

**INTERNATIONAL POLITICAL ECONOMY
QUALIFYING EXAMINATION
Department of International Studies
Spring 2011**

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. Robert Gilpin's seminal *The Politics of International Economic Relations* (1987) is usually viewed as the first textbook of International Political Economy (IPE). In this work, Gilpin identified three rival perspectives or approaches to the study of IPE: Realism/Mercantilism, Liberalism, and Marxism. How relevant and applicable are these approaches to the study of IPE today, more than two decades later? Do you agree with claims that a "(Neo) Liberal" consensus seems to have emerged, particularly in the United States? Or would you say that Mark Blyth is correct to assert that there are now "multiple versions" of IPE and that there is scope for a "global conversation" among these different traditions?

Optional Questions (Answer only one from each section)

Globalization & the State

2. There is a lot of literature in international and comparative political economy that has examined the impact of globalization on welfare states. Some scholars have argued that international market integration has in fact worked to strengthen and expand the welfare states. Other claim that economic globalization is not a new phenomenon and that the world is far from true integration of states. Write an essay summarizing the main theoretical arguments and empirical evidence put forward by the advocates of each perspective. Please make sure you pay attention to the debate presented by DaniRodrik and his proposal that the term international economic integration should not be confounded with the term globalization.

Money & Finance

3. The literature on financial globalization emphasizes the structural constraints that increased capital mobility places on the economic policy autonomy of national governments. According to the "Capital Mobility Hypothesis," the ever-present threat of capital flight creates irresistible pressures for a convergence of national macroeconomic policies. By contrast, others argue that the discipline imposed on governments by capital mobility is much weaker than this literature contends. Discuss and explain the most influential scholars and the main theoretical positions in this debate. In your opinion, which perspective provides a

clearer picture of macroeconomic policy outcomes in developed and developing countries in the contemporary international financial system?

4. 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 calls for a new global standard in response to emerging tensions over currency values.

Development

5. There is an ongoing debate among scholars in development studies concerning the role of geography vs. history and institutions in shaping the development trajectory of different countries in the world. Explain the principal arguments put forward by the main scholars in each side of this debate. Which position do you agree with and why? Discuss with reference to specific examples.

North-South Relations

6. With the supposed rise of the Global South (e.g., Brazil, China, India, Indonesia, South Africa, etc.) discussion within the field of IPE has begun to question the divide between North and South. Discuss production, consumption and distributional patterns in the global economy. Identifying the most influential scholars and the main contending theoretical perspectives, how would you assess the relationship between the accumulation of wealth and the existence of extreme poverty and inequality? What do you think the root causes of the North-South economic divide are? Do you agree with claims that current transformations signify an alteration in North-South relationships? Why/why not?

International Aid

7. 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.

Trade

8. The recent summit of the European Union with Latin America and the Caribbean held in Madrid produced mixed results. On the one hand, negotiations for a strategic agreement between the EU and Central America have advanced considerably, as well as the decision to continue with the process of an ambitious deal with MERCOSUR, long time stalled. However, the EU seems to be inclined to sign individual agreements with single countries (Peru, Colombia, Brazil). Is the EU abandoning its standard policy of framing bloc to bloc alliances? Is the new mode an answer to the US-style negotiation process based on free-trade? What are the economic (and political) obstacles for the crafting of EU-LA arrangements? In your answer please be sure to cite the most influential authors and discuss the relevant theoretical and empirical literature.

The US and the World Economy

9. The US has been facing one of the most intense economic crises since the Great Depression. This situation has been aggravated by many factors, among them, the constant and growing current account deficit. Identifying the most influential scholars, explain the main contending interpretations regarding the consequences of this deficit. In your essay, be sure to explain clearly the differences between budget deficit, government debt and current account deficit and discuss the different fiscal and monetary approaches for correcting these imbalances. How sustainable are these high levels of debt and deficit, and what are their likely consequences for US dominance in the world economy?

Gender & IPE

10. "Since the terrain of global restructuring is gendered, no credible theory of International Political Economy can be complete without a gender dimension." Critically discuss this proposition, with reference to Feminist IPE, at least two additional perspectives, and real world examples.

Inequality

11. Income distribution is said to give a summary scorecard of a nation's progress toward achieving equity. Others say that a "widening" or "increasingly unequal" distribution is absolutely necessary for economic progress, since savings and investment come primarily from the top-most income groups. Taking care to identify the most influential scholars and the main contending theories, first explain the empirical record of Europe and the US in the past century with regard to income distribution and growth. Second, discuss these propositions with special reference to one Latin American, one Asian, and one African country.