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How the rise of the market economy transformed the world

*In their new book, **The Market in Global International Society**, Barry Buzan and Robert Falkner track the idea and practice of “the market” in international relations since pre-modern times. In an excerpt from the introduction to the book, they explain how its rise to dominance resulted in a profound transformation of the international order.*

The Market in Global International Society: An English School Approach to International Political Economy. Barry Buzan and Robert Falkner. Oxford University Press. 2024.

The market is one of the most influential concepts in modern society. Its force derives from the fact that although it presents itself primarily as a powerful economic idea, its ramifications extend deeply into politics and society. The market has roots in ancient philosophy and practice, but the idea that it should be the central coordinating mechanism in the global political economy rose to prominence only with the emergence of liberal economic thinking as a challenger to mercantilism in the late eighteenth and nineteenth centuries. Since then, attitudes towards the market have defined opposing political ideologies. The questions of whether the market should be left to its own devices or requires state regulation, and whether it should apply only narrowly to the economic sphere or also to other aspects of society and politics, continue to reverberate in contemporary political debates.



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principle and governance mechanism in international affairs.



As economic globalisation deepened, these debates increasingly related to questions of International Relations (IR), particularly what role the market should play within the international order. The discipline of IR has not always paid sufficient attention to these questions. Apart from the subdiscipline of International Political Economy (IPE), which has made relations between international politics and economics, and between states and the global market, its core subject, few IR approaches (other than Marxism) have sought to theorise the market as both a principle and governance mechanism in international affairs. This neglect also includes **the English School (ES)**, which provides the theoretical framework for this study.



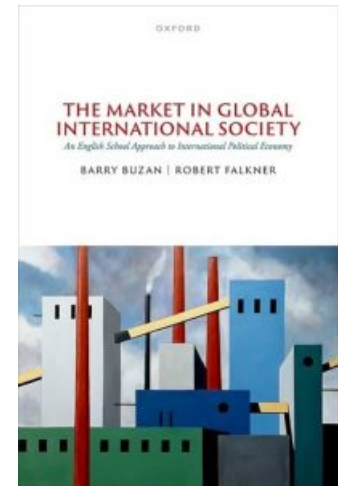
What we mean by ‘the market’, as an element of the normative structure of international society, is what others have called the ‘free market’, ‘market ideology’ or ‘market fundamentalism’



The politest way of describing the relationship between the ES and the subject matter of IPE is “underdeveloped”, though stronger terms such as neglect and indifference might also be thought fair. We examine this relationship in detail and find that the probable main reason for it is not some issue of principle, but the simple fact that few people in the ES had the necessary expertise to think deeply about the economic sector as part of their scheme of international and world society. On the other side, none of those doing IPE seem to have been attracted to thinking about their subject in terms of its place in global international society’s (GIS) set of primary institutions. This mutual neglect has, in our view, been detrimental to both, and we hope this book will end it.

What we mean by “the market”, as an element of the normative structure of international society, is what others have called the “**free market**”, “**market ideology**” or “**market fundamentalism**”. These terms highlight the deployment of the market concept not just as an economic theory, but also as a *political* ideology. Market ideology promotes the claimed efficiency of the market for both economic

and political ends. It is supported not only as a system of economic organisation, and as a guiding logic for innovation and investment, but also for the promotion and protection of individual liberty, as a system of governance. It draws on the legitimacy of economic theory as science to insulate politicians, bankers, and businesses from responsibility for deciding the distribution of income and wealth. It is used, as Watson suggests, “in an attempt to naturalize market institutions and therefore close off the space for discussing non-market distributional settlements”.



As global economic integration progressed throughout the nineteenth and twentieth centuries, national economies became ever more closely entwined



It is in this form – as a governing principle rooted in political ideology – that the market fits most closely with other primary institutions of international society, for example: nationalism as the belief that the nation provides the primary legitimacy for the state; environmental stewardship as the belief that international society has a responsibility to manage the planetary ecosphere; the balance of power as the belief that states need to manage the distribution of power among themselves if they want to preserve stability; sovereignty as the belief that each state has the supreme right to decide its own affairs; and territoriality as the belief that the political exercise of sovereignty should be organized within bounded territorial spaces.



We agree with those political economic thinkers who identify the rise of the market economy [...] as the central event that

defines the “great transformation”, first of Europe and then the world.



Why do we focus on the market rather than on trade or capitalism as the key to bringing IPE and the ES together? As we show some ES thinkers suggested trade, and Mayall (1982, 1990, 2000) “economic liberalism”. Indeed, as we argue, trade might have been one appropriate candidate in premodern times, when it was often governed by non-market principles. But from the nineteenth century something much bigger was afoot despite the campaigning for “free trade” being a leading feature of economic liberalism. As global economic integration progressed throughout the nineteenth and twentieth centuries, national economies became ever more closely entwined, not just through trade links but also through increased investment flows and financial globalisation. A focus on trade thus fails to capture the more comprehensive transformation of the global economy, and of GIS, that the rise of the market has brought about.

Many IPE thinkers, especially those working within a structuralist or Marxist tradition, would point to capitalism as the natural focus for our study. Unlike trade, “capitalism” suggests a more all-encompassing system of economic organisation based on the principle of capital accumulation and the private ownership of the means of production. Even beyond structuralist approaches, capitalism is widely referred to as the economic system that **rose to global pre-eminence alongside industrialism and modernity**. However, we agree with those political economic thinkers who identify the rise of the market economy – **what Polanyi describes as** the “utopian endeavour of economic liberalism to set up a self-regulating market system” – as the central event that defines the “great transformation”, first of Europe and then the world.

*This excerpt from the introduction to *The Market in Global International Society: An English School Approach to International Political Economy* is copyrighted to the authors, Barry Buzan and Robert Falkner and reproduced here with their permission and that of the publisher, Oxford University Press.*

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