trajectory of American power and international influence, the role of international politics in shaping the international monetary order, and the outcomes generated by the U.S. political system. Each of these should give pause about the sustainability of unrivaled dollar hegemony indefinitely into the future.

What does the international currency system really look like?

- Review of International Political Economy---2014--Benjamin J. Cohen, Tabitha M. Benney

There has been a lot of debate lately about the shape of the international currency system. Increasingly, we are told, the world is moving toward a multicurrency system with several poles, implying that the system is becoming more competitive. Polarity, however, is a notoriously crude measure of the level of competition in any kind of system, economic or political. If analysis is to be at all accurate, it should take into account not only the number of poles in a system but also the inequalities among them -an alternative approach encompassed by the concept of concentration. In this paper we make use of the concept of concentration to provide a more accurate picture of the competitive structure of the currency system today. When taking account of concentration as well as polarity, our results suggest that the competitive structure of the system is little changed over a period stretching back more than two decades.

Dollar hegemony: A power analysis

- Review of International Political Economy---2014--Carla Norrlof

The dollar has been the world's first currency since the end of World War II, possibly since the inter-war period, and is the leading currency today. A growing chorus of observers believes this dollar-centered order is coming to an end. While much commentary revolves around changes in the distribution of power, measures are only loosely related to the material basis for currency dominance. A proper understanding of the dollar's global role requires a quantitative assessment of the United States' monetary capabilities and currency influence relative to potential rivals. Moreover, while there is general recognition that a shift in power capabilities away from the United States to another actor in the international system is an insufficient, although necessary, condition for the prevailing currency hierarchy to reverse, there exists no systematic exploration

of how power is exercised when converting monetary capabilities into currency influence. This paper offers a systematic assessment of the monetary capabilities and currency influence of all countries in the world as well as an analysis of how the three faces of power sustain dollar hegemony.

Achilles' deal: Dollar decline and US grand strategy after the crisis

- Review of International Political Economy---2014--Doug Stokes

Towards the end of 2012, the US budget deficit stayed above US\$1 trillion for the fourth year in a row. In the absence of the dollar's international reserve currency status, foreigners' willingness to purchase US debt would diminish sharply. 'Declinists' have argued that this Achilles' heel of US power has become increasingly fragile, with the 2008 financial crisis further eroding US monetary privileges and bearing profound implications for international security and the distribution of power in the international system. However, contrary to these accounts, this paper shows that dollar hegemony not only remains strong, but that US monetary power has in fact increased. How do we explain this? In important areas, the US' economic decline is nowhere near as pronounced as is commonly assumed. Also, its strategic power in economically important regions, particularly in East Asia, helps incentivize both allied and potential contender states into its broader monetary regimes. To the extent that a weakening of dollar hegemony forms a primary component of the declinist case, it is thus overstated. This 'deal' will not last forever, but rising powers continue to face strong incentives to remain within a US-centric order, even after the financial crisis of 2008.

The political economy of failure: The euro as an international currency

- Review of International Political Economy---2014--Randall Germain, Herman Schwartz

How do international currencies get established and consolidated? What domestic and international po-

litical foundations support an international currency? And what kinds of macro-economic flows enable an international currency? In this essay we consider these perennial questions of modern IPE scholarship in reverse order to ask whether the euro could ever have become, or seek to become, a true international currency rivalling the US dollar, used not only for passive foreign exchange reserves but also as a major commercial currency outside the EU. We argue that the EU lacks the will, the ideas and the capacity to promote the euro into the status of an international currency. In this article, we concentrate on this final issue of capacity, as the will and ideas issues have already been well explored. Capacity is an issue coeval with, if not prior to, the first two issues. The EU's current institutional arrangements and its economic geography create macro-economic consequences that diminish the euro's capacity to operate as a top currency. These conflicts go beyond the well-recognized issue that the euro-zone is not an optimum currency area. Examining the euro's debilities sheds light not only on the euro's (in)capacity to rival the dollar as an international currency, but also on the future of both the euro and the dollar in the aftermath of the euro-zone crisis.

Austerity: The History of a Dangerous Idea, by Mark Blyth

- Review of International Political Economy---2014--Kevin P. Gallagher

2014

Handbook of Global Economic Governance: Players, Powers and Paradigms, by Manuela Moschella and Catherine Weaver (eds)

- Review of International Political Economy---2014--Ilene Grabel

2014

Smuggler Nation: How Illicit Trade Made America, by Peter Andreas

- Review of International Political Economy---2014--Juliet Johnson

2014

Poor Numbers: How We are Misled by African Development Statistics and What to Do About It, by Morten Jerven

- Review of International Political Economy---2014--Daniel Mügge

2014

Cotton: The Fabric that Made the Modern World, by Giorgio Riello

- Review of International Political Economy---2014--Cornelia Woll

2014

Assets or liabilities? The politics of bank ownership

- Review of International Political Economy---2014--Rachel A. Epstein

By 2014, there was significant variation across the global economy in the levels of domestic and foreign bank ownership among states. While major emerging and most advanced countries continued to protect domestic control over the bulk of their banking assets, a number of developing and transition economies had opened their banking markets to unprecedentedly high levels of foreign bank ownership. This introduction to a special issue on the politics of bank ownership examines why states have taken such divergent paths, and maps out some of the major consequences of disparate foreign bank ownership levels. The special issue finds that banking sector protectionism against a back-drop of globalization has generated new conflicts and costs for states. Paradoxically, it is the large, powerful countries that are most susceptible to such costs and conflict, in contrast to their more open, if weaker, counterparts. In addition, we find that high levels of foreign bank ownership have not resulted in significant vulnerability for host states, as some scholars had predicted. In some cases, foreign bank ownership can even improve a weak state's power position. Finally, we

conclude that states' varying approaches to banking sector protectionism and openness complicate efforts to supranationalize bank regulation and supervision, exacerbating financial instability.

Protection of domestic bank ownership in France and Germany: The functional equivalency of institutional diversity in takeovers

- Review of International Political Economy---2014--Michel Goyer,Rocio Valdivielso del Real

We investigate the character of the market for corporate control (i.e. takeovers) in French and German banking. The key feature of this character is the marked ability of French and German banks to resist unsolicited takeover bids, especially - although not exclusively- those from foreign competitors. We present an institutional perspective to account for the restrained character of takeovers in French and German banking. Our perspective is composed of two elements. First, institutional arrangements are important since they structure power relations among firm stakeholders by providing opportunities, as well as imposing constraints, to influence the decision-making process in which takeover transactions take place. Second, institutional arrangements provide firm stakeholders with several potential opportunities, not just one, to block unsolicited bids since takeover contests are composed of sequences of decisions for which approval is needed at each stage. French and German banks have used different mixes of institutional arrangements, themselves located at different stages of takeover transactions, to secure restrained markets for corporate control. Our institutional analysis, in turn, also illustrates an important shortcoming of banking sector protectionism, namely the contribution of protection from unsolicited takeover bids to the building of banks carrying systemic risks.

From Merlin to Oz: The strange case of failed lending targets in the UK

- Review of International Political Economy---2014--Huw Macartney

As a response to the crisis in the British banking system and reduced lending, the British government established Project Merlin, a series of lending targets aimed at boosting lending to the British economy, and small and medium-sized enterprises (SMEs) in particular. Given the economic importance of the targets, however, this paper questions why the Merlin agreements were so ineffective. Three explanations are given: first, in light of the challenges in accessing wholesale funding for the largest UK-owned banks, there was a lack of capacity and incentive to lend more; second, the lack of decisive intervention by the British state to compel banks to lend was also a determinant; third, though, I argue that boosting actual lending figures was not the primary aim of Project Merlin. Instead, the targets were performative, rather than substantive. I argue that these three explanations have important implications for the varieties of capitalism (VoC) debate and the economic and political economic literature on foreign versus domestic bank ownership. To the first literature, the article explains the degree to which politics underpins the structure of even the UK's purportedly liberal market economy (LME), whilst to the second, it explores the limitations to political control over even domestically-owned banks.

When do foreign banks 'cut and run'? Evidence from west European bailouts and east European markets

- Review of International Political Economy---2014--Rachel A. Epstein

Very high levels of foreign bank ownership in central and eastern Europe (CEE) gave rise to fears that the region would be vulnerable to 'cutting and running' during a financial crisis, whereby western parent banks would repatriate capital and liquidity to their home markets and abandon their CEE clients. Such fears were compounded by the economic nationalism of late 2008 and early 2009 in western Europe, as well as by west European bank bailout programmes that privileged home markets over foreign ones. Although CEE experienced a severe credit crunch in late 2008, compared to other financial and economic crises, western

bank behaviour in CEE has not amounted to 'cutting and running'. While many experts credit the 'Vienna Initiative' for maintaining foreign bank exposures in the region, this paper argues instead that it was the deep form of financial integration to which CEE was subject that kept banks committed. Specifically, western banks' 'second home market' business model, in which capital moved east via foreign-owned bank subsidiaries as opposed to primarily via branches or cross-border lending, led to only moderate retrenchment from CEE.

Transfer of reputation: Multinational banks and perceived creditworthiness of transition countries

- Review of International Political Economy---2014--Jana Grittersova

How do international investors evaluate sovereign borrowers whose histories and institutions are too new or weak to send strong signals about their creditworthiness? In this paper, I suggest that the perceived creditworthiness of many transition countries' governments rests on a 'transfer' of good reputation from prestigious multinational banks, as foreign direct investors. The entry of reputable foreign banks into a transition country signals to international financial markets about the financial strength of that host economy. It also involves the transfer of the status of lender of last resort to the foreign parent bank. Foreign bank penetration can thus create optimistic expectations about a host country's capacity to service its sovereign debt. Using panel data for 23 transition economies during the period of 1996-2009, my empirical results provide support for the argument stressing the exogenous role of foreign financiers as enhancers of the credibility of host country governments. The results are robust to instrumental variable analysis and the inclusion of number of controls for alternative determinants of investors' perceptions of country risk. This proposition is further backed by evidence from three transition countries: Hungary, Estonia and Ukraine.

Post-socialist housing meets transnational finance: Foreign banks, mortgage lending, and the privatization of welfare in Hungary and Estonia

- Review of International Political Economy---2014--Dorothee Bohle

This paper asks how public policies have shaped the build-up of crisis-prone housing finance markets and whether they have mitigated or reinforced the associated risks for citizens in East Central Europe. Analyzing the mortgage lending booms and busts in Hungary and Estonia, the paper finds that different policy priorities did not matter too much for the build-up of the mortgage boom and the associated risks households had to face. Rather, early decisions for encompassing house privatization and the non-existence of mortgage markets have led to a pent-up demand for housing finance, while the transnationalization and EU convergence of the financial sector have provided the supply for mortgage lending from the early 2000s on. Policy-makers in both countries, albeit to different degrees, have supported the mortgage boom and have by-and-large failed to correct for the risks of their population. In the wake of the global financial crisis, however, policies started to sharply diverge. While the Estonian government has relied on market mechanisms and private market actors to cope with the crisis, the Hungarian government engaged in far-reaching interventionist policies to unmake some of its devastating consequences for indebted house-owners. The paper explains its findings by the combination of different welfare state traditions and patterns of party competition.

Banking union under construction: The impact of foreign ownership and domestic bank internationalization on European Union member-states' regulatory preferences in banking supervision

- Review of International Political Economy---2014--Aneta B. Spendzharova

What is the optimal scope of regulatory harmonization in European financial sector governance? I argue that

the levels of foreign ownership and domestic bank internationalization are important determinants of the extent to which governments are prepared to endorse European solutions in banking supervision or prefer national ones. I test two hypotheses about the impact of foreign ownership and domestic bank internationalization on regulatory preferences. This article shows that being a host jurisdiction to foreign financial institutions constrains states' ability to steer credit flows and tackle perceived threats to national financial stability. As a consequence, decision-makers seek to preserve some national regulatory autonomy. Especially during economic downturns, national supervisory authorities have strong incentives to pursue policies that minimize losses for domestic stakeholders and shift burdens onto foreign ones.

Power Politics and the Undersupply of Financial Stability in Europe

- Review of International Political Economy---2014--Shawn Donnelly

This article analyses the politics of banking and fiscal union in the EU in the context of continued threats to financial stability in Europe. Contrasting the expectations of functional responses and power politics, it finds that the behavior of the states and the outcome of negotiations most closely resembles contemporary realist expectations. Minimal supranationalism takes place to prevent complete collapse, but the main development is that financially powerful member states coerce and impose changes on weaker member states, without committing to the financial transfers that the latter require to survive the financial crisis, with negative consequences for European financial stability.

Explaining the resilience of free trade: The Smoot-Hawley myth and the crisis

- Review of International Political Economy---2014--Gabriel Siles-Brügge

Despite the onset of the current economic crisis there has been no significant move towards protectionism

amongst most of the world's economies. Although rational institutionalist explanations point to the role played by the constraining rules of the World Trade Organisation, countries have largely remained open in areas where they have not legally bound their liberalisation. While accounts emphasising the increasing interdependence of global supply chains have some merit, I show that such explanations do not tell the full story, as integration into the global economy is not always associated with support for free trade during the crisis. In response, I develop a constructivist argument which highlights how particular ideas about the global trading system have become rooted in policy-making discourse, mediating the response of policy elites to protectionist pressures and temptations. Trade policy-makers and a group of leading economists have constructed an ideational imperative for continued openness (and for concluding the Doha Round, albeit less successfully) by drawing on a questionable reading of economic history (the Smoot-Hawley myth); by continually stressing protectionism's role as one of the causes of the Great Depression non-liberal responses to the current crisis have been all but ruled out by all except those willing to question the received wisdom.

Leveraged interests: Financial industry power and the role of private sector coalitions

- Review of International Political Economy---2014--Stefano Pagliari, Kevin L. Young

The power of financial industry groups is a subject of widespread academic and public debate. Existing international political economy (IPE) research has highlighted how different resources, institutions and structural features allow financial industry groups to influence financial regulatory policymaking. In so doing, however, this literature routinely tends to neglect the wider array of interest groups beyond the particular financial industry groups being regulated. Actor plurality is usually assumed to be low or inconsequential. Such an assumption obscures the important role that actor plurality may play in the policymaking process. We present new quantitative and qualitative evidence demonstrating how global financial regulatory politics

is more plural than most existing depictions would suggest. Actor plurality can have significant effects in 'leveraging' the influence of financial industry groups, which are often able to tie in their interests with those of other private sector groups affected indirectly by the regulation in question. We illustrate this under-appreciated facet of financial industry power through a variety of case-based evidence from the formation of banking and derivatives rules in various jurisdictions, both before and after the global financial crisis of 2008-10.

The politics of loan pricing in multilateral development banks

- Review of International Political Economy---2014--Chris Humphrey

This paper explores the political factors that determine the price of loans offered to borrowing countries by multilateral development banks (MDBs). The reasons why MDBs set their prices at a given level and why those prices might vary from one MDB to another has received scant attention in academia, even though inexpensive loan costs are the primary reason countries borrow from MDBs. The paper explores these issues in three MDBs, each with a different composition of shareholding countries - the World Bank (controlled by wealthy non-borrowing countries), the Inter-American Development Bank (IADB) (more evenly balanced between non-borrowing and borrowing countries) and the Andean Development Corporation (CAF) (controlled by borrowing countries). Evidence indicates that MDB shareholder composition has a major impact on loan prices, in sometimes unexpected ways. While the backing of wealthy countries allows the World Bank and IADB to raise resources on capital markets more cheaply than the CAF, the interests of those same non-borrowing countries in using MDB net income make loan costs significantly higher at those MDBs - especially the World Bank - than they would be otherwise. These results provide support to an institutionalist approach in focusing on the importance of shareholding and voting rules to better understand MDB activities.

Commodity booms, coalitional politics and government intervention in credit markets

- Review of International Political Economy---2014--Ryan Saylor

Scholars of the 'resource curse' increasingly agree that strong institutions can help countries avoid the pitfalls associated with abundant natural resource wealth. This paper argues that certain political coalitions can serve a similar function in the context of weak institutions. To explicate this argument, this paper examines how international commodity booms regularly create credit demand that surpasses available supply, often impelling exporters to seek government assistance with obtaining credit. Four case studies illustrate how coalitional politics dictated governmental responses to such demands. Where exporters were members of the ruling coalition (Chile and Argentina), their needs sparked credit sector reform and government help to access credit. Where exporters were excluded from political power (Colombia and Nigeria), government policy hindered their economic goals. These findings suggest that the resource curse may pivot on coalitional politics in important respects. The paper concludes by assessing this possibility with respect to strategies that are commonly proposed to help developing countries manage their natural resource wealth.

Candidate-centred systems, public banks and equity market restrictions in developing democracies

- Review of International Political Economy---2014--Bumba Mukherjee,Vineeta Yadav,Sergio Bejar

The pace of financial globalization across the developing world grew rapidly after developing country governments started reducing restrictions on foreign ownership of domestic equities. Studies suggest that the emergence of democracy in developing states played a critical role in facilitating the reduction of controls on foreign investment in domestic equities. Yet, the data reveals that although some developing country democracies have curtailed equity market restrictions, a significant share of developing democracies have increased

barriers on foreign ownership of domestic equities. This raises an important question: when do democratic governments in the developing world raise restrictions on foreign ownership of the equities of domestic firms? We suggest that policymakers in candidate-centred developing democracies will increase equity market restrictions in response to pressure from market concentrated public sector banks. Specifically, we claim that highly market concentrated public banks have incentives and the capacity to lobby policymakers to keep the domestic equity market closed to foreign investors. We then argue that policymakers from candidate-centred-but not party-centred-developing democracies have political incentives to be responsive to such pressure, which will induce them to raise barriers on foreign ownership of domestic equities. Statistical results obtained from a comprehensive sample of developing country democracies support our hypothesis.

Policy space and regional predilections: Partisanship and trade agreements in Latin America

- Review of International Political Economy---2014--Robert Galantucci

Several prominent political economy models of trade policy, at first glance, seem to suggest that leftist governments in Latin America have strong incentives to sign preferential trade agreements (PTAs). The Heckscher-Ohlin model, for instance, predicts that the ideological left in the developing world will favour trade liberalization. Other research, specifically on trade agreements, suggests that leftist governments sign such treaties to credibly signal a commitment to sound economic policies. In light of these predictions, it is perhaps surprising that many left-wing Latin American governments have been especially averse to signing PTAs. In this article, I provide an explanation for the partisan left's disposition toward trade agreements. First, I identify the ways in which PTAs can be difficult to reconcile with hardline or populist left-wing governance. Second, I explore the conditions under which left governments are most inclined to sign trade agreements. I anticipate that regional commonalities and

shared partisanship increase the prospects for cooperation. A statistical analysis of PTA signing in 18 Latin American countries, as well as a more in-depth treatment of several cases, yields results consistent with my expectations. These findings have implications for the literature on the political economy of trade agreements as well as the scholarship on globalization in the Latin American context.

Social spending targets in IMF concessional lending: US domestic politics and the institutional foundations of rapid operational change

- Review of International Political Economy---2014--Liam Clegg

This paper contributes to the literature on the mechanics of change in global economic governance. By synthesising an empirically driven case study with conceptual insights from the existing literature, I highlight three intervening variables that enabled the Legislative Mandates passed by the US Congress in 2009 on the use of social-spending targets (education and health expenditure ring fences) in IMF concessional lending to be rapidly translated into operational change. The intervening variables that stood between US domestic action and rapid operational change are: first, the existence of effective enforcement mechanisms to ensure compliance from the US Executive Director with the Mandate; second, preference congruence between other primary principals and the content of the Mandate, and; third, the existence of effective enforcement mechanisms to ensure compliance from IMF staff with the principals' collectively-sanctioned goal. The outcome observed - the near universal incorporation of social-spending targets into concessional lending arrangements - adds credence to calls for further empirical work to assess the extent of a post-Washington Consensus transition at the IMF.

Paradigm shift in the global IP regime: The agency of academics

- Review of International Political Economy---2014--Jean-Frédéric Morin

The global intellectual property (IP) regime is in the midst of a paradigm shift in favour of greater access to protected work. Current explanations of this paradigm shift emphasize the agency of transnational advocacy networks, but ignore the role of academics. Scholars interested in global IP politics have failed to engage in reflexive thinking. Building on the results from a survey of 1679 IP experts, this article argues that a community of academics successfully broke the policy monopoly of practitioners over IP expertise. They instilled some scepticism concerning the social and economic impacts of IP among their students as well as in the broader community of IP experts. They also provided expert knowledge that was widely amplified by non-governmental organizations (NGOs) and some intergovernmental organizations, acting as echo chambers to reach national decision makers. By making these claims, this article illustrates how epistemic communities actively collaborate with other transnational networks, rather than competing with them, and how they can promote a paradigm change by generating, rather than reducing, uncertainty.

The European rescue of the Washington Consensus? EU and IMF lending to Central and Eastern European countries

- Review of International Political Economy---2014--Susanne Lütz, Matthias Kranke

The global financial crisis has transformed the relationship between the International Monetary Fund (IMF) and the European Union (EU). Until the crisis, the IMF had not lent to EU member states in decades, but now the two organisations closely coordinate their lending policies. In the Latvian and Romanian programmes, the IMF and the EU advocated different loan terms. Surprisingly, the EU embraced 'Washington Consensus'-style measures more willingly than did the IMF, which much of the contemporary literature still portrays as an across-the-board promoter of orthodox macroeconomic policies. We qualify this stereotypical characterisation by arguing from a constructivist perspective that the degree of an organisation's autonomy from its members depends on the interpretation of its

mandate. IMF staff viewed the Fund's technical mandate as an opportunity to react rather flexibly to the challenges of the latest crisis. By contrast, European Commission, as well as European Central Bank (ECB), staff interpreted the vast body of supranational rules as necessitating stricter adherence to economic orthodoxy. Thus, IMF lending policies were more flexible and, at least on fiscal issues, also less contractionary.

Non-market cooperation and the variety of finance capitalism in advanced democracies

- Review of International Political Economy---2014--Jana Grittersova

In this article I explore empirically the determinants of the persistent cross-national variation in finance capitalism in advanced democracies. I find that the degree of strategic coordination through extra-market institutions - which protect the economic system from class and sectoral pressures and promote collaboration among state agencies, financiers, managers, and labor organizations - contributes to a country's domestic banking and financial intermediary-based development but is less conducive to the development of its securities markets. The financial liberalization reforms of the 1990s meant the emergence of an asymmetric corporatist system, whereby banks and other financial institutions played a crucial role in defining the new rules of financial governance. Conducting a panel data analysis encompassing 18 advanced democracies over the period of 1960-2005, I find evidence of the impact of strategic coordination on financial development, while controlling for alternative explanations and ensuring that my estimates capture the influence of the exogenous component of coordination. The paper shows that convergence to the Anglo-Saxon model of finance has not occurred.

An alternative socio-ecological strategy? International trade unions' engagement with climate change

- Review of International Political Economy---2014--Romain Felli

In the context of a global ecological crisis, it is an important move when trade unions turn to environmentalism. Yet, the form that this environmentalism takes is often overlooked. This is especially the case with international trade unions. Based on an empirical study of international trade unions' engagement with the climate change issue, this article argues that international trade unions follow three different (and partially conflicting) strategies. I label these strategies as 'deliberative', 'collaborative growth' and 'socialist', and I examine each in turn. I argue that such analysis is important if we want to identify the potential for transforming the social relations of production that are at the root of the current climate crisis, and for identifying an alternative socio-ecological strategy.

The World Bank and core labour standards: Between flexibility and regulation

- Review of International Political Economy---2014--Hannah Murphy

Over the past decade, the World Bank has moved closer to accepting the International Labour Organization's (ILO's) core labour standards (CLS) and, in the process, sought to balance its promotion of labour market flexibility with a new focus on labour market regulation. The Bank's change of approach includes the 2009 decision to review and subsequently remove its labour market flexibility indicator (used to score the extent of labour market flexibility amongst its member-states) from its flagship publication, *Doing Business*. The aim of this article is to chart the softening of the Bank's emphasis on labour market flexibility and distil the contributing factors. With reference to the global financial crisis and the Bank's organizational characteristics, the article evaluates the work of international trade unions and the ILO as agenda-setters and compliance monitors and pro-labour industrialized states as 'insider advocates' in broadening the Bank's commitment to the CLS. The article demonstrates the influential nature of tacit coalitions between state and non-state actors representing a coalescence of normative values and economic interests. The Bank's changing approach to labour markets also contributes new evidence to the

emerging, yet tentative, consensus that the neoliberal paradigm is undergoing a rebalancing, rather than an overhaul, in the post-crisis era.

Diaspora-owned firms and social responsibility

- Review of International Political Economy---2014--Benjamin A.T. Graham

A causal relationship between diaspora populations and bilateral foreign direct investment has been established empirically, but the question of which elements of diaspora difference are responsible for this relationship, and what this implies for development, remains unanswered. A growing literature in economic sociology and business suggests that diaspora investors are motivated by patriotism and other social and emotional factors, endowing them with unique potential as a force for international development. This literature argues that diaspora-owned firms are more socially responsible than other foreign firms, and engage in a range of economic development-promoting behaviors when investing in the homeland: hiring more local labor, paying higher wages, and making more contributions to charity. I argue that diaspora-owned firms enjoy competitive advantages in the homeland based on access and attention to information. I evaluate these theories at the firm level, using data from an original survey of 174 foreign-owned firms in the post-conflict country of Georgia. Across a range of self-reported behaviors and priorities, I find no evidence that diaspora-owned firms are more likely to engage in a specific set of socially responsible, pro-development behaviors than are other foreign firms, and some evidence that they are less likely to do so. I argue that diaspora investors are uniquely capable, but not uniquely philanthropic, when doing business in their homelands.

Subnational politics and foreign direct investment in Mexico

- Review of International Political Economy---2014--Steven Samford, Priscila Ortega Gómez

Focusing on Mexico, this article makes two departures from existing studies of the determinants of foreign

direct investment (FDI): (1) it disaggregates investment into three types (resource-, market- and efficiency-seeking); and (2) it models variation in investment subnationally, across the 32 Mexican states. Using panel data for foreign investment between 2000 and 2009, we find that the predictors of subnational variation in investment go beyond simple geographic and economic conditions and include factors such as local political party control, social stability and the perceived effectiveness of state authorities. Moreover, the three types of investment are shaped by distinct social, political and economic dynamics. Insofar as the location and type of foreign investment can affect economic development and inequality within - and not just between - countries, the subnational distribution of investment is of consequence for both academics and policy makers.

Who's in the cockpit? The political economy of collaborative aircraft decisions

- Review of International Political Economy---2014--Marc R. DeVore, Moritz Weiss

Few issues are more important to states' security than their ability to acquire modern weaponry. Today, advanced industrial democracies possess three options for doing this. In principle, they can: autonomously produce their own armaments, import them from foreign suppliers, or collaborate with other states to co-produce common weapons. In this study, we examine the factors driving state decisions to either collaboratively or autonomously procure advanced weaponry. To this end, we analyse French and British decisions about whether or not to collaborate in the domain of combat aircraft. To preview our conclusion, we draw on the Varieties of Capitalism approach to argue that the underlying institutional structures of national political economies explain why otherwise similar states have enacted divergent policies. Within *Étatist* France, dense exchanges and close relationships within elite networks enable large defence contractors to veto government decisions that contravene their preferences. By way of contrast, Britain's liberal market economy empowers its government to impose its preference for collaborative projects onto aircraft manufacturers, even when

the latter attempt to lobby in favour of promising national designs. Thus, what variety of capitalism a state practises determines whether governments or contractors occupy the metaphorical cockpit when it comes to making procurement policies.

Global value chains and global production networks in the changing international political economy: An introduction

- Review of International Political Economy---2014--Jeffrey Neilson, Bill Pritchard, Wai Chung Henry Yeung

2014

Global value chains in a post-Washington Consensus world

- Review of International Political Economy---2014--Gary Gereffi

Contemporary globalization has been marked by significant shifts in the organization and governance of global industries. In the 1970s and 1980s, one such shift was characterized by the emergence of buyer-driven and producer-driven commodity chains. In the early 2000s, a more differentiated typology of governance structures was introduced, which focused on new types of coordination in global value chains (GVCs). Today the organization of the global economy is entering another phase, with transformations that are reshaping the governance structures of both GVCs and global capitalism at various levels: (1) the end of the Washington Consensus and the rise of contending centers of economic and political power; (2) a combination of geographic consolidation and value chain concentration in the global supply base, which, in some cases, is shifting bargaining power from lead firms in GVCs to large suppliers in developing economies; (3) new patterns of strategic coordination among value chain actors; (4) a shift in the end markets of many GVCs accelerated by the economic crisis of 2008-09, which is redefining regional geographies of investment and trade; and (5) a diffusion of the GVC approach to major international

donor agencies, which is prompting a reformulation of established development paradigms.

Value chains, neoliberalism and development practice: The Indonesian experience

- Review of International Political Economy---2014--Jeffrey Neilson

This paper provides a critical analysis of the emergence of an approach within the practice of international development that adopts a 'value chain' discourse, and traces the conceptual underpinnings of this discourse and practice through its translation from scholarly literature. This practical application of value chain theory has involved the selective application and interpretation, by development practitioners, of key scholarly ideas on global commodity chains, development strategies and industrialization. The specific application of value chains in Indonesian development practice, however, is silent on other aspects of the global value chain framework, such as the role of the state in mediating development strategies, power asymmetries within chains, and world-historical circumstances that shape upgrading possibilities. Despite foundational roots in critical analyses of global capitalism, recent 'value chains for development' applications appear to be perpetuating a neoliberal development agenda, which is facilitating the enhanced penetration of multinational capital into the economy and lives of the rural and urban poor.

Governing the market in a globalizing era: Developmental states, global production networks and inter-firm dynamics in East Asia

- Review of International Political Economy---2014--Wai Chung Henry Yeung

This paper focuses on the changing governance of economic development in a globalizing era in relation to the dynamics of global value chains and global production networks. Based on recent development in such East Asian economies as South Korea, Taiwan and Singapore, I examine how, since the 1990s, the embedded relation between one variant of state institutions, known as the developmental state, and national

firms, well integrated into global chains and networks spanning different territories and regions, has evolved. Because of the deepening strategic coupling of these national firms with lead firms in global industries, the developmental state's attempt to govern the market and to steer industrial transformation through direct policy interventions has become increasingly difficult and problematic. Through this process of strategic coupling, national firms have been gradually disembedded from state apparatuses and re-embedded in different global production networks that are governed by competitive inter-firm dynamics. While the state in these East Asian economies has actively repositioned its role in this changing governance, it can no longer be conceived as the dominant actor in steering domestic firms and industrial transformation. The developmental trajectory of these national economies becomes equally, if not more, dependent on the successful articulation of their domestic firms in global production networks spearheaded by lead firms. In short, inter-firm dynamics in global production networks tend to trump state-led initiatives as one of the most critical conditions for economic development. This paper theorizes further this significant role of global value chains and global production networks in the changing international political economy of development.

The role of the state as an inter-scalar mediator in globalizing liquid crystal display industry development in South Korea

- Review of International Political Economy---2014--Yong-Sook Lee, Inhye Heo, Hyungjoo Kim

Deriving insights from the global production network (GPN) framework, we examine the recent development of the liquid crystal display (LCD) industry in South Korea. Using the GPN framework, we focus on the role of the national state as an active inter-scalar mediator in the dynamic strategic coupling process between global leading firms and local actors in globalizing regional development. We argue that the role of the national state as an inter-scalar mediator was crucial in coordinating localized growth factors with globalizing external factors to create and develop the LCD

industry. This was achievable because of the legacy of the developmental state and the top-down implementation of policy in South Korea. Using the idea of the inter-scalar mediator, we specify the role of the state as a container of laws and practices and as a constructor of regional innovation systems to globalize regional development in the context of a centripetal society. A multi-strategy approach, which included one month of participatory observation, in-depth interviews and secondary data collection, was adopted in order to enhance the validity and reliability of the data.

Market rebalancing of global production networks in the Post-Washington Consensus globalizing era: Transformation of export-oriented development in China

- Review of International Political Economy---2014-
--Chun Yang

The current global financial crisis has prompted researchers to revisit the export-oriented development models, known as the 'Washington Consensus' paradigm, that have prevailed in East Asia during the past few decades. Host domestic markets have been generally neglected in the conceptual construct and empirical analysis of export-oriented development. Drawing upon the global production networks (GPNs) perspective, the study advances an evolutionary framework to shed light on the rising domestic market in China as emerging dynamics of regional transformation in contemporary economic globalization. The study is conducted based on updated investigations of the market rebalancing of transnational corporations (TNCs) in China, and particularly the Pearl River Delta (PRD), in response to the post-crisis global-local interaction. It argues that the institutional and network embeddedness of TNCs in the processing trade regime have hampered their 'recoupling' with the domestic market and 'decoupling' from external markets. Instead, a domestic market oriented production network is emerging, driven by strategic contract manufacturers through relocation to inland China. As a pilot attempt to articulate the domestic market in the GPN framework, this

study urges more research to reflect the implications of the restructuring of GPNs and market reorientation of TNCs for reshaping regional trajectories in the post-Washington Consensus global economy.

Global models of networked organization, the positional power of nations and economic development

- Review of International Political Economy---2014-
--Matthew C. Mahutga

Interdisciplinary literature on global commodity chains (GCCs)/global value chains (GVCs) and global production networks (GPNs) contends that inter-firm power differentials within globally networked forms of economic organization have implications for the developmental trajectories of nation-states. In this article, I advance these literatures in three ways. First, I bridge the two approaches by elaborating an exchange-theoretic conceptualization of inter-firm power that is latent in the two literatures. This conceptualization focuses narrowly on the determinants of inter-firm power asymmetries and is useful for explaining why actual production networks vary in terms of the relative power of buyers and producers. Second, I develop an empirical framework to advance basic research on the link between globally networked forms of economic organization and national economic development. In particular, I derive cross-nationally and temporally comparable country-level measurements of the average bargaining power of a country's resident firms using industry-specific international exchange (trade) networks. I demonstrate the validity of these indices through a historical analysis of trade networks in the transport equipment and garment industries and by analysing cross-national variations in wages in the two industries. Finally, I conclude by charting a parallel path for GCC/GVC and GPN research that implicates global models of network organization in macro-comparative analyses of economic development.

Explaining governance in global value chains: A modular theory-building effort

- Review of International Political Economy---2014--Stefano Ponte,Timothy Sturgeon

In this article, we review the evolution and current status of global value chain (GVC) governance theory and take some initial steps toward a broader theory of governance through an exercise in 'modular theory-building'. We focus on two GVC governance theories to which we previously contributed: a theory of linking and a theory of conventions. The modular framework we propose is built on three scalar dimensions: (1) a micro level - determinants and dynamics of exchange at individual value chain nodes; (2) a meso level - how and to what extent these linkage characteristics 'travel' upstream and downstream in the value chain; and (3) a macro level - looking at 'overall' GVC governance. Given space limitations, we focus only on the issue of 'polarity' in governance at the macro level, distinguishing between unipolar, bipolar and multipolar governance forms. While we leave a more ambitious analysis of how overall GVC governance is mutually constituted by micro/meso factors and broader institutional, regulatory and societal processes to future work, we provide an initial framework to which this work could be linked. Our ultimate purpose is to spur future efforts that seek to use and refine additional theories, to connect theories together better or in different modular configurations, and to incorporate elements at the macro level that reflect the changing constellation of key actors in GVC governance - the increasing influence of, for example, NGOs, taste and standard makers, and social movements in GVC governance.

Missing links: Logistics, governance and upgrading in a shifting global economy

- Review of International Political Economy---2014--Neil M. Coe

This article seeks to argue that logistics services, and the independent logistics industry in particular, should be afforded much more attention within political economy approaches to the global economy. Widespread

outsourcing processes and the increased sophistication of logistics provisions mean that the industry has arguably evolved beyond being a mere service input to occupying an integral and strategic role within many global industries. It is, therefore, intimately connected to debates about shifting governance regimes and upgrading dynamics within those industries. Conceptualising logistics from a global production network (GPN) perspective offers the potential for revealing both (1) the contribution of logistics providers to value and upgrading dynamics in client sectors and (2) the ways in which the logistics industry itself can be thought of as a multi-actor value-generation network with its own strategic and upgrading dynamics. The article distils the key contributions and limitations of prevailing business studies approaches to logistics, before charting a four-pronged research agenda that foregrounds the political economy of logistics provisions within the global economy. The analysis concludes by thinking about the implications of on-going post-crisis restructuring within the world economy for the proposed research agenda on logistics and GPNs.

Global wealth chains in the international political economy

- Review of International Political Economy---2014--Leonard Seabrooke,Duncan Wigan

2014

Global value chains and development

- Review of International Political Economy---2014--John Ravenhill

The adoption of the Global Value Chains framework by Multilateral Economic Institutions has led to the introduction of broader and more heterodox views of development into official discourses. When it comes to policy implications, however, the reports revert to an agenda that departs little from the Washington Consensus. Trade and investment liberalization are discussed in detail; 'complementary policies' required to promote upgrading receive scant mention. In particular, the reports neglect the role that institutions

can play in overcoming coordination problems and how enhanced state capacity is required for enforcement of competition policies and for effective participation in trade negotiations.

Introduction - IPE with China's characteristics

- Review of International Political Economy---2013-
--Gregory Chin,Margaret M. Pearson,Wang Yong

This article serves as an introduction to the five articles submitted for the special issue on IPE in China. In addition to summarizing the special issue articles on key themes in IPE, we outline the genesis of IPE as a field of study inside China, detail the core characteristics of Chinese IPE, as seen in this special issue, and consider the limits of the development of Chinese IPE to date. Finally, we provide a road map for the development of the IPE field in China, and identify the potential contributions which the Chinese scholarship could make to knowledge creation in IPE, and to the global conversation, in the future.

Chinese IPE debates on (American) hegemony

- Review of International Political Economy---2013-
--Wang Yong,Louis Pauly

Reflections on hegemonic power have shaped the contemporary field of international political economy (IPE) within China. Shifts in the thinking of Chinese scholars correlate with China's own changing role and location in a system still most profoundly influenced by the United States. But real and perceived changes in America's position have also influenced the way in which Chinese IPE scholars are now reconceptualizing the nature of global authority and the international position of China. In one generation, the mainstream of China's IPE scholarship has moved away from its rigid Marxist origins and converged in substantial part with Anglo-American ideological traditions, now prominently including liberal institutionalism. Nevertheless, scholarship informed by other traditions, including a re-imagined Confucianism, flourishes. Major policy-changing events clearly affect the work of Chinese IPE scholars, a phenomenon hardly unknown elsewhere.

Debating international institutions and global governance: The missing Chinese IPE contribution

- Review of International Political Economy---2013-
--Pang Zhongying,Hongying Wang

One of the fundamental questions in the study of international political economy (IPE) is the foundation of order, stability and justice in international politics and economy. The study of international institutions and global governance is part of this larger inquiry. With China's rising importance in the global economic system, it might be expected that IPE scholarship in China would give rise to uniquely 'Chinese' approaches to this area of inquiry, approaches informed by China's position in the world and China's rich cultural and intellectual traditions. However, our examination of Chinese scholarship shows that thus far, it has produced little new knowledge and theoretical innovation. Why has this been the case? We argue that it is because (1) as a new field of study, IPE in China - including the study of international institutions and global governance - is still under the strong socialization effect of Western scholarship; and (2) the institutional environment in China constrains the kind of research that promises new insights and innovative perspectives. We also discuss how scholarship in China could contribute to the positive evolution of IPE globally in the future, and the obstacles that may hinder this development.

Globalization and the role of the state: Reflections on Chinese international and comparative political economy scholarship

- Review of International Political Economy---2013-
--Tianbiao Zhu,Margaret Pearson

China's rapid integration into the global economy has had undeniable implications for the Chinese state - it raises questions about how the state has simultaneously encouraged globalization and, at the same time, tried to control for globalization's impact on China's economy, its culture, and on state policy and the state itself. These implications have not been lost on PRC-based scholars of international and comparative politi-

cal economy, who have focused considerable - if, as we shall argue, incomplete - attention on globalization's challenge to state sovereignty, to economic sovereignty, and on the economic role of the state. The article highlights features of the Chinese scholarship that are quite distinctive. This literature reflexively favours a strong role for the state in the context of globalization. We also observe that the literature in general is not oriented to theory-building. Instead, scholarship is largely policy-driven; there is a strong impulse to provide positive policy advice to Chinese policy-makers. Most striking, the understanding of the state in the Chinese literature remains partial; there is a marked reluctance to delve into either empirical or theoretical study of the Chinese state itself - the state itself as a subject of critical analysis is rarely considered.

Turning point: International money and finance in Chinese IPE

- Review of International Political Economy---2013--Xin Wang, Gregory Chin

Unlike the depth of international political economy (IPE) research on finance and money in North America and Britain/Europe, or the amount of work that has been done inside China on the IPE of international trade, the IPE of global finance and money is still at a nascent stage inside China. The paper examines the evolution of Chinese IPE research on global finance and money and suggests that research in these issue areas appears to be reaching a turning point. The main empirical finding is that this shift in knowledge production has been induced principally by China's emergence as a financial force and the national developmental concerns this entails, as well as by the onset of the 2008-09 global financial crisis and the rise of the emerging economies' grouping. The growing Chinese scholarship on the IPE of finance and money is adding analytical depth and broadening Chinese IPE, particularly on the impact of financial globalization on developing and emerging economies. While such research will likely contribute to Chinese policymaking in the future, the scholarly test for Chinese IPE is whether and how it will contribute to filling the global

knowledge gaps on the determinants of financial and monetary policy, and whether it will give rise to new understandings on global finance and money, especially the causes of international financial crises. Heretofore, much of the literature has been heavily policy-oriented and normative.

Constructivism and the study of international political economy in China

- Review of International Political Economy---2013--Qingxin K. Wang, Mark Blyth

This paper surveys constructivist scholarship in the study of international political economy (IPE) in China. Chinese scholars in the field of IPE have until recently rarely used constructivism as an approach to study IPE for two reasons. The first, like Western IPE, is the short history of constructivism as a theoretical perspective. The second, unlike Western IPE, stems from the long-standing dominance of Marxism, China's official state ideology, in the academic field. In China, Marxism's materialist core shapes the basic research questions of IPE. Unsurprisingly then, constructivist analysis is quite alien to the dominant intellectual discourse in China. Nonetheless, of late, more Chinese scholars have begun to apply constructivist analysis. This paper surveys these developments and is divided into three sections. The first section provides an overview of how Chinese Marxist scholars approach the major issues of IPE as they relate to China. The second section provides an overview of the work of liberal-minded Chinese scholars who work on major IPE issues, another counterpoint to the Marxist school. The third section, which is the major focus of this paper, examines how Chinese scholars have applied the constructivist concepts to study major IPE issues in the Chinese context.

The future of international political economy: Introduction to the 20th anniversary issue of RIPE

- Review of International Political Economy---2013---Juliet Johnson, Daniel Mugge, Leonard

2013

Part 1 - Revealing the Eurocentric foundations of IPE: A critical historiography of the discipline from the classical to the modern era

- Review of International Political Economy---2013--John M. Hobson

In this article and in Part 2 I advance a 'critical historiography' of IPE which excavates to the deepest foundations of the discipline. For while I very much welcome Benjamin Cohen's seminal historiographical intervention, nevertheless it obscures two foundational properties of IPE. First, identifying 1970 as the birth-year of IPE produces a distorted image of the discipline's purpose and historiography that can begin to be remedied by rehabilitating the originary era of classical political economy. Second, focussing on issues revolving around methodology and epistemology obscures the deeper Eurocentric metanarrational foundations upon which the vast majority of IPE scholarship between 1760-2012 stands. Specifically, I reveal the various Eurocentric metanarratives that underpin the orthodox traditions of classical political economy (Smith and List) and modern IPE (Gilpin and Keohane). My conclusion is that rather than producing positivist/objective (or even critical) explanations of the world economy, most of IPE has, often unwittingly, defended, promoted or celebrated Western civilization as the highest or ideal referent in the world. I follow this up in Part 2 by deconstructing open economy politics to bring my historiography up to the present while advancing an alternative non-Eurocentric empirical and theoretical research agenda for what I call inter-civilizational political economy .

Part 2 - Reconstructing the non-Eurocentric foundations of IPE: From Eurocentric 'open economy politics' to inter-civilizational political economy

- Review of International Political Economy---2013--John M. Hobson

In Part 1 (this issue), I deconstructed IPE, past and present, to reveal the Eurocentric foundations of the discipline. This second part completes my critical historiography by revealing how Open Economy Politics, which dominates the latest phase of American IPE, is Eurocentric. However, some readers will, quite rightly, want to know why Eurocentrism poses a problem for IPE and what an alternative non-Eurocentric approach might look like. Accordingly, this article lays out some of the basic properties of what I call 'inter-civilizational political economy'. To this end, deconstructing OEP is undertaken in tandem with reconstructing a non-Eurocentric inter-civilizational account of trade regime change in the last few centuries. From there, I proceed to specify some key empirical areas that an inter-civilizational research agenda would examine, focussing on three types of politico-economic systems change: the rise of capitalism, the rise and development of globalization, and changes in the distribution of structural power within the world economy. I close that section by pointing to various smaller-scale areas of research that derive from what I call everyday inter-civilizational political economy. And I conclude by considering some of the key methodological and substantive issues that my own non-Eurocentric research approach throws up.

RIPE, the American School and diversity in global IPE

- Review of International Political Economy---2013--J. C. Sharman, Catherine Weaver

On the occasion of the Review of International Political Economy 's 20th anniversary, this paper systematically assesses RIPE 's claim to represent an alternative to the 'mainstream' study of international political economy (IPE) with several new sources of evidence. The first is

the IPE component of a 20-country survey of international relations (IR) faculty, the second a database of books in the field. The third, and most important, is derived from coding 326 RIPE articles published 2000-10 to discover key cleavages and trends. These results are compared with those from prior studies of the 12 IR journals identified as the 'leading' journals by the Teaching, Research and International Politics (TRIP) project. The article concentrates on five key issues: paradigmatic orientation, epistemology, methodology, policy orientation, and demography. The results provide ground for scepticism that the 'American School' of IPE does or will define the mainstream. The findings further tend to confirm that RIPE has stayed relatively true to its founders' intentions in representing diversity in the global study of IPE.

Reading the right signals and reading the signals right: IPE and the financial crisis of 2008

- Review of International Political Economy---2013-
--Peter J. Katzenstein, Stephen C. Nelson

Although the meltdown in the American financial system in 2008 created the most profound financial crisis in sixty years, the field of International Political Economy (IPE) has remained curiously silent. More worrisome is the inability of the paradigmatic approach to the study of IPE in the United States - Open Economy Politics (OEP) - to shed much light on the causes of the crisis. We develop the conceptual distinction between risk and uncertainty to explain why the rationalist (and largely materialist) "American School" of IPE failed so badly. OEP followed orthodox economics in conflating risk and uncertainty. Preserving the distinction, as constructivist IPE scholars and economic sociologists have done, enables us view the crisis through dual rationalist and sociological optics. Our illustrative evidence, drawn from public (the Federal Open Market Committee of the US Federal Reserve) and private actors (accountants, credit rating agencies, and arbitrage traders) in financial markets, shows that only eclectic approaches that make use of both rationalist and sociological optics give IPE scholars the depth of vision and the breadth of imagination necessary to make sense of

the financial crisis of 2008.

Coping with Crisis: Government reactions to the Great Recession, by Nancy Bermeo and Jonas Pontusson (eds)

- Review of International Political Economy---2013-
--Kevin P. Gallagher

2013

Hunger in the Balance: The new politics of international food aid, by Jennifer Clapp

- Review of International Political Economy---2013-
--Catherine Weaver

2013

Financialization and Government Borrowing Capacity in Emerging Markets, by Iain Hardie

- Review of International Political Economy---2013-
--Ilene Gabel

2013

The Political Economy of Violence Against Women, by Jacqui True

- Review of International Political Economy---2013-
--Nicola Phillips

2013

Restructuring neoliberalism at the World Health Organization

- Review of International Political Economy---2013-
--Nitsan Chorev

Most descriptions of the spread of neoliberal economic policies since the 1980s overlook the significant contribution of international organizations not only to the dissemination of these policies, but also to their making. The scholarship often regards international organizations as passive transmission belts that merely comply with the demands of their member-states. Scholars

who do identify the constitutive role of international organizations consider them to be enthusiastic supporters of the neoliberal project. There were cases, however, when international organizations were opposed to neoliberal reforms imposed from above. This paper draws on the experience of the World Health Organization (WHO) to show that in the process of adapting to the emerging neoliberal regime, international bureaucracies actively restructured this regime in accordance with their own institutional cultures. Some neoliberal prescriptions were successfully transmitted, but others were transformed, with the result that the global regime was hardly monolithic and included elements that were introduced by the international bureaucracies themselves. In developing this argument, the paper identifies the adaptive strategies that allow international bureaucracies, in spite of their vulnerability to external forces, to incorporate their own organizational agendas into what has consequently become a more heterogeneous global neoliberal regime.

Bureaucratic imperatives and policy outcomes: The origins of World Bank structural adjustment lending

- Review of International Political Economy---2013--Patrick Sharma

Although the impact of World Bank and IMF structural adjustment loans on developing country borrowers has been the subject of considerable analysis, our understanding of the origins of these operations remains poor. This article rectifies this deficiency by providing an account of the genesis of the Bank's program of structural adjustment. Drawing on documents from the Bank's archives as well as interviews with former Bank officials, the paper argues that the creation of structural adjustment lending in 1980 resulted from frustration among the Bank's senior management at the slow disbursement of the organization's regular project loans. Rather than a reaction to demands from powerful states, as many observers have assumed, structural adjustment was an internally driven response to flaws in the Bank's operations. In emphasizing the Bank's autonomy, this article supplements approaches

that emphasize the importance of budget maximization and mission creep as determinants of international organization behavior.

Crisis and continuity of capitalist society-nature relationships: The imperial mode of living and the limits to environmental governance

- Review of International Political Economy---2013--Ulrich Brand,Markus Wissen

This article aims to better understand the discrepancy between a relatively high level of awareness of the ecological crisis on the one hand, and insufficient political and social change on the other. This discrepancy causes a crisis of what we call the 'Rio model of politics'. We approach the problem from the perspective of the concept of 'societal nature relations' (gesellschaftliche naturverhältnisse), which can be situated in the framework of political ecology and, in this article, is combined with insights from regulation theory and critical state theory. The empirical analysis identifies fossilist patterns of production and consumption as the heart of the problem. These patterns are deeply rooted in everyday and institutional practices as well as societal orientations in the global North and imply a disproportionate claim on global resources, sinks and labour power. They thus form the basis of what we call the 'imperial mode of living' of the global North. With the rapid industrialisation of countries such as India and China, fossilist patterns of production and consumption are generalised. As a consequence, the ability of developed capitalism to fix its environmental contradictions through the externalisation of its socio-ecological costs is put into question. Geopolitical and economic tensions increase and result in a crisis of international environmental governance. Strategies like 'green economy' have to be understood as attempts to make the ecological contradictions of capitalism processable once again.

Human development vis-à-vis free trade: Understanding developing countries' positions in trade negotiations on education and intellectual property rights

- Review of International Political Economy---2013--Antoni Verger, Barbara van Paassen

Since intellectual property rights (IPRs) and services were introduced to the international trade regime, state regulation on development sensitive issues such as access to education and medicines is directly affected by multilateral and bilateral trade agreements. By adopting a global governance analytical approach to trade politics and a comparative research strategy, the article shows, on the one hand, how national positions on trade in education and IPR have been defined, coordinated and contested in developing contexts and, on the other, the implications of these trade policies on a range of scales. Case studies in Argentina, Peru, Chile and Ecuador will enable us to discuss, on the grounds of extensive primary empirical data, how the apparent conflict between development and liberalization principles is being managed in free trade agreements in Southern countries, and with what outcomes.

Hegemonic currencies during the crisis: The dollar versus the euro in a Cartalist perspective

- Review of International Political Economy---2013--David Fields, Matías Vernengo

This paper suggests that the dollar is not threatened as the hegemonic international currency, and that most analysts are incapable of understanding the resilience of the dollar, not only because they ignore the theories of monetary hegemonic stability or what, more recently, has been termed the geography of money, but also as a result of an incomplete understanding of what a monetary hegemon does. The paper argues that the dominant view on the international position of the dollar has been based on a Metallist view of money. In the alternative Cartalist view of money, the hegemon is not required to maintain credible macroeconomic policies (i.e., fiscally contractionary policies to maintain the value of the currency), but to provide an asset free

of the risk of default. Further, it is argued that the current crisis in Europe shows why the euro is not a real contender for hegemony in the near future.

When do autocracies start to liberalize foreign trade? Evidence from four cases in the Middle East and North Africa

- Review of International Political Economy---2013--Thomas Richter

This paper argues that within autocracies the beginning of IMF-friendly trade and capital account reforms is highly contingent on the ability of alternative policy regulations to provide respective regimes with domestically needed amounts of convertible foreign exchange. A longitudinal comparison of four countries (Morocco, Tunisia, Egypt and Jordan) between the 1960s and the early 1990s in the Middle East and North Africa region shows a historical sequencing of reforms. Before the implementation of orthodox policy change, foreign exchange scarcity was managed primarily by rising restrictions, accumulation of debt and a number of unilateral country-specific strategies, including broader economic openings (infatih) and selective capital account liberalizations. However, IMF-friendly reforms only became a political option after the failure of these alternative policies and the simultaneous drying up of unconditional finance. These findings complement recent debates about the rush to free trade in at least two aspects. First, they point to distinct causal mechanisms depending on the type of political regime (e.g., autocracy versus democracy), explaining the beginning of trade and capital account liberalizations among developing nations. They specify, second, one important contextual condition in regard to the effectiveness of IMF surveillance power.

Credit rating agencies and the sovereign debt crisis: Performing the politics of creditworthiness through risk and uncertainty

- Review of International Political Economy---2013--Bartholomew Paudyn

As member states struggle to retain the investment

grades necessary to allow them to finance their governmental operations at a reasonable cost, credit rating agencies (CRAs) have been blamed for exacerbating a procyclical bias which only makes this task more difficult. How CRAs contribute to the constitution of the politics of limits underpinning the European sovereign debt crisis is at the core of this article. As a socio-technical device of control, sovereign ratings are an 'illocutionary' statement about budgetary health, which promotes an artificial fiscal normality. Subsequently, these austere politics of creditworthiness have 'perlocutionary' effects, which seek to censure political discretion through normalizing risk techniques aligned with the self-systemic, and thereby self-regulating, logic of Anglo-American versions of capitalism. The ensuing antagonistic relationship between the programmatic/expertise and operational/politics dimensions of fiscal governance leaves Europe vulnerable to crisis and the renegotiation of how the 'political' is established in the economy. New regulatory technical standards (RTS) can exacerbate the performative effects on CRAs, investors and member states.

Intellectual property protection and European 'competitiveness'

- Review of International Political Economy---2013--Valbona Muzaka

Compared to the US, the European Union is often depicted as having adopted a 'soft' approach to intellectual property rights (IPRs), despite the substantial role it has played in the ratcheting up of IPR standards. This article counters this view by showing how 'competitiveness' discourses from the late 1970s onwards have legitimised a 'more = better' IP strategy both within and without Europe. By revisiting how earlier concerns about European competitiveness did not trigger a similarly expansionist IP strategy, the argument is made that the relationship between enhanced IP protection and improved European competitiveness is a political and discursive relationship that is ridden with inconsistencies - a relationship that can and should be formulated differently.

The domestic politics of financial internationalization in the developing world

- Review of International Political Economy---2013--Thomas B. Pepinsky

This paper examines the domestic politics of financial internationalization. Financial internationalization has two components, the liberalization of cross-border capital flows and the liberalization of foreign ownership restrictions, yet most research to date has concentrated exclusively on the former. Building on existing theoretical work, this paper argues that in the developing world, domestic finance favors the joint abolition of restrictions on the inflow of foreign capital alongside continued restrictions on the ability of foreigners to own and operate domestic financial institutions. I test the argument on a unique dataset of foreign entry restrictions in developing economies and by examining interest group pressures for financial internationalization in Indonesia and Mexico. The findings complement and extend recent work on financial internationalization in the developing world and suggest further areas for research in the role of domestic interest group preferences for global economic integration.

The diffusion of financial supervisory governance ideas

- Review of International Political Economy---2013--Christopher Gandrud

Who is watching the financial services industry? Since 1980, there have been multiple waves of thought about whether the ministry of finance, the central bank, a specialized regulator or some combination of these should have supervisory authority. These waves have been associated with the convergence of actual practices. How much and through what channels did internationally promoted ideas about supervisory 'best practice' influence institutional design choices? I use a new dataset of 83 countries and jurisdictions between the 1980s and 2007 to examine the diffusion of supervisory ideas. With this data, I employ Cox Proportional Hazard and Competing Risks Event History Analyses to evaluate the possible causal roles best practice policy

ideas might have played. I find that banking crises and certain peer groups can encourage policy convergence on heavily promoted ideas.

Regionalism from without: External involvement of the EU in regionalism in southern Africa

- Review of International Political Economy---2013-
--Stephen Robert Buzdugan

Theories and analyses of regionalism, from both 'orthodox' and 'critical' strands of international political economy (IPE), have tended to conceptualise regional integration as a process led by intra-regional actors typically in reaction to external forces such as globalisation and the hegemonic power of international actors. This article sheds new light on theories of regionalism by arguing that international actors can have a direct and significant influence on the dynamics of regionalism, particularly in sub-Saharan Africa, by examining the influence of the European Union (EU) on the Southern African Development Community (SADC). Building on the recent literature on Africa and international relations, which shows how lines of sovereignty between domestic and international actors are blurred in the case of African political economies, the article shows how the EU played a significant role in the SADC's inception and has been directly influential in shaping the SADC's strategies and priorities in the post-Lomé period. In the latter instance, this article explains how the EU's institutional embeddedness in the SADC's aid structures and its asymmetrical bargaining power in the SADC Economic Partnership Agreement (EPA) has encouraged the SADC's pursuit of a neoliberal, trade-oriented form of regionalism.

Evidencing donor heterogeneity in Aid for Trade

- Review of International Political Economy---2013-
--Samuel Rueckert Brazys

This paper is the culmination of a multi-country, multi-method investigation into the export effects of Aid for Trade (AfT). Building on previous single-donor statistical studies of AfT, this paper conducts a statistical study of 19 Organisation for Economic Co-operation

and Development (OECD) AfT donors and then examines the delivery and implementation of AfT in four recipient countries - Indonesia, the Philippines, Timor-Leste and Vietnam - from four donor countries - Germany, Japan, Norway and the US. The paper finds considerable variation in the export effects of the AfT programs, ranging from programs with no impact on recipient country exports to programs that are positively correlated with recipient country exports to the donor country and/or the rest of the world. Taking a closer look at the AfT programs of Germany, Japan, Norway and the US suggests that differences in program design and implementation may account for differences in AfT export effects.

Revisiting crisis generators in Romania and other new EU member states

- Review of International Political Economy---2013-
--Liviu Voinea

This article argues that the causes of the crisis in Romania and other new EU member states were different from those affecting Western Europe or the US. The main argument of this paper is that bad domestic monetary, fiscal and regulatory policies were the real crisis generators, while exogenous crisis mechanisms, including contagion from the global financial crisis, were just the trigger. Romania, and other new EU member states, has been facing the crisis of a consumption-led development model, not just a financial crisis imported from more developed economies. This paper brings insights into the impact of the flat-tax regime on consumption and the impact of speculative capital inflows disguised as foreign direct investments.

The profits of power: Commerce and realpolitik in Eurasia

- Review of International Political Economy---2013-
--Rawi Abdelal

Although the energy trade is the single most important element of nearly all European countries' relations with Russia, Europe has been divided by both worldview and practice. Why, in the face of the common challenge

of dependence on imported Russian gas, have national reactions to such vulnerability varied so dramatically across the continent? And why have a handful of French, German, and Italian corporations somehow taken responsibility for formulating the energy strategy - and thus the Russia policy - for essentially all of Europe? The resolutions of these two puzzles are, I show, interlinked; they also demand theoretical innovation. With several case studies - of Gazprom's decision-making during the 2006 and 2009 gas crises, and of the response of western and central Europe to their gas dependence - I find that: firms are driving these political outcomes; those firms are motivated by profits but employ sociological conventions along their ways; and firms generally seek the necessary inter-firm, cross-border cooperation that will deliver corporate performance. Finally, I conclude that the field will ultimately require a framework that puts firms at its center.

How you stand depends on how we see: International capital mobility as social fact

- Review of International Political Economy---2013-
--Jeffrey M. Chwieroth, Timothy J. Sinclair

A rich literature has emerged on the causes and consequences of international capital mobility (ICM). Yet much of this literature typically depicts ICM as a brute fact - one which possesses an unproblematic logic to which actors respond automatically across time and space. We challenge this depiction and argue that in large part, how you stand on ICM depends on how it is collectively seen as a consequence of empirically and contextually variable intersubjectively shared beliefs, or social facts. We therefore argue that researchers that fail to take social facts seriously run the risk of making unwarranted causal inferences and less effective policy recommendations. We advance the literature by specifying how the ontological novelty of a social facts perspective generates unique insights into key political economy questions concerning the causes and consequences of ICM. We develop an agent-centered perspective that stresses ideational contestation as a key area of analysis for those that take social facts

seriously. We push forward this agent-centered perspective by outlining a set of features that winning ideas are likely to display. We then conclude by specifying an agenda for future research and opportunities for bridge-building among various perspectives on ICM.

The Power of Major Trade Languages in Trade and Foreign Direct Investment

- Review of International Political Economy---2013-
--W. Selmier, Chang Hoon Oh

While the effects of cultural disparity and common institutional foundations on international trade and foreign direct investment (FDI) have been much analyzed, little analysis of languages' transaction costs has been done in either the international relations or international business literatures. This paper integrates literature from international political economy, international business and economics, and linguistics, to examine the transaction costs of languages under three different measures of language closeness, same language, direct communication, and language distance. Language is both a tool in international economic transactions and a vehicle to transmit cultural values, but our results point out that major trade languages are employed differently in international trade and in FDI. Communication costs, for both FDI and international trade, show a hierarchy, with English the most inexpensive among major trade languages. We introduce the concept of language intensity to explain why communication costs are much more important in FDI than in international trade. Major trade languages may obtain considerable power from their economic use; we examine the asymmetric nature of this power. We empirically test these ideas in gravity equation models.

Prospects for deepening Mercosur integration: Economic asymmetry and institutional deficits

- Review of International Political Economy---2013-
--Mahrukh Doctor

Mercosur faces a number of challenges in furthering its regional integration. This article considers whether

theories developed for European regionalism, such as neo-functionalism and liberal inter-governmentalism, provide a suitable framework for analysing the Mercosur case. The article argues that economic and policy asymmetries as well as institutional, social and economic deficits hamper deepening regionalism. These asymmetries and deficits also jeopardise the further benefits that could arise from building on Mercosur's considerable achievements. Finally, the analysis warns against the dangers of politicisation of Mercosur and the importance of societal inclusion. It suggests that top-down state-led Mercosur regionalism could benefit from being turned upside-down by bottom-up societal interest in deeper integration in the current shifting international economic context.

Piecemeal regional integration in the post-neoliberal era: Negotiating migration policies within Mercosur

- Review of International Political Economy---2013--Ana Margheritis

The negotiation of migration issues within the Latin American Southern Cone Market (Mercosur) has gained momentum lately and has followed a specific (relatively autonomous and fast) dynamic that is unprecedented and contrasts with the slow and conflictive negotiations to achieve the bloc's economic goals. This study explains why negotiations to harmonize migration policies are taking place, why now, and how this is happening in a way that contradicts previous assumptions. It highlights a number of facts and explanatory factors largely neglected by the existing literature, such as: (1) instable political contexts in which social inequality, marginalization, and discontent call attention to socio-political issues and prompt state attempts to regulate human mobility cooperatively; (2) regional leadership that is not simply based on relative power and economic interests but on ideologically-loaded political projects and key actors who forge and legitimize a post-neoliberal consensus linking domestic and foreign policy strategies; (3) policy networks of private and public actors whose ideas inform top policy-makers discourses and contribute to the processes of socialization

of policy elites, construction of shared understandings, and cultivation of cooperative practices that feed regional integration. The findings and conclusions shed light on the interplay between domestic politics and foreign policy, as well as the processes of coalition- and identity-building that are allowing South American governments to expand cooperation in a piecemeal and somewhat inconsistent fashion.

The politics of joint sovereign borrowing: The Venezuelan/Argentine Bono del Sur

- Review of International Political Economy---2013--Lauren M. Phillips*

This article investigates how credible commitment evolves when sovereign states borrow jointly. In 2006, Venezuela and Argentina issued a package of 'joint' sovereign bonds, which were later tradable separately. Despite the fact that Venezuela did not explicitly guarantee the Argentine component of the bond, this paper shows through a series of GARCH models that the financial markets have traded the bond on the basis of news about Venezuela's politics, macro economy and its commitment to the bond and other regional integration projects. This is because the bond was embedded in a more extensive set of financial and political relationships between the two countries, and served as a commitment mechanism, enhancing Argentine credibility. The article demonstrates that bilateral economic and political relationships can serve as a credible commitment device in the absence of changes to domestic institutions or longer-term re-establishment of reputation.

The international political economy of tourism and the neoliberalisation of nature: Challenges posed by selling close interactions with animals

- Review of International Political Economy---2013--Rosaleen Duffy

This paper examines the inter-relationships between neoliberalism, tourism and nature. It argues that scholars of international political economy (IPE) need to engage more fully with the role of nature in driving

forward the logics of neoliberalism. Most scholars view nature as a source of accumulation or as an object of governance, but this paper uses the neoliberalisation of nature debate to extend our understandings of neoliberalism. In particular, global tourism has targeted and opened up new frontiers in nature, which serves to expand and deepen neoliberalism to a wider range of biophysical phenomena. This paper uses the case of elephant tourism to demonstrate how tourism is not just reflective of neoliberalism, but is in fact a key driver of it, acting as an environmental fix for capitalism. Further, this paper takes up the challenge of research on 'actually existing neoliberalisms' via engagement with locally specific contexts and emerging forms of socio-nature in the Thai tourism industry. It reveals how neoliberalism redraws the boundaries of access to nature, thereby shifting the distribution of costs and benefits. Hence, nature is one of the primary ways in which neoliberalism is constituted, albeit in a highly differentiated way. This reminds us not to reify neoliberalism and accord it a greater degree of power and coherence than it really has.

The BRICs and the Washington Consensus: An introduction

- Review of International Political Economy---2013-
--Cornel Ban, Mark Blyth

2013

The material and symbolic construction of the BRICs: Reflections inspired by the RIPE Special Issue

- Review of International Political Economy---2013-
--Marion Fourcade

In this short piece, I return to the articles in this special issue to examine the relationship between the material reality of the concept of BRICs and its symbolic place in the world economy today. Aside from the facts that the BRIC countries have been ready to depart from the Washington consensus on certain key elements (state intervention), while maintaining other aspects (fiscal discipline), there isn't much support for the

notion that these countries somehow share specific development strategies. If anything, the papers in this special issue show that these four countries have rather different etiologies of growth. The notion of BRICs, I argue, is thus better apprehended through its symbolic and political dimensions, as an effort by well-placed actors in the financial markets to drum up excitement about investment opportunities, as well as reorient the governance structures of the world economy away from the traditional stronghold of Europe.

The Washington Consensus as transnational policy paradigm: Its origins, trajectory and likely successor

- Review of International Political Economy---2013-
--Sarah Babb

This paper explores the origins and trajectory of the Washington Consensus - the ideas associated with the developing countries' move to free markets in the 1980s and 1990s. I argue that the Consensus was a transnational policy paradigm, shaped by both scholarly and political forces (Hall, 1993). At the core of the Consensus was the international financial institutions' practice of conditionality - making loans to governments in exchange for policy reforms. The Consensus was subsequently weakened by its own unintended consequences, by political forces both within Washington and worldwide and by intellectual changes in the field of economics. However, I argue that the Consensus has yet to encounter any serious rivals.

Brazil's liberal neo-developmentalism: New paradigm or edited orthodoxy?

- Review of International Political Economy---2013-
--Cornel Ban

Is Brazil's economic policy regime a mere tinkering of the Washington Consensus? The evidence suggests that Brazilian governments institutionalized a hybrid policy regime that layers economically liberal priorities originating in the Washington Consensus and more interventionist ones associated with neo-developmental thinking. To capture this hybridity, the study calls this

regime 'liberal neo-developmentalism'. While defending the goal of macroeconomic stability and sidelining full employment, Brazilian governments also reduced reliance on foreign savings and employed a largely off-the-books stimulus package during the crisis. Brazil experienced important privatization, liberalization and deregulation reforms, but at the same time the state consolidated its role as owner and investor in industry and banking while using an open economy industrial policy and a cautious approach to the free movement of capital. Finally, while conditional cash transfers fit the Washington Consensus, Brazil's steady increases in the minimum wage, industrial policies targeted at high employment sectors and the use of state-owned firms to expand welfare and employment programs better fit a neo-developmental policy regime. In sum, while the main goals of the Washington Consensus were not replaced with neo-developmental ones, Brazil's policy regime saw an extensive transformation of policy orthodoxy that reflects Brazil's status as an emerging power.

Neoliberalism and the Russian transition

- Review of International Political Economy---2013-
--Peter Rutland

This article aims to assess the role of neoliberal ideas in shaping Russia's transition to a market economy. Prevailing ideas of the Washington Consensus undoubtedly encouraged Russia's leaders to embrace radical reforms, but Russia's reformers were not blindly following an ideological agenda set for them in Washington, DC. The actual policies that were implemented diverged considerably from the prevailing neoliberal orthodoxy and were heavily shaped by the self-interest of the elites who were making the policy decisions. While prices were freed and international trade and currency flows opened up, an insider-dominated privatization process left the Russian economy in the hands of a narrow circle of oligarchs. Russia's corrupt, oil-dependent and state-centered economy is far removed from the decentralized, competitive market system that the reformers had envisaged. Democracy, which was initially seen as integral to the transition process, also fell by the

wayside. While critics argue that Russia suffered from an overdose of 'market fundamentalism', neoliberals themselves still insist that Russia did not go far enough in unleashing genuine market forces. Either way, Russia has now joined the global market economy, while at the same time preserving many of the institutional features that are the product of its unique geography and historical heritage.

Ideas, interests, and the tipping point: Economic change in India

- Review of International Political Economy---2013-
--Rahul Mukherji

This paper makes the case for a 'tipping point' model for understanding economic change in India. This gradual and largely endogenously driven path calls for the simultaneous consideration of ideas and politics. Exogenous shocks affected economic policy, but did not determine the course of economic history in India. India's developmental model evolved out of new ideas Indian technocrats developed based on events they observed in India and other parts of the world. A historical case for the 'tipping point' model is made by comparing two severe balance of payments crises India faced in 1966 and 1991. In 1966, when the weight of ideas and politics in India favored state-led import substitution, Washington could not coerce New Delhi to accept deregulation and globalization. In 1991, on the other hand, when Indian technocrats' ideas favoured deregulation and globalization, the executive-technocratic team engineered a silent revolution in the policy paradigm. New Delhi engaged constructively with Washington, making a virtue of the necessity of IMF conditions, and implemented a home-grown reform program that laid the foundations for rapid economic growth in world's most populous and tumultuous democracy.

Whose China Model is it anyway? The contentious search for consensus

- Review of International Political Economy---2013-
--Matt Ferchen

Has a Beijing Consensus emerged to challenge the

Washington Consensus? If so, what is the essence of this alternative consensus and why does it matter? This article argues that efforts at a definitive description of a Chinese model of state-economy relations, especially as it compares to the original policy recommendations of the Washington Consensus, have and will continue to prove unsatisfying. This is because any such comparative exercise is inherently political and prone to various angles of critique. Instead, this article argues that it is precisely because of the politics of such comparison that competing and often contradictory portrayals of a Beijing Consensus or China Model have taken on importance inside and outside of China. This article further argues that western accounts of a Beijing Consensus or China Model alternative to the Washington Consensus too often ignore or minimize the contentious debates within China about how best to describe Chinese economic governance. This study, in contrast, seeks to understand China's relationship to the Washington Consensus by exploring how concepts like the Beijing Consensus or China Model are deployed and contested outside and inside of China. The article concludes by offering suggestions for further research on the domestic Chinese and international policy implications of debates about the Beijing Consensus.

The dog that did not bark: Anti-Americanism and the 2008 financial crisis in Europe

- Review of International Political Economy---2013-
--Sophie Meunier

The financial crisis that erupted in September 2008 seemed to confirm all the worst stereotypes about the United States held abroad: that Americans are bold, greedy, and selfish to excess; that they are hypocrites, staunch defenders of the free market ready to bail out their own companies; and that the US has long been the architect and primary beneficiary of the global economic system. So the crisis had an enormous potential for deteriorating further the global image of the United States, already at an all-time high during the George W. Bush era. Yet anti-American sentiments did not surge worldwide as a result of the crisis, neither at the level of public opinion, nor at the level of

actions and policy responses by foreign policy-makers. This article explains why the dog did not bark and reawaken anti-Americanism in the process. The central argument is that this potential anti-Americanism has been mitigated by several factors, including the election of Obama, the new face of globalization, and the perception of the relative decline of US power coupled with the rise of China, which suggests that the 'post-American' world may be accompanied by a 'post anti-American' world, at least in Europe.

Political uncertainty and portfolio managers in emerging economies

- Review of International Political Economy---2013-
--Emmanuel Frot,Javier Santiso

This paper claims that investors dislike political uncertainty about future policies and value stability in the political environment. We test the validity of this hypothesis by first studying variations in equity flows from global investment funds to emerging markets in periods surrounding elections. Second, we interpret changes in democracy score as another event potentially creating political uncertainty and assess their effects on equity flows. Our results corroborate our hypothesis. They indicate that the period following an election is generally characterized by a fall in equity flows, and that this occurs only where the incumbent is not re-elected, suggesting continuity is valued by investors. We also find that this effect is confined to presidential regimes, a result we interpret as further evidence that potentially radical swings in policy affect investors' choices. Finally, a decrease in the democracy score implies lower equity flows, while democracy in itself does not affect equity flows, which is consistent with our view that equity funds are vigilant when potentially adverse changes in the political environment arise.

Framing standards, mobilizing users: Copyright versus fair use in transnational regulation

- Review of International Political Economy---2013-
--Leonhard Dobusch,Sigrid Quack

Following the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) intellectual property rights, and more specifically copyright, have become the subject of highly politicized conflicts. In this paper we analyze how these conflicts shifted from the political arena to private standard-setting sites, where two opposing coalitions of actors pursued competing initiatives - an industry coalition which aimed at enforcing copyright protection through Digital Rights Management and an emerging coalition of civil society actors which sought to develop a digital commons based on copyleft licenses. Paradoxically, the industry coalition, which had very successfully lobbied international organizations, ran into trouble developing and enforcing private regulation in the market place, while the civil society coalition proved to be more effective in the market than in the political sphere. The findings of our analysis indicate that the strategic use of organizational forms and collective action frames can be more decisive for the mobilization of users than material resources, and that the success of collective action frames depends on their compatibility with user practices. Based on the argument that regime shifting from intergovernmental to private governance can open up new and favorable spaces for weak actors to experiment with alternative forms of regulation, the paper contributes to the literature on the politics of regime complexity. The paper furthermore highlights the importance of studying non-elite actors and their day-to-day practices to gain a better understanding of changes within the international political economy.

The 'Diaspora option', migration and the changing political economy of development

- Review of International Political Economy---2013--Hélène Pellerin, Beverley Mullings

Influenced by the recognition of the social and economic value of migrant exchanges, the shift to a Post-Washington Consensus, and the rise of India and China as emerging economies - the 'Diaspora option' is becoming a significant component of the development strategies of countries with large migrant populations across Africa, Latin America and the Caribbean, Asia

and Eastern Europe. In this paper we examine the political economy within which the Diaspora option has emerged and the broader implications of the discursive and material ways that migrants are being incorporated as professionalized partners in development. Drawing on a case study of the World Bank's Africa Diaspora Program we examine the underlying assumptions, ideologies and silences upon which this policy option rests. We conclude that the emerging Diaspora option should be approached more critically because the current celebration of these strategies obscures the selective and narrow neoliberal orientation; the assumptions that they make about the nature of diasporic engagement, and their increasing reliance on migrant populations to shoulder the investment risks associated with social transformation.

Business conflict and global politics: The pharmaceutical industry and the global protection of intellectual property rights

- Review of International Political Economy---2013--Anne Roemer-Mahler

Most existing studies on the role of business in global governance conceive of business as one group acting vis-à-vis the state or NGOs. This article highlights that conflicts within the business community can be an important factor to explain policy outcomes. Drawing on the 'business conflict school' literature from International Relations, studies on the politics of markets developed in Economic Sociology, and work on corporate political strategy undertaken in Management Studies, it develops the concept of the governance-competitiveness nexus to theorize how economic competition translates into political competition. The article demonstrates how such an analytical angle can add to our understanding of the global governance of intellectual property rights for pharmaceuticals. It helps explain the motives of different actors to become politically involved at specific points in time and the policy goals they promoted. Thus, the concepts of business conflict and governance-competitiveness nexus help explain the agenda setting process on global pharmaceutical IP governance.

The global retail revolution, fruiticulture and economic development in north-east Brazil

- Review of International Political Economy---2013--Ben Selwyn

Rapidly expanding world fruiticulture markets provide developing country producers with new income opportunities and much development literature and policy is orientated towards facilitating export production in these countries. However, it has been widely observed that the global retail revolution is accelerating the exclusion of small producers from export markets and (increasingly) from many domestic retail chains due to rising entry barriers. Small producers are thus often only able to sell their produce on to relatively low price 'traditional' markets. This paper is based on data collected from a recently emerged fruiticulture sector in north-east Brazil. It shows that (a) export fruiticulture does generate significant economic benefits, (b) that modern domestic retail markets are increasingly demanding and exclusionary, but also, and counter to much of the literature concerned with export promotion, that (c) small-farms producing fruiticulture products for 'traditional' domestic markets do generate positive local economic impacts. Policymakers should, therefore, consider new ways of assisting smaller producers to enter these markets.

Reframing the euro vs. dollar debate through the perceptions of financial elites in key dollar-holding countries

- Review of International Political Economy---2013--Miguel Otero-Iglesias, Federico Steinberg

This paper proposes a theoretically-informed and empirically-grounded cognitive approach to analyse how financial elites from China, the Gulf Cooperation Council states and Brazil interpret the euro vs. dollar debate. At the theoretical level, we argue that the debate should be reframed in order to capture not only the material, but also the ideational footprint of the euro, as well as to better conceptualise change in the International Monetary System (IMS). Our empirical work shows that the euro is perceived by financial elites

as a useful diversification tool to avoid over-exposure to dollar weaknesses. However, despite its appeal as a valuable investment alternative, the European currency has a series of structural flaws that prevent it from substituting the dollar as the main international currency. Therefore, in purely material terms, the euro-sceptical literature is correct. However, we also find that the hitherto material inroads of the euro, while limited, have been sufficient to ideationally convince these elites that a multicurrency IMS is possible and might be more stable (and therefore preferable) to current dollar unipolarity. Therefore, the euro-optimist literature is far from wrong when it argues that the creation of the euro represents a challenge to the green-back, for it could be a stepping stone towards the formation of a multipolar IMS.

Contradictions, frames and reproductions: The emergence of the WIPO Development Agenda

- Review of International Political Economy---2013--Valbona Muzaka

This article takes as its starting point the emergence of the so-called Development Agenda at the World Intellectual Property Organization (WIPO) in 2004. It seeks to provide a diachronic view of the origins of the Agenda that goes beyond understanding it simply as an effort by some developing countries and civil society actors to bring about organisational change at WIPO. Building upon insights from sociological institutionalism, it argues that the Development Agenda is the manifestation of a founding contradiction in the institution of intellectual property itself, which has been the source of a great number of conflicts throughout its history. Actors involved in them have often used frames in an effort to legitimise their actions, such as the frame of development in the case of the Agenda. After exploring the development frame, the article concludes by arguing that the Agenda is likely to bring about only incremental changes, rather than transcend the tensions that helped bring it about.

Capitalizing a future unsustainable: Finance, energy and the fate of market civilization

- Review of International Political Economy---2012--Tim DiMuzio

Liberal capitalist polities are being held up as the ultimate civilizational achievement precisely at a point in time when the energy-demanding built environments and growth imperatives of these societies are threatened by global climate change and the coming end of cheap and abundant carbon energy. Throughout the twentieth century, this pattern of energy-intensive social reproduction was largely shaped by the oil and gas sector creating what I call a petro-market civilization. However, given the challenges presented by peak oil and global warming, transitioning to a low-carbon or green energy future has gathered increasing attention and investment. In this paper, I use a power theory of value approach to offer a preliminary assessment of whether this transition is likely given the entrenched power of the oil and gas sector in the economy. Although the twenty-first century may bear witness to a renewable and sustainable energy paradigm, current evidence suggests that investors are continuing to capitalize an unsustainable future premised upon non-renewable fossil fuels.

The 'public interest' agency of international organizations? The case of the OECD Principles of Corporate Governance

- Review of International Political Economy---2012--Andrew Baker

This article seeks to outline and explore some of the conditions necessary for International Organizations (IOs) to perform in a public interest fashion through a case study of the Principles of corporate governance formulated by the OECD. Rather than the more commonly documented pathological and dysfunctional behavioural forms of IOs, the case of the Principles, both in their formulation by the OECD, and in their assessment by the World Bank through the ROSC process, represent an episode of IO agency protecting and promoting a wider public interest. In exercising their

agency, IO staff, have made the Principles more agreeable to a wider range of interested parties, giving them a general interest orientation, in accordance with a proceduralist definition of public interest. This case should therefore encourage IPE scholars to consider carefully and systematically the sets of circumstances and conditions, which might be required for IO agency to take more socially useful forms. In the final section, three indicators are identified which might be evaluated in future research into the positive public interest agency of IOs across a range of cases.

Is worker repression risky? Foreign direct investment, labour rights and assessments of risk in developing countries

- Review of International Political Economy---2012--Patrick J. W. Egan

Quantitative assessments of 'country risk' produced by private rating agencies have become influential among multinational firms considering investment in the developing world. This article considers whether developing countries exhibiting more labour rights violations are associated with higher risk ratings. It draws from existing literature on the determinants of foreign direct investment (FDI) and the relationship between labour rights and FDI to illuminate the ways in which labour repression may indicate increased risk for potential investors. It implements a set of time series of cross-sections models for 95 developing countries, from 1985 to 2003. These models present predictors of a long-established risk index, plus an additional latent risk measure created through factor analysis of three separate and distinct risk ratings. Results indicate a consistent association between increased labour rights violations and increased risk ratings. The article extends the analysis to highlight the heterogeneous nature of FDI and possible sector-specific relationships between labour rights and risk ratings. The paper argues that the economic profile of a country may condition the relationship between labour rights and risk ratings.

Uninformed citizens and support for free trade

- Review of International Political Economy---2012-
--Juan Díez Medrano, Michael Braun

In less developed countries, the higher individuals' labor skills are, the more they support free trade. This recurrent statistical finding is problematic for extant analytical models used to explain and interpret people's positions on free trade. This article proposes an analytical framework that challenges the dominant full-information factor-endowment approach to public opinion on free trade. The dominant approach assumes informed individuals who relate expectations about how free trade will affect them to their work skills. We propose that most individuals lack information and that their positions reflect the influence of information, frames, economic vulnerability, and political endorsements. We test this alternative approach with a Spanish survey conducted in May 2009 and the ISSP survey conducted in 2003 in a large number of less developed and more developed countries. The Spanish data demonstrate that the population is largely uninformed and that their ideas about the consequences of free trade do not explain contrasts among different socio-demographic groups. Meanwhile, the ISSP data contradict important aspects of the traditional approach and are consistent with our alternative approach.

When rules started to rule: the IMF, neo-liberal economic ideas and economic policy change in Britain

- Review of International Political Economy---2012-
--Ben Clift, Jim Tomlinson

This article reassesses the neo-liberal shift within British economic policy-making and the international political economy, focusing especially the role of the International Monetary Fund (IMF) in the 1960s. The IMF has always used the conditions attached to its lending to try and shape borrower's policy; here we explore the evolving content of that conditionality and the economic ideas underpinning it. Using recently released IMF records, as well as other archives, we argue that the negotiations between the IMF and the

UK Government in the 1960s can be seen as part of the Fund's drive towards a crucial change from discretionary to rules-based approaches to macroeconomic policy making. This drive took place within a struggle over a specific policy instrument, domestic credit expansion (DCE), at that time regarded as an important measure of monetary policy. The article locates the IMF advocacy of DCE within an attempt by the Fund to constrain discretionary policy-making through increasingly specific and binding rules. In response, UK Government officials began to pre-empt and even deceive the Fund to avoid being tied down. Our analysis unpacks which neo-liberal economic ideas the Fund embraced, noting its rejection of monetarism. In the period charted here (1965-69), the rules-based regime remained compatible with Keynesianism. However, the UK Government's grudging acceptance of this approach provided a crucial condition of possibility for a significant qualitative shift in macroeconomic policy-making when rules later became infused with an increasingly neo-liberal character.

Rescaling the Chinese state and regionalization in the Great Mekong Subregion

- Review of International Political Economy---2012-
--Xiaobo Su

In the past five years, the Chinese state has made great effort to implement its 'going-out' strategy, i.e., the geographical expansion of Chinese capital and labor overseas. This paper explores how the Chinese state rescales to implement this going-out strategy and produce new spaces of development. Particularly, this paper examines how the Chinese state reconfigures its institutional ensemble to integrate landlocked Yunnan Province into the transnational economy embodied in the Greater Mekong Subregion (GMS). The paper finds that the Chinese state deploys two spatial strategies - upward coordination with international organizations and GMS national governments, and downward implementation throughout Yunnan Province - to establish an interscalar regulatory regime. Through this regime the Chinese state aims to assemble capital, labor, and political clout to expand Chinese capital and labor in

the GMS, and to develop Yunnan's economy to ease uneven domestic geographical development. This paper contributes to the booming literature on the political-economic restructuring of national states and to the limited scholarship on the institutional arrangement for cross-border regions in a non-Western context. It also sheds light on how the rescaling of the Chinese state potentially shapes the international political economy.