

**INTERNATIONAL POLITICAL ECONOMY  
QUALIFYING EXAMINATION  
Department of International Studies  
Fall 2013**

**DO NOT PUT YOUR NAME OR STUDENT NUMBER ON YOUR EXAM**

Ph.D. students have eight (8) hours to complete the exam and must answer the mandatory and three (3) optional questions. M.A. students have four (4) hours and must answer the mandatory and two (2) optional questions. Note: you may answer only one (1) question from any optional group. The exam will begin promptly at 9 am on November 1, 2013.

**Mandatory Question**

1. Since its inception, International Political Economy (IPE) has been centrally concerned with the interaction of states and markets in the context of increasing international interdependence. Discuss the evolution of scholarly views and perspectives regarding the role of the state in market societies and the ways in which these intellectual debates have influenced policy-making at the national and international levels since the end of the Second World War. To what extent and in what ways has the more recent global financial crisis altered the balance between states and markets? Some scholars have argued that the crisis highlighted the need for a recreated “embedded liberalism” compromise. Do you agree? In your answer, be sure to combine theoretical insights with detailed empirical and historical analysis.

**Optional Questions**

*Globalization & the State*

2. International and comparative political economy scholars tend to disagree about the extent to which globalization has undermined the ability of the state to compensate citizens for the adverse costs of increased economic interdependence. Some scholars argue that globalization has rendered national welfare policies unfeasible, resulting in a convergence of economic policies at the “neoliberal” bottom. Others challenge these views, emphasizing the important role of domestic political institutions in mediating the impact of global economic pressures on national policy choices. Write an essay summarizing the main theoretical arguments and empirical evidence put forward by the advocates of each perspective. Discuss the implications of this debate for both developed and developing countries. Be sure to carefully define your concepts, cite the relevant literature and provide specific examples.

### *Trade*

3. A central debate in IPE focuses on the domestic political effects of international trade. Ronald Rogowski draws on the Heckscher-Olin and Stolper-Samuelson theorems to argue that domestic political cleavages regarding trade policy are class-based. According to him, in most countries, trade politics are shaped by the conflict between business and labor. An alternative approach challenges the factor mobility assumption in Rogowski's model, claiming instead that international trade tends to divide societies along sectoral lines. Discuss the strengths and weaknesses of these two society-centered approaches to trade politics. How useful are these arguments in explaining contemporary trade politics in the United States, Europe, or Latin America? Can theories that focus on political institutions do better at explaining trade policymaking?
4. The past two decades have seen an impressive surge in the number of regional trade agreements (RTAs) in the international trading system. This proliferation of overlapping RTAs has given rise to substantial scholarly interest in both their sources and their consequences. Drawing on this work, discuss the main economic, political and security factors explaining the recent spread of this type of preferential trading arrangements. Discuss also the complex interrelationship between the emerging "spaghetti bowl" of RTAs and the multilateral trading system. Do RTAs complement or hamper multilateral trade liberalization? To what extent and in what ways have recent developments in the multilateral trading system contributed to the proliferation of regional trade institutions? In your answer, cite the relevant literature and provide specific examples.

### *Money & Finance*

5. The creation of the Bretton Woods monetary regime in 1944 has been viewed as "history's first example of a fully negotiated order intended to govern monetary relations among sovereign states." Discuss the origins and main features of the Bretton Woods system and explain the confluence of factors contributing to the collapse of the gold convertibility and of the fixed exchange rate system in the early 1970s. How has global monetary governance and order evolved since then? According to some, what has evolved since the 1970s is "little more than a non-system bordering on anarchy if not chaos." Do you agree? What are the main advantages and shortcoming of this non-system? How effective has the current framework of global monetary governance been in promoting international coordination and cooperation? Discuss in reference to recent events in the international monetary system, including the 2008 global financial meltdown, and recent problems in the European monetary union.

### *Global Economic Governance*

6. Rational Institutionalists emphasize the role that institutions (or regimes) play in helping states achieve cooperation under anarchy. Relying on game-theoretical tools, they argue that the specific functions through which institutions promote cooperation vary across issue-areas, depending on the "type of game." Drawing on these theoretical

insights: (a) Select an international environmental regime AND an international economic regime (two in total); (b) Identify the specific problems that these regimes seek to address, and the type of game (collaboration, coordination, assurance, and suasion) that best represents the nature of these issue-areas; (c) To what extent and in what ways have these institutions worked to promote cooperation?

7. In the aftermath of the Second World War the establishment of the Bretton Woods institutions prompted considerable theoretical debate among scholars. Several theoretical approaches to explain the creation, maintenance and transformation of the post-war international economic regime were proposed. Discuss these competing theoretical perspectives, citing the relevant literature and authors. Which approach or combination of approaches best explain(s) the evolution of global economic governance since 1971? How useful are these approaches in accounting for recent developments in international economic regimes, including the stalemate in multilateral trade negotiations in the WTO and the recent expansion of the G-7?

#### *Development*

8. Why are some societies rich and others poor, divided by wealth and poverty, health and sickness, food and famine? In their highly praised recent book, *Why Nations Fail* (2012), Acemoglu and Robinson contend that culture, climate, geography, or knowledge/ignorance of what are the right policies are not adequate explanations of long-term growth and development. Instead, they marshal historical and contemporary evidence to argue that the answer is “institutions, institutions, institutions.” Citing the main authors, your task is to explain the hypotheses and methods underlying the rival explanations based upon culture, climate, geography, scientific knowledge, and institutions) and evaluate the claims advanced by Acemoglu and Robinson. Be sure to take into account the related work of Ian Morris, Francis Fukuyama, John Hobson, or others.

#### *Foreign Aid*

9. A central debate in the field of development has focused on aid effectiveness, that is, on the extent to which foreign aid dollars actually contribute to the goals of reducing poverty and promoting economic growth. Some scholars argue that foreign assistance is essential to help least developed countries escape their “poverty trap.” In contrast, others have been highly skeptical of such solutions, pointing to the limited effectiveness of foreign aid programs in the past four decades. Write an essay explaining the main theoretical arguments put forward by those against and in favor of an expansion of foreign aid. Discuss the main empirical findings of recent research on the effects of foreign aid and growth, and its implications for international policy debates. Be sure to cite the relevant literature and provide specific examples.
10. In the article “The Privatization of Foreign Aid: Reassessing National Largesse”, Carol C. Adelman, former Assistant Administrator at the U.S. Agency for International Development addressed in the following terms the criticism about the relative value of

U.S. official development assistance compared to other highly industrialized countries: "... What such criticism fails to take into account is the new landscape of foreign aid. Current measures of a nation's largesse only count funds doled out by the government, thus ignoring ***the primary way in which Americans help others abroad: through the private sector.*** In the last decade, U.S. government aid has been far outstripped by private donations -- from foundations, private voluntary organizations (PVOS), corporations, universities, religious groups, ***and individuals giving directly to needy family members abroad.***.....Even this low-ball figure is more than three and a half times the amount of official development assistance (ODA) given out in a year by the U.S. government. ***In the third wave of foreign aid, it is private money that is making the difference*** [emphasis added]. Do you agree with the way in which the issue of family remittances is dealt with in this article in relation to development and ODA? Please, elaborate based on your understanding of the role of remittances in the migration-development nexus and the distinction between ODA and family remittances.

### *European Integration*

11. Identify a handful of experiments in what can be labeled as "regional integration" or "regionalism" (economic or political). How can they be subdivided into distinct groups according to the degree of interaction, cohesiveness, and depth, most especially in comparison to the model or point of reference offered by the European Union?