

**INTERNATIONAL POLITICAL ECONOMY  
QUALIFYING EXAMINATION  
Department of International Studies  
Spring 2009**

**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.

**Mandatory Question**

1. International Political Economy (IPE) studies the dynamic interaction between states and markets in a context of increasing international interdependence. How has the balance between states and markets evolved since the end of the Second World War? To what extent, and in what ways, was this balance altered by the accelerating pace of globalization since the 1980s? In your view, what will the implications of the global crisis be for (1) theoretical and scholarly debates on the balance between state and markets; (2) actual policy choices; (3) the structure of global economic governance? In your answer, be sure to combine theoretical insights with detailed empirical and historical analysis.

**Optional Questions**

***Theoretical and Epistemological Debates***

2. IPE scholars have recently discussed the existence and implications of significant ontological and epistemological divisions in the field. Some have criticized the “strikingly narrower view” of IPE that is typically taught at American universities, characterizing it as a “monoculture” and marking the “slow death of pluralism.” Do you agree with these criticisms? In your answer, be sure to explain the purported differences between the so-called “American” and “British” schools in IPE and the scholars associated with each of these research programs. Discuss the strengths and weaknesses of each school and the scope for and desirability of bridging the alleged gap between them.

***Globalization***

3. Some IPE scholars have contended that globalization signifies the triumph of the U.S. (or Anglo-Saxon) model of an “uncoordinated” market economy over its competitors with “coordinated” market economies, namely European social democracies and the East Asian developmentalist states. Who, if anyone, is correct? Those who claim there is a “single peak” optimal equilibrium defined by the U.S. model? Or those who argue for the possibility of multiple equilibria, in which case the European or East Asian variants of market economy may achieve superior performance? In answering these questions, be sure to mention the main contending theoretical approaches in the IPE literature and to discuss variables such as economic growth, inflation, fiscal balance, income inequality, equity in the distribution of public goods, domestic political autonomy, and geopolitics. What relevance does the current global crisis have for this discussion?

### ***Foreign Economic Policy***

4. A central debate in IPE focuses on the domestic political sources of foreign economic policy making. Drawing on insights from comparative political economy approaches, scholars have emphasized the role of interest groups, national institutions and economic ideas in explaining national trade and exchange rate policy choices. While the early literature tended to place greater emphasis on one of these explanatory factors (i.e. domestic interests, institutions or ideas), more recent work has focused on the interplay between the three. David Lake's open economy politics (OEP) framework is an example of an approach that combines insights from interest-based, institutionalist and ideational explanations of foreign economic policy. Explain the theoretical underpinnings of the OEP approach and discuss its strengths and weaknesses. How useful is this framework in explaining recent US trade policy choices?
5. Scholars of comparative and international political economy have debated the extent to which societal factors play a relevant role in the formulation of monetary and exchange rate policy. Jeffrey Frieden's seminal sectoral approach emphasizes the domestic distributional implications of currency policy choices and the incentives these provide for the mobilization of specific groups in favor or against specific policy decisions. Explain the logic and theoretical predictions of this approach and discuss its main strengths and weaknesses. How useful is this model in explaining the recent exchange rate policy choices of the US and China? Can competing theoretical perspectives, namely institutionalist and ideational approaches, provide a more adequate account? Why or why not?

### ***Global Economic Governance***

6. Realist, Liberal and Constructivist approaches provide competing explanations of the origins, maintenance, relevance and effectiveness of international institutions. Write an essay explaining the central arguments in this debate and citing the main scholars associated with each perspective. Do these approaches (individually and/or collectively) neglect the role of domestic political factors in international cooperation? If so, what are the implications of such neglect? In your answer, be sure to discuss the significance of recent developments in international economic governance such as the collapse of multilateral trade talks and the limited progress achieved by G20 nations in formulating a coordinated approach to deal with the global economic recession.
7. To what extent and in what ways have the so-called 'Washington Consensus,' the US-led 'War on Terror' and American international alliances more generally been challenged in recent years? Assess the state of US hegemony from an international political and economic perspective in light of recent challenges to US authority and influence. In your analysis, reflect on the changes and challenges the US faces at the domestic level as well as those stemming from other states, coalitions of states, or non-state actors in the international system and from complex transnational processes (such as global finance, climate change, etc.). Cite relevant literature.

### ***Political Economy of Drugs***

8. There are multiple theoretical approaches to political economy present in the IPE literature. Realist, liberalist, Marxist, Feminist and Constructivist perspectives are among the most prominent. Using at least three of these different approaches, please analyze the current status of the US-led War on Drugs. How would each explain the failure of this so-called "war" to significantly impact the cost, availability and purity of illicit drugs entering the United State and/or Western Europe over the last quarter century? What recommendations flow from each approach regarding how best to deal with the "illicit drug question" in the future?

### ***European Integration***

9. The current financial crisis has exposed the fragility of the European economic structure as it has been developed under the protective cushion of the European Union policies. The fact that a long line of candidates or “pretenders” are waiting for membership and the evidence that not a single country has ever attempted to leave the European Union (EU) attest to the success of the experiment. However, tensions among members have appeared regarding the possible help to be given to all the economies in trouble. Resistance to assist further the new members from Central and Eastern Europe has tempted some analysts to warn about the potential breakdown of the EU. In contrast, others have argued that the EU has important safeguards to protect the new economies and to avoid a potential political backlash. Write an essay explaining these recent developments in the EU. Which theoretical approach to international cooperation best explains the emerging tensions among EU countries? In what ways can EU institutions work to mitigate growing distributional tensions and to ensure the survival of cooperation in Europe, despite the worsening of the international economic environment?

### ***Development***

10. Explain and compare the main alternative development strategies followed by Latin American countries since the end of the Second World War. What were the central objectives and the principal results of the import-substitution industrialization (ISI) strategy? Were the market-oriented policies implemented throughout the region in the 1990s more successful? In your answer, consider the economic, social and political consequences of these reforms. Discuss how the impact of these policies has influenced development policy debates and choices in Latin America in the 21<sup>st</sup> century. To what extent has the greater emphasis placed on equity and distributional considerations in policy and scholarly debates actually shaped national policy choices? Give examples.
11. Identify and analyze the various explanations for the rapid economic growth of the East Asian newly industrializing countries (NICs). Which has greater explanatory power? Why? Is it possible for other developing nations to replicate the model? Cite relevant academic works to support your argument.