

**ENGAGEMENTS BETWEEN INTERNATIONAL
POLITICAL ECONOMY AND POST STRUCTURALISM:
UNDERSTANDING ISSUES OF KNOWLEDGE
PRODUCTION AND DISCOURSE**

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Abstract

This research paper underlines that the discipline of international political economy would gain tremendously from engaging with poststructuralist international relations. The first section of the paper deals with the linkages between international relations as a discipline and post structuralist thought. It builds on the definitional aspects of post structuralism as a school of thought highlighting the importance of shared meanings and context. The next section is an attempt to analyze the engagement between international political economy and post structuralism. It brings forth the reasons for little interaction between the two and also focuses on the enriching impact of the fruitful conversations between these two. The third section of the paper deals with the various themes including the rejection of the binary between politics and economics; the debate around formulation of discourses surrounding economic and financial practices which make the world intelligible to us and lastly how these practices of knowledge production have an underlying element of power dynamics. This is briefly followed by analyzing the contributions of Susan Strange and Tony Porter to the field of international political economy by borrowing from post structuralist thinking. In the conclusion I seek to sum up the post structuralist interventions in the field of international political economy and their influential role in expanding the horizon of the discipline with their rich and varied insights.

Key Words: International Political Economy, knowledge, post structuralism, discourse.

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Introduction

In the past years, poststructuralist writings have become more and more relevant and important in the field of international relations. Scholars associated with post structuralism have consistently questioned the naturally assumed central ideas like the state, individualistic and egoistic man and the distinction created between the domestic and the international realms. They have tried to shift the focus from the traditional concerns of the discipline including the state and the market- state interactions to broader concerns by focusing on the political practices and the everyday aspects of social life. The stream of Critical international political economy has been preoccupied with challenging the given and unquestioned core tenets of international relations and reflecting on them critically. The interaction between the two fields of international political economy and post structural theory has been 'sporadic and antagonistic' as argued by Ronen Palan¹. Post structuralism deals with the analyses of discourse, issues of identity, culture, norms and representation in global politics. Many international political economy scholars have expressed their concerns that engagements with post structuralism will a) shift the focus away from the more concrete and real material inequalities and b) lead to political relativism which would suspend ontological grounds that are the basis for judgments concerning the agenda for transformation. Both the disciplines of international political economy and post structuralism endeavour to challenge the idea that what is considered to be political must be circumscribed within the boundaries of the sovereign state and are in quest of broadening the realm of the political possibilities. The insights offered by post structuralism lead to richer conceptualization of traditional concepts like economic practices, states and dynamics of power. Problematizing the seemingly natural and secure concepts like agency, sovereignty and boundaries by post structuralism are highly relevant to the thinking of international political economy.

Defining Post Structuralism

It is not useful to define post structuralism as a single, unified and coherent stream of knowledge. It denotes a break with structuralism, which was a linguistic theory that questioned the direct relationship between the real world and language; rather it focused on meaning emerging within the human system of language and signification. Thinkers ranging from Foucault, Derrida to

¹ Palan, R. (2000) 'New Trends in Global Political Economy,' in Palan, R. (ed.) *Global Political Economy: Contemporary Theories*. London: Routledge.

Lyotard are all clubbed under the label of post structuralism because of their focus on the 'other', those relegated to the margins and the excluded. There is an important distinction between post structuralism and post modernism, the latter according to David Harvey signifying a 'new historical era, emerging in the 1970's, characterized by new experiences of spatial and temporal and distinct, new forms of accumulation of capital'². Post structuralism places immense value on interpretative analysis which destabilizes, problematizes and reconsiders the conceptual categories and the ways in which knowledge is produced and legitimized. The concepts of discourse and representation are of significant importance in post structural analysis for practices related to the political and economic fields. It recognizes the immensely discursive nature of the political and the field of economics. The emphasis as rightly pointed by Campbell is not to prioritize linguistics over the material but rather to re conceptualize what is understood as being material by interweaving it with social, cultural and the political. It questions the domination of take for granted representations and meanings at the cost of alternatives and opposing explanations. Whereas mainstream theories perceive themselves as being engaged in objective pursuit of cumulative knowledge, post structuralists see their works as interpretative interpretations that have political ramifications. Post structuralism seeks to question the economic and financial domain as given and unproblematic and want to enquire how financial knowledge is historically developed. It problematizes the notion that monetary instruments retain their value over spatial and temporal domains and explains the context dependent and contesting value of financial instruments depending on discursive practices. An important technique employed by post structuralists in understanding the present international economic order is borrowing from Foucault the concept of 'techniques of control'³. It is an extremely political concept as it opens up the realm of the given technical and de political economic activities to political investigation focusing on the discursive and contingent aspects of the established economic practices. The reality of neoliberal free market 'truth' is thus reproduced through the binding power of certain acts embodied in 'material institutional forms' and 'structural conditions'. Power here resides in the processes through which authoritative discourses define certain actions as appropriate, while proscribing the responses that do not fit. Post structuralists

² Devetak, R. (2001) 'Postmodernism,' in Burchill, S. *et al.* (eds) *Theories of International Relations*, London: Palgrave.pp 145-158.

³ Dreyfus, H. L. and Rabinow, P. (1982) *Michel Foucault: Beyond Structuralism and Hermeneutics*. Chicago: University of Chicago Press. pp 39.

deal with issues of representation by emphasizing that the truth value and claims of social constructions can be understood through ‘cultural and institutional practices and placing them in historical context’.⁴ One of the most significant contributions of post structural engagements with international political economy is that it enables an otherwise closed, too specialist a field to democratic debate and political critique.

International Political Economy and Post Structuralism

International Political Economy (IPE), as a discipline, embodies an array of understandings of and uses of the term ‘critical’. For the purpose of this paper, it means ‘a willingness to challenge the taken-for-granted’, unsettling common sense notions about the nature of the real in favour of espousing ‘research that resists closure and instead proliferates possibilities’ (Shepherd, 2010, p. 2). Post structuralism is a part of a broader critical project of interrogating the taken-for-grantedness of the global political economy. It poses a direct challenge to conventional, rationalist accounts of/in IPE and provides with insights to understand the power dynamics operating in our socio-economic environments. Post structural questions are important in and to IPE because they interrogate the practices and processes of ‘cultural representation’ and ‘discourse formation.’ The resistance of IPE to engage with post structuralism can be seen as a part of disciplinary politics which intends to both regulate and define the agenda of study and subject matter. Disciplinary boundaries are set to exclude themes of identity politics, cultural representation and discourse. For mainstream IPE, engagements with post structuralism reside only at the very boundary of legitimate enquiry. As Marieke de Goede puts it that, “IPE has been resistant of engaging with post structuralism.”⁵ In a similar vein, Ronen Palan remarks, “many believe that political economy, including its international variant, stands as a bulwark against the ephemeral, fashion conscious, tendencies of the ‘posties’ in the social sciences” (2000: 215).

A. The economics-politics dichotomy

One of the most eminent political economy scholars, Robert Gilpin considers international political economy to be based on the ‘reciprocity and mutual interaction in international relations

⁴ Foucault, M. (1979) *Discipline & Punish: the Birth of the Prison*. New York: Vintage.pp12.

⁵ De Goede, M. (2003) ‘Beyond Economism in International Political Economy,’ *Review of International Studies* 29 (1): 79–97

between pursuing wealth and power”⁶. Wealth is subsumed under the domain of economics with emphasis primarily on markets and material incentives and power under the realm of politics focusing on state and related affairs of conflict management. IPE is to be understood as integrating of two disciplines- market studies and political analysis into a single field of inquiry. There have been criticisms of international political economy scholars for operating within a narrowly defined vision of politics that takes into account only the actions of states. Politics is seen as distinct and divorced from the domain of economics which is seen as dealing with production and distribution of wealth, politics is separated from and takes place in a way insulated from the realm of economics. Politics and economics are seen as mutually exclusive, water tight compartments with each pulling society in opposite directions. Gilpin opines that ‘both the state and market are fundamental for the functioning of political economy’⁷. Without the state, it would be forces of the market that solely decide the results of economic endeavours and in the absence of market, state would allocate resources, leading to a certain vacuum in understanding political economy. The continued conceptual separation between these two realms leads to de politicization of the economic realm, thereby closing any investigation into the discursive construction of economic reality.⁸ Post structuralism offers the opportunity for subjecting the domain of economics which is considered to be comprised of hard material facts, to political questioning. Moving beyond orthodox international political economy requires the recognition that politics/economics distinction, does not exist but is historically articulated. Michael Shapiro in his reading of Adam Smith, one of the seminal figures and founding fathers of the discipline underlines the role of history in creating the modern separation between the realm of politics and the economic. Shapiro describes that for Smith, one of the basic tenets of modern economics is that value is ascribed to the objects directly. This is described by the term ‘intrinsicity’ whereby ‘values are attached to the objects on the basis of their particular material relationship with the body’⁹. By focusing on this approach, modern day economics underplays

⁶ Gilpin, Robert (1987). *The Political Economy of International Relations*, Princeton, NJ: Princeton University Press

⁷ Gilpin, Robert (1987). *The Political Economy of International Relations*. Princeton, NJ: Princeton University Press.

⁸ Amin, A. and Palan, R. (2001) ‘Towards a Non-Rationalist International Political Economy,’ *Review of International Political Economy* 8 (4): 559–77.

⁹ Shapiro, M. J. (1993) *Reading ‘Adam Smith’: Desire, History, and Value*. London: Sage. Pg.12

the importance of the social, cultural, discursive contexts through which value is attached to objects, and the interpretative struggles which attach meanings to the objects. He brings forth an important understanding that rather than being a 'product of individual choice, the practices regarding values of certain objects are a response of a society as a whole.'¹⁰ History plays a crucial role in defining the linguistic act according to which values are attached to products. Values don't exist objectively and a priori to interpretative debates, it is the interpretative analysis and the context in which one is grounded that produces value. This enables our understanding in realizing how the present day financial discourses have been legitimized and normalized by excluding alternative expressions and representations and the crucial role of history in doing so.

Formulation of Discourses- Challenging the natural and the given

Poststructuralists are wary of separating material and ideational structures, preferring to link the two through conceptualizations of both as inherent in 'discourse'. A discourse is deployed as a set of ideas to maintain a given view of the present social order. As Edkins and Zehfuss point out that one needs to acknowledge the contingent nature of the existing practices and discourses to understand how they were produced. There is an element of temporary moments of truth that discourses build upon. "They act as the criteria of intelligibility which make us understand the conditions under which the material realm cannot be separated from the social conditions."¹¹ One needs to understand that international economic practices are not independent of or exist prior to our notions about them. This research paper is an attempt to demonstrate how post structural analysis of the production of knowledge in and about the global political economy is both useful and significant. It is important to highlight the role of discursive practices in bringing concepts like money, profit making and capital into existence. International political economy needs to acknowledge the knowledge – power nexus in the field of finance and economics. Post structuralism places emphasis on the manner in which social subjects are constituted. Structure and agency are not seen as distinct entities; rather they are mutually implicated through a set of practices which are discursive in nature.¹² Neorealism holds the assumption states are the

¹⁰ Shapiro, M. J. (1996) 'Introduction,' in Shapiro, M. J. and Alker, H. R. (eds) *Challenging Boundaries: Global Flows, Territorial Identities*. Minneapolis: University of Minnesota Press.

¹¹ De Goede, M. (2003) 'Beyond Economism in International Political Economy,' *Review of International Studies* 29 (1): 79–97

¹² Doty, R. L. (2000) 'Desire all the Way Down,' *Review of International Studies* 26 (1): 137–9

dominant subjects in the study of international politics as a social order. They look into the state interaction without questioning the assumed social order or the subjects themselves; which is taken as a given/natural. Poststructuralists on the other hand, focus on the creation of a new social order. They place emphasis on the emergence of a new signifier and look into such crucial moments that establish it. The point of inquiry is to question the given-ness of the existing order. It is impossible for a post structuralist to take any structure as foundational, hence there can never be an ontological social order already consisting of subjects.

B. Knowledge Production – questioning the objective and value neutral

Post structural IPE leads us to acknowledge the power dynamics that play in the ways in which we relate and respond to the surrounding environments. Identities can never be comprehensively mapped onto bodies of individuals, and one needs to analyze how power relations ‘shape the categories of analysis and research questions’ that one asks. A commitment to understanding the networks of power, representation, and interest that drive political and economic life, invests IPE with significant insight into the everyday effects of global politics. For post structural IPE, the creation, perpetuation and articulation of certain types of knowledge and identity in the international political economy are never neutral, nor are they the expressions of any objective ‘truth’. Knowledge is always generated historically, according to prevailing discourses of power, science and/or truth. It is also generated relationally, as part of the social understandings we share with others, our forebears and our environments. As we forge knowledge in and about the global political economy that includes categories of identity, methods and understandings that do not easily fit with conventional accounts, it is crucial that we keep asking questions regarding the basis of power, knowledge and representation in the world economy. Another imperative is that we remain sensitive to the historical and cultural specificity of relations in the international context. Post structural analysis enables to ask questions about the foundations of power, knowledge and representation in the international political economy and how we measure and interact with abstract categories such as ‘capital’, ‘finance’ and ‘risk’. It reveals the selective and power-laden nature of dominant practices of knowledge production in and about the international economy. Post structuralism offers IPE methods of analysis that question the existing knowledge forms and show how these were sustained and maintained by historically conditioned and informed patterns of power and interests in the global political economy. The post structural

analysis is significant of the insights it provides into global politics and its implications. One cannot understand the processes and forms of economic activity without being conscious of the socio-cultural biases of the structures that we are bounded by. The models of capitalism practiced in western societies depend on selection of economic choices, which reach into our everyday lives, relationships and experiences, to represent, in many ways, the essence of what it is to be 'self' and 'other'. In pragmatic terms, it is detrimental to ignore the dynamics from which economic life evolves. Behaviours, actions and policies are invariably the result of particular assumptions and rationalities, however long established or commonsensical they may appear to us. Assumptions and rationalities do not evolve in a social vacuum, even though they may be regarded as universal and neutral. Interrogating underlying power structures creative of certain discourses is crucial in and to any form of critical IPE. Post structuralism understands power to operate at all levels, including the structural and personal. A lot of effort goes in maintaining and perpetuating a center which is guarded by any interventions from the margins, which is the role of discursive practices. Post structural writings on the centered political/economic structures depicts the sorts of 'common sense' identities and practices that we take for granted to be products of relations of power.

Post structuralist analysis shows how the creation and perpetuation of knowledge fits in with existing assumptions about what is normal, natural and to be expected about 'people'.

Post structural IPE contributes essentially in showing how mainstream IPE's exclusions 'are not mere accidents or coincidences but deliberate in maintaining the consistency of the dominant paradigms' (Peterson, 2005, p. 502). Knowledge, for poststructuralists, can never be produced as 'value neutral'. Post structural IPE helps us to understand that the ways in which we think and the things that we say about IPE are constitutive of the world that we analyze. Post structuralism challenges us to ask self-reflective questions about how we make assumptions concerning action, behaviour and identity in global political economy. For engaging with power and representation in international political economy, we must understand how bodies are situated, regulated and made to function. The dominant neoliberal tenets regarding the ways of economic exchanges and wealth distribution rely on the parameters which privilege the experiences of middle class, white western male. The 'naturalness' of economic liberalization and human progress through the spread of western capitalism which is considered to be unaltered is challenged by post

structuralist scholars. Also worth noting is the significance of efforts to ‘mystify’ finance in the twentieth century. Capital has often been represented, popularly and academically, as ‘an implacable kind of force’ and the financial world as ‘an unknowable and unchangeable core of power and control’ (Aitken, 2006, pp. 78–80). Global financial transactions have been removed rather effectively from public scrutiny, since they are (a) reproduced within a ‘community of speech’ largely closed to non-industry external scrutiny, (b) spoken in a language which is too abstract for the average person to understand, and (c) heavily guarded by state-led interventions. It is necessary to then have a critical project dedicated to interrogating the taken-for-grantedness of the given system; post structural interactions with international political economy are pivotal to understand the underlying power relations that drive the existing social, economic and political structures.

Understanding the contributions of Susan Strange and Tony Porter

A. Economic and Financial concepts discursively rooted

Most scholars of IPE are embedded to a distinct separation between the two realms of the ideal and real, with politics of representation playing out in the former and the latter being treated as indisputable reality. Post structuralists problematise this distinction between the ideal and material and argue that both the phenomenon can be comprehended only through discursive practices. The current notions regarding economic and financial practices are shaped in historical discourses pertaining them. The idea of concepts being intelligible within a particular framework of a discourse is elaborated by Laffey who defines capital as taking a dual role of being both an agent of transformation which expands on its own as well as being a social phenomenon with a worldwide reach. ¹³Laffey’s conceptualization of capital is seconded by other scholars in the discipline of international political economy. Metaphors like that of ‘phoenix rising from the dust’ are attributed in describing the role and increasing influence of global finance in world affairs. An abstract image of global finance is hence attributed with agency. It is viewed as being immortal with having predatory intentions towards nation states. Such conceptualizations focus on finance as a global force being ‘over riding force’ undermining sovereignty of the states and scope for domestic policy intervention. The imagery of finance being seen as an immortal agent

¹³ Laffey, M. (2000) ‘Locating Identity: Performativity, Foreign Policy and State Action,’ *Review of International Studies* 26 (3): 429–44.

and a predator leads to uniformity in financial practices and various institutions of the market and reifies the given boundaries of the system as unproblematic. Engaging with post structuralism doesn't make the concept of capital disappear; it rather leads to a nuanced understanding of present financial practices. A fitting example of the contested and contingent value of capital in modern global economy is regarding the nature of stocks, relating it to the global financial crisis of 2008. There is a need to understand that the value attached to the stocks is discursively established and applied, which privileges certain groups over others. The concepts of money, value and economic growth are being constantly redefined. This depicts clearly the changing nature of stock value, which is an important category of capital which can't be ignored as economic rhetoric. A related example demonstrating the significance of various opposing definitions of capital and the value attached to it in the modern economy is the arguments in favour of developing and implementing the International Accounting Standards. At the present juncture the practices of accounting vary in different countries which leads to a variety of ways in the measurement of categories related to finance including money and stocks. The underlying implications of creating and promoting such a system of a single, coherent international standards is operative at two levels. Firstly, the incorporation of standardized accounting practices will further the western supremacy and command over the global economy. Complying by these standards will be criteria for participation in international financial affairs. Secondly, one needs to problematise the activity of accounting itself as it promotes certain values over others. Capital thus is discursively constituted and contested, rather than being present as a pre defined reality.

Susan Strange and Tony Porter: The concepts of 'Knowledge Structure and the Late Knowledge Structure'

The work of Susan Strange provides for a strong case for the inclusion of the role of ideas and information in the study of international political economy by focusing on the knowledge structure. For Strange, 'Money is regarded as information', rather than being seen in terms of gold, or silver or banknotes or bills of exchange.¹⁴ She highlights a new phenomenon operating at the global level which demonstrates that improvements in the technological field especially in the means of communication have made it practical for 'financial operators at the global level to

¹⁴ Susan Strange, 'Finance, Information and Power', *Review of International Studies*, 16 (1990), p. 263.

stay in contact with each other at all times of the day whether day or night'¹⁵. This advancement has enabled the creation of a knowledge structure in the financial sphere which according to Strange enjoys relative autonomy in relation to other structures. The creation of knowledge - structure acts as a channel of communication of beliefs leading to inclusion and exclusion of people.

Tony Porter, further elaborated strange's work by identifying a 'late-modern knowledge structure which exemplifies an 'increase in both the speed and intensity of transformation of abstract knowledge into normalized and routinised practices which become unquestionable and a part of common sense reality.'¹⁶ This is manifested in the realm of global finance by the utilization of new financial instruments, the re definition of standards regarding financial practices and capital to take into account intangible factors like human capital. Knowledge for Porter is an entity that can be owned, contained and shared. His work highlights the discursivity of finance and the complex intermeshing between various financial categories.

Strange and Porter both come up with a functionalist understanding of knowledge that upholds and perpetuates the distinction between the ideal and the material world, even though this distinction is increasingly getting blurred.¹⁷ Porter's conceptualization of knowledge is also instrumental in nature leading to objectification and reification. Porter considers the flow of knowledge in the international arena as an important source of the creation and sustenance of hegemony, which he elucidates with his study of both the American and British hegemonic cycles.

Conclusion

In conclusion, a poststructuralist reading of the practices in the financial realm offers two crucial points which deserve more attention within IPE. The first is that it prioritizes inquiry into current practices of economics and financial reality being shaped by power dynamics operating

¹⁵ Susan Strange, (1971). *Sterling and British Policy: A Political Study of an International Currency in Decline*. London: Oxford University Press. pp.103-109.

¹⁶ Porter, T. (1999) 'The Late-Modern Knowledge Structure and World Politics,' in Hewson, M. and Sinclair, T. J. (eds) *Approaches to Global Governance Theory*. New York: State University of New York Press.

¹⁷ Christopher May, 'Strange Fruit: Susan Strange's Theory of Structural Power in the International Political Economy', *Global Society*, 10 (1996), p. 184 – 196.

in the field, hence leading to politicization of financial knowledge¹⁸. Most of the times financial practices are kept outside the domain of democratic politics and debate by treating them as questions belonging to technical, specialist realm and hence not being subjected to political criticism.. Second, a poststructuralist International political economy questions the current disciplinary boundaries and inquires regarding the mutual exclusivity of the economic and political realm. A fruitful engagement between post structuralism and international political economy would enable for a deeper and more sophisticated understanding of not only theoretical concepts but also quotidian practices of both economic and political sphere.

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