

# The History of Global Political Economy

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## Description

Global political economy is a field of study that deals with the relations between political and economic forces. At its centre has always been queries about human welfare and how these might be related to state behaviour and corporate benefits in different parts of the world. Despite this, major approaches in the field have often focused on the international system perspective. A side effect of this has been the relative abandonment of non-elites and an all-too-often missing recognition of ordinary individuals. While states remain central to international politics, they have gradually increased their relations with multinational corporations and strengthened their engagement with international organisations. Naturally, these changes in the world around us lead to a certain rethinking of the way we understand and position individuals as actors in the global economy. As a result, many academics now prefer the term "Global Political Economy" (GPE) to the more traditional phrase "International Political Economy" (IPE). It denotes a broader scope in political economy that extends beyond state-to-state ties.

There are many distinct approaches to global political economy that span the political spectrum and frequently overlap with other perspectives, although they are often structured differently to incorporate economic issues. This range from state-centered perspectives to Marxist methods that believe that due to capitalism's intrinsic defects, international capitalism will lead to the demise of the state. Perhaps the liberal approach is to blame for placing individual individuals (rather than states or social groups) at the centre of study. Any government policy that has an economic influence is still referred to as "political economy". Important Points to Remember are Political Economy is the study of how economic ideologies like capitalism and

communism are implemented in the real world. Socialism promotes the idea of society, rather than a specific group of people, Community maintains and regulates the creation and distribution of goods and wealth. The logic behind this is that whatever society produces is a result of the actions of individuals who participate, regardless of their status, wealth, or position. Socialism attempts to close the gap between the rich and the powerful, in which one or more people do not control the bulk of power and wealth. Capitalism As a motivation for this hypothesis, profit is supported as a motivation for growth. Simply put, capitalism is based on the premise that private individuals and other players are motivated only by their own interests and that they control production and distribution, establish prices, and create supply and demand. Communism Individuals frequently mix up communism and socialism, yet there is a significant distinction between the two theories. Karl Marx invented communism as a theory because he believed capitalism was restricted and generated a large gap between the rich and the poor. He believed in the sharing of resources, including property, and that the government should be in charge of production and distribution. Hence, personal gain, investor benefits, or benefits from aggressive business tactics may not be in the position of their concerns. Instead, corporate social responsibility in this elucidation can be observed as a form of enlightened self-interest, identifying the danger of a potential backlash from society at large to excessive market power and business influence.

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