

Ideas, History, and Agency in IPE

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The Imperial Origins of the Federal Reserve System

Author: David K. Johnson (London School of Economics and Political Science)

On the merits and limits of Polanyian Analysis in the Global South: Embedded Economies and Neoliberal Transitions

Author: Aila Trasi (Johns Hopkins and Goethe University Frankfurt)

Forestalling Hegemonic Decline: Joseph Chamberlain and Britain's Return to Mercantilism

Author: Oksana Levkovych (London School of Economics and Political Science)

The racialisation of mundane economic language

Author: Jessica Eastland-Underwood (University of Warwick)

This panel examines how ideas are employed and how agency shapes global political economy in the moments of systemic rupture and paradigm shifts characterised by high volatility and uncertainty. The four papers take novel approaches to key puzzles and challenge dominant explanations in IPE while expanding our understanding of the role of ideas in trade policy formation, design and functioning of monetary institutions, the range and the nature of responses to financial crises, and the everyday, racialised experiencing of the "economy" by ordinary actors. The theoretical contributions that the papers seek to make advance the research agenda for the integrated, empirically rigorous approach to the study of structure and agency that engages with archival and recent data analysis. By offering these big themes and cases up for a critical discussion, the panellists aim to reflect on the extent to which IPE as a discipline that bridges politics and economics, and its often historically informed research agenda, are equipped for understanding today's world and the future.

Johnson's paper investigates how the US Federal Reserve System became the global structural force that it is today, regulating the supply of money and credit on a global scale. Standard accounts explain the emergence of the Fed in 1913 as an institutional response to the disorder of the domestic US banking system, the international role of the dollar being a later development with little place in its original design (Meltzer 2004). Those who have investigated the international dimensions of the Fed's origins (Broz 1997) have emphasized the importance of export interests in propelling the US policy elite to establish a central bank. The paper argues that the international sources of the Fed were far more central to its formation than either of these approaches suggest. Drawing on primary and archival documents, the paper investigates how the intellectual architects of the Fed drew on their experience in international financial integration in the US state's newly established colonial empire – from the Philippines to Cuba – to inform their designs for the American central banking system. Uncovering the imperial origins of the Fed clarifies how a purportedly domestic institution exercises structural power in the world economy.

Trasi contributes to an ever-growing literature on the use of Karl Polanyi's concepts and theories is receiving a new wave of appreciation in Political Economy. In particular, scholars are frequently using the idea of the Double Movement to understand recent social, political, and economic transformations in countries of the Global South. What does the transposition of this concept through both space and time elucidate? What does it obscure? In this paper, Trasi argues that Polanyian analysis remains especially useful to explain the evolution between states, societies, and the economy during neoliberal transitions. It accounts for the rise of neoliberal state/economies through processes of globalization, and is also well-suited to explain counter-movements that led to post-neoliberal compromises and the expansion of welfare and social security in many emerging economies. On the other hand, the explanatory power of Polanyian analysis in non-democratic contexts, when "re-embedding" happens without a significant push from below, remains limited. In these cases, the author proposes to complement Polanyian analysis by looking into what kind of State Projects, from a strategic-relational perspective, support this process. The theoretical argument is illustrated through a discussion of Thailand's "embedded neoliberal" compromise in the years following the Asian Financial Crisis and IMF austerity policies.

Levkovich's paper analyses the continued relevance of the Hegemonic Stability Theory (HST), given the United States' relative decline, the rise of China and the Sino-American trade war. As a structural theory, however, HST glosses over those pivotal individuals who drive domestic policy back into alignment with the dictates of the evolving systemic structures. This paper demonstrates the significance of Joseph Chamberlain (1836-1914) who led that realignment at international and domestic levels in the economic case of the British hegemonic decline a century ago. Inspired by the British Historical Economists, he sought to revert the UK's loss of competitiveness to its rising challengers Germany and the United States by raising protectionist tariffs. Chamberlain thus made a first, crucial step to reorient Britain's commercial policy towards the economic and political consolidation of the Empire through mutual preferential trade until this inter-generational effort was accomplished politically when Britain departed from free trade and adopted Tariff Reform and Imperial Preference in 1932. Drawing on extensive archival research, the paper examines how this pivotal individual and his decades-long campaign drove Britain's trade policy back to mercantilism. It highlights the contingency involved in economic policymaking and deepens our understanding of the contemporary relevance of this crucial IPE case.

Eastland-Underwood examines the compelling arguments that political economists are uniquely suited to measure the 'wages of whiteness', or the material impacts of the racial regime of white supremacy. However in this paper, I argue that political economists must also account for the ideational environment that allows such inequality to be legitimised. Indeed, I contend that the practice of giving meaning to economic language obfuscates the imperialist context in which this language emerged. The drive to catalogue the material, then, ought not to foreclose an investigation of more banal processes of political ideology that can imbue mundane economic language with whiteness. To demonstrate my case, I analyse the rhetorical situation of the 2024 US presidential election. While there is abundant evidence that the Trump campaign and its surrogates modelled more overt forms of racist argumentation, the number one issue mobilising voters was 'the economy' and the rise of prices/inflation according to the most credible polling firms. Instead of seeking to uncover prejudicial beliefs of voters, I provide evidence that 'the economy' is a linguistic/rhetorical device that normalises the hierarchisation of human beings that bestow material privileges to those aligned with whiteness at the cost of violence against minoritised groups.

By helping us understand the responses to contemporary and historical challenges by different sets of actors, it is possible to evaluate the effect that ideas and agency can have on the global economic order. These papers therefore create opportunity for a debate that cuts across traditional lines of epistemological enquiry in IPE.

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