

Annotation

The main aim of this presented diploma thesis is to help build a systematic understanding of the political and social foundations of global financial markets, their operations and impacts on the global power affairs. The thesis highlights the dynamic complexity of the post financial crisis state of the World with its intra- and inter-social features. It instrumentally uses critique of a free market agenda and neo-classical economy which contrasts the Efficient Markets Hypothesis with Hyman Minsky's Financial Instability Hypothesis (FIH), taking into account the dynamic complexity of financial markets. This approach offers analytical tools that can account for crisis through processes endogenous to contemporary financial capitalism. I shall argue that a financially complex system is, according to the FIH, inherently flawed and unstable. After a theoretical and historical review, the thesis discusses various aspects of the process of austerity regime and its social consequences. This provides an opportunity for analyses of the ongoing existence of interstate competition, of militarised foreign policy, and of other international, at times violent conflicts. In an effort to make sense of some of these phenomena, I instrumentally use the study of geoeconomics that builds on some fundamental assumptions of past research of American hegemony. Through the method of process tracing it has investigated the geoeconomic significance of the US reserve currency in historical perspective while the findings from this thesis make several contributions to the current discussion about transitory processes from the US hegemonic dominance towards a more multipolar world. I have argued that the event-driven crisis in Ukraine of 2014 is a symptom of the multipolarization of global affairs. On this basis, the diploma thesis argues that investigating the geoeconomic imperatives of cross-border regional energy, economic and investment projects provides a form of empirical answer to the big questions about the future architecture of global power which is not stable but transitory. There is, therefore, a definite need for a risk assessment of possible negative impacts when the transitory process emerges into an open economic war between the 'Western bloc' and emerging economies (powers).