

**INTERNATIONAL POLITICAL ECONOMY
QUALIFYING EXAMINATION
Department of International Studies
Fall 2008**

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** question from any optional group.

Mandatory Question

1. A central debate among IPE scholars concerns the relevance and implications of epistemological schisms and methodological competition in the field. While some scholars have emphasized the existence of a “transatlantic divide” between American and British IPE, others have dismissed such characterization as a mere “caricature.” Others might contend that the focus on the US vs. UK ignores intellectual production advanced by IPE scholars in Europe, Latin America, Asia, and Africa. Write an essay summarizing and criticizing the main positions in this debate. Be sure to discuss the purported differences between the American and British schools in IPE and the arguments presented by critics of this distinction. To what extent and in what ways has the so-called “new political economy” research program defied simple analytical dichotomies?

Optional Questions

Globalization

2. 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 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 main theoretical positions in this debate. Which perspective provides a more accurate explanation of the behavior of developed and developing countries in the contemporary international financial system?
3. Drug production and drug trafficking are often cast as “illicit” or “illegal” dimensions of globalization. In your view, what are the major contributions and/or limitations (strengths and weaknesses) of the international political economy literature on the study of drug trafficking issues? Who are the principal authors who have contributed to this literature? What does this literature contribute to our understanding of the “dark side” of globalization? What modifications in the work on the “licit” aspects of globalization do you believe hold the most promise for understanding transnational phenomena such as drug trafficking?

Money

4. A number of scholars in comparative political economy have focused on the role of domestic interests and institutions in shaping national monetary and exchange rate policy decisions. Identify and explain the main hypotheses put forward by this literature. How useful are these approaches in explaining the recent exchange rate policy choices of (a) the United States; or (b) China; or (c) the United Kingdom; or (c) France? What are their main weaknesses? (Choose only ONE example)
5. Since World War II, the U.S. dollar has served as the international currency, but it had always been linked to gold until President Nixon imposed a currency devaluation, effectively taking the U.S. off the gold standard. Since then, the U.S. has printed “world currency dollars” to cover its own debts, debasing the world currency and dismembering its own productive capacity through outsourcing. Some analysts argue that, following on the establishment of the euro, the economic crisis of 2008 is nothing less than the process of de-establishing or casting off the dollar as the world currency. Do you agree? If not, what other factors have contributed to the current global economic crisis?

Trade and Integration

6. The failure of trade ministers to achieve a breakthrough on the difficult issues at the center of the World Trade Organization’s (WTO) Doha round is seen by many scholars as a major setback to the WTO and to the multilateral trading system. Discuss the factors leading to the collapse of the negotiations. What have the most contentious issues been? Who are the main players and what explains their divergent negotiating positions? Which theoretical approaches best explain the current stalemate in the world trade regime?
7. Explain the historical, political and economic circumstances that led to the creation of the European Central Bank (ECB). What are the ECB’s main political and economic objectives? In what ways has it worked to promote European monetary and political integration? Assess the usefulness of competing theories of international cooperation in explaining the origins and consequences of the ECB.

Work

8. Work generation has always been central to capitalist development. The dominant theory to explain these processes has been neo-classical economics (NCE), which defines work as employment. Explain NCE conceptualizations of economy, labor, unemployment, and employment generation. Marxist/neo-Marxists and feminist theorists have criticized NCE’s conceptions. Discuss and critically assess these contributions. In your response be certain to explain how these three alternative theories explain the crisis of capitalist development unfolding in the industrialized capitalist economies of the US, the EU and Japan since the 1970s.

Development

9. Karl Marx and Max Weber, among many of the founders of the academic disciplines of sociology, political science, and related fields were unabashed Eurocentrists in their view of the world, the processes of socio-politico-economic development, and related issues. In recent decades a somewhat heterogeneous "school" of social scientists has argued that the basic historiography on which the contemporary social sciences were developed since the late 19th century is seriously flawed by a pervasive Eurocentric bias. What are the central arguments of this group of authors? To what extent does the empirical evidence concerning "medieval" trade patterns, technological developments, and the transfer of technological and other innovations support these arguments? What are the implications of these arguments for current debates in the fields of development studies and modernization?

10. Some economists have emphasized the potential benefits of liberalizing labor flows across countries. The argument is that the gains from easing or removing immigration restrictions imposed by the US, Japan and the EU to limit labor flows from developing countries might be larger, perhaps considerably larger, than the likely benefits from further liberalization of trade and capital flows. Discuss the distributional implications that the relaxation of restrictions on labor mobility might have for both developed and developing countries. What are the main economic and political barriers to greater labor mobility? How could these be overcome? In formulating your answer you should take care to discuss the pertinent theories and contributions in IPE and related social science literatures.