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What Shaped Our World?
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1. Cooperation Through History
2. The Mercantilist Era, 1492–1815
3. The Pax Britannica, 1815–1914
4. The Thirty Years’ Crisis, 1914–1945
5. The Cold War, 1945–1990
6. Post–Cold War, 1991–Present
7. Future Trends and Challenges
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Cooperation Through History

• 1800s: *Relative* peace and prosperity

• Early–mid-1900s: Wars, depression

• Late 1900s: Economic globalization

• 2000s: Still unknown
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The Mercantilist Era, 1492–1815

Explorers and traders discover the “New World”
The Mercantilist Era, 1492–1815

- Mercantilism as economic doctrine
- Military and economic power complementary (guns *and* butter)
The Mercantilist Era, 1492–1815
Table A
Mercantilism: Costs and Benefits

<table>
<thead>
<tr>
<th>Burdens</th>
<th>1763–1772 (average/year)</th>
<th>1770</th>
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<tbody>
<tr>
<td>Burden on colonial foreign commerce</td>
<td>$2,255,000</td>
<td>$2,660,000</td>
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<td>Burden per capita</td>
<td>$1.20</td>
<td>$1.24</td>
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<table>
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<tr>
<th>Benefits</th>
<th>1763–1772 (average/year)</th>
<th>1770</th>
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<tr>
<td>Benefit of British protection</td>
<td>$1,775,000</td>
<td>$1,775,000</td>
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<td>Benefit per capita</td>
<td>$.94</td>
<td>$.82</td>
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<td>Balance</td>
<td>$–.26</td>
<td>$–.42</td>
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The Mercantilist Era, 1492–1815

Mercantilism: Costs and Benefits
The Mercantilist Era, 1492–1815

• The Struggle for Supremacy
• Competition Goes Abroad
The Mercantilist Era, 1492–1815

- The Thirty Years’ War, 1618–1648
- The Peace of Westphalia
The Mercantilist Era, 1492–1815

- Fight for Hegemony
- Anglo-French Rivalry
  - Seven Years’ War
  - Napoleonic Wars (Waterloo)
The Mercantilist Era, 1492–1815

• Interests
  – Security through power
  – Control of markets and resources

• Interactions
  – Zero-sum bargaining among states

• Institutions
  – Few international institutions beyond the norm of sovereignty
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The Pax Britannica, 1815–1914

• “The Hundred Years’ Peace”
• Sources of Cooperation
The Pax Britannica, 1815–1914

Figure 1.1: GDP per Capita, 1500-2008
The Pax Britannica, 1815–1914

• Industrial revolution altered interests
• Exchange replaces mercantilism
• Economic integration increases
• Mechanisms
  – migration
  – free trade
  – gold standard
The Gold Standard

Gold becomes the major monetary system, promoting stability and predictability.
The Pax Britannica, 1815–1914

- The Congress of Vienna
- The Latecomers Scramble for Colonies
The Pax Britannica, 1815–1914

The Colonial Empires, 1914
The Pax Britannica, 1815–1914

• Interests
  – Economic wealth through trade and investment

• Interactions
  – Informal diplomacy; state cooperation in security and economic affairs

• Institutions
  – British hegemony and the Concert of Europe
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The Thirty Years’ Crisis, 1914–1945

• Europe divides into two camps
• Central Powers
• Allied Powers
The Thirty Years’ Crisis, 1914–1945

Map 1.2: Europe, 1914
Map 1.3: Europe after World War I, 1920
The Thirty Years’ Crisis, 1914–1945

• The Treaty of Versailles
The Thirty Years’ Crisis, 1914–1945

• Inflation
The Thirty Years’ Crisis, 1914–1945

• The Great Depression of 1929
• Countries turn inward
The Thirty Years’ Crisis, 1914–1945

- World War II
- Axis Powers
- Allied Powers
The Thirty Years’ Crisis, 1914–1945

• Interests
  – Security through alliances, expansion, and economic self-sufficiency

• Interactions
  – World Wars I and II
  – Beggar-thy-neighbor policies

• Institutions
  – The League of Nations
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The Cold War, 1945–1990

Map 1.4: The Cold War and Its Alliances, 1980
The Cold War, 1945–1990

• The Eastern Bloc
• The Western Bloc
The Cold War, 1945–1990

- Conflicts, crises, and coups
- Rise of the Third World
- Cold War phases
The Cold War, 1945–1990

• Interests
  – Superpowers and allies sought to maximize global influence
  – All countries sought gains in wealth

• Interactions
  – Bipolar structure turned more pluralistic
  – Coercive diplomacy slowly yielded to bargaining

• Institutions
  – U.S.-supported institutions survived
  – Soviet institutions lacked legitimacy
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Post–Cold War, 1991–Present
Post–Cold War, 1991–Present

- Collapse of the USSR
- Cooperation
Post–Cold War, 1991–Present

- **Interests**
  - States increasingly focus on wealth gains through trade and investment
  - Rise of non-state actors with diverse goals

- **Interactions**
  - “Complex interdependence”
  - Weak states often bargain with global institutions

- **Institutions**
  - UN and global financial and trade institutions
  - NGOs participate
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Future Trends and Challenges

• Predominance of the United States?
• Environmental costs
• Nuclear proliferation
• Financial crises
• Power shifts
Spending

In 2011, the U.S. government spent $3.6 trillion on a range of activities and programs.

- **Mandatory Spending**: 13.5% of GDP, $2.0 trillion
  - Social Security: 4.6% of GDP, $725 billion
  - Medicare: 3.2% of GDP, $675 billion
  - Medicaid: 1.8% of GDP, $275 billion
  - Nondefense: 4.3% of GDP, $646 billion
  - Other: 3.6% of GDP, $545 billion

- **Net Interest**: 1.5% of GDP, $227 billion

Discretionary Spending

- **Social Security**: 9.0% of GDP, $1.3 trillion
- **Defense**: 4.7% of GDP, $700 billion
- **Net Interest**: 1.5% of GDP, $227 billion
- **Other**: 4.3% of GDP, $646 billion

Revenues

In 2011, the U.S. government received $2.3 trillion in revenues.

- **Corporate Income Taxes**: 1.2% of GDP, $181 billion
- **Social Insurance Taxes**: 5.5% of GDP, $819 billion
- **Individual Income Taxes**: 7.3% of GDP, $1.1 trillion
- **Other**: 1.4% of GDP, $211 billion

Consists of payroll taxes that fund social insurance programs, primarily Social Security and Medicare's Hospital Insurance program.

Consists of spending on programs related to health, income security, education, veterans' benefits, transportation, and other activities.

Consists of excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts.
Projected U.S. Population Growth If Immigration and Fertility Do Not Change

Total U.S. Population Growth

Immigrants and Descendants since 1970

Growth from Descendants of 1970 Residents

©1996 Roy Beck, The Case Against Immigration
World Population: 1950-2050

Source: U.S. Census Bureau, International Data Base, June 2011 Update.
Political Science 12: International Relations