

Comprehensive Exam
International Political Economy
November 12, 2015
Program of International Studies
University of Miami

DO NOT PUT YOUR NAME OR STUDENT NUMBER ON YOUR EXAM

Instructions: Ph.D. students have eight (8) hours to complete the exam and must answer one (1) of the two mandatory questions, and three (3) of the optional questions. M.A. students have four (4) hours and must answer one (1) mandatory and two (2) optional questions. The exam will begin promptly at 9 am at the Sociology Computer Lab (Merrick Building Room 207). You must email your exam to Dr. Yaffe (l.yaffe@umiami.edu) and Dr. Page (bryan.page@miami.edu) immediately upon completion.

Mandatory Question. Choose either Question 1 OR Question 2:

Mandatory Question 1, both parts:

Part A: The World Bank released its first comprehensive economic report on Haiti last month. Write a review of that report – what issues it addresses and quantifies, and what it omits or fails to address.

Part B: On the basis of the Report, YOU are appointed now to be Economic Minister of Haiti with some new resources at your command. Based on the Report and on information you know from other sources, sketch out YOUR development priorities for Haiti and how you would achieve them.

or Mandatory Question 2:

Analysts of “Globalization” disagree on the consequences. To some, globalization has lifted, or potentially can lift, millions of people out of poverty permanently. Others passionately believe that it already has driven millions deeper into poverty and has to be stopped. Yet another group straddles these beliefs: while accepting the potential benefits of globalization, they believe that the power structure of national and international institutions prevents the potential benefits of globalization from being realized and turns it into a malign force hurting millions. What is your position vis-à-vis this debate? Provide theoretical background, empirical evidence, and cite the most important authors to support your arguments.

Optional Questions 3 – 12 (Choose 3):

3. What are the causes of the refugee crisis from Africa and the Middle East to Western Europe and your solutions for the short run and for the long run? What do you learn about the European nations from this crisis? Be specific.

4. “Russian intervention in the Ukraine and Syria signals a change in how we should view Russian objectives and policies. A bankrupt country, hurt by international boycott, and low prices for its major export, undertakes expansionist campaigns despite its economic weakness—or perhaps because of its economic weakness.” Comment on this paragraph.

5. Speaker A says: “Income inequality is the cause of social injustice, class warfare, low savings rates, wasteful consumption, in short, all the ills of our modern society. All these would disappear if we could only reduce inequality.”

Speaker B retorts: Nonsense! Changing Inequality is the consequence and reward of our successful economic growth. Reversing this Inequality will require a virtual revolution in which you, my friend, may find yourself the unintended casualty. Better aim to reform those excesses, one by one through legislation.”

Speaker A answers: “.....”

Question: Write further dialogue, showing your understanding of the issues of growth, income distribution, and other factors.

6. Historically, the existence of globalization and the multiplicity of currencies have led to what has been labeled “currency war” between major countries conducted through “competitive devaluations,” with debates centered on “fixed/peg” versus “free-floating” regimes. In the contemporary period, this debate continues as the current financial structures allow for the coexistence of multiple systems based upon many forms of exchange arrangements. Please elaborate on the different types of exchange arrangements and explain the pros and cons of those systems. Make sure you explain the ideas behind the gold standard, the OCA, Dollarization, or among others

7. Fiat money printed by central banks has become our ‘currency’. Mill described as “barbarism” the fact that independent countries had chosen to use one currency. Based on the readings, please explain how many currencies there should be in the world; should there be many or a single world currency? What are the cons and pros of using different currencies or of choosing a currency union? Can recent financial instability and crises be related to the existence of many currencies? How so?

8. Too often, simple trade experiments agreed upon by states are labeled as examples of “Regional Integration” by observers and even scholars. At the same time, many experiments in economic cooperation are referred as following the inspiration (if not the outright model) of the European Union (EU). Develop a short essay in which you offer your own interpretation of different degrees of regional integration and the various examples of trade experiments. Support your arguments with selected theories fitting your interpretations.

9. The latest appearances of economic “mega-regional trade-agreements” are the recently approved Transpacific Trade and Investment Agreement (TIP) between the US and several countries on the shores of the Pacific, and the still under negotiations Transatlantic Trade and Investment Partnership (TTIP). What is their context and timing? Why now? What could be the impact on existing or evolving regional deals in the world, most especially in the Western Hemisphere? Back your arguments with selected political economy theories of your choice.

10. According to certain analysis, the economic crisis that developed in Europe was caused by the adoption of the euro as a common currency and the subsequent availability of substantial monetary resources that propelled some countries to incur in serious debt. Draft your own commentary about the sources of the European economic crisis, its consequences, the alternative remedies applied (austerity and investment included) and the world-wide connections of the EU-based problems.

11. The positivist/post-positivist divide is clearly seen in applied political economy. Compare the approaches of the World Bank or IMF against the main authors in the development debates [such as William Easterly, Paul Collier, and Jeffrey Sachs.] While most development scholars are critical of existing poverty alleviation schemes, they have different outlooks on why the system is broken and how to fix it.

Explain the state of the development scholarship today. Choose the main authors in this debate, explain the exogenous and endogenous factors they feel create a trap for the bottom billion, and detail their proposed solutions to systemic global poverty.

12. Within the confines of IPE, explain the role of the state. Is the state the predominant actor in international political economy? Why or why not? Does the rise of non-state actors (such as violent non-state actors, NGOs/IGOs, and TNCs) diminish the analytical power of two-level games?