

**INTERNATIONAL POLITICAL ECONOMY  
QUALIFYING EXAMINATION  
Department of International Studies  
Fall 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. The exam will begin promptly at 9 am on Nov. 9, 2011, in Merrick Rm. 309.

**Mandatory Question**

1. In a recently published article, Benjamin Cohen (2010) suggests that journals in the field of International Political Economy (IPE) are becoming “boring,” a phenomenon he attributes to the fact that “political scientists in the United States appear to have an inferiority complex when it comes to Economics...” Along similar lines, Robert Keohane (2009) has professed himself “disheartened” by the “new IPE” that has taken over in mainstream journals. Do you agree with these criticisms? Why/why not? In your essay, be sure to discuss how the field of IPE has evolved since its inception in the 1970s and how the central theoretical debates have changed over time and across regions. How useful have mainstream IPE theoretical approaches been in explaining and predicting recent developments in the international political economy (e.g., the global financial crisis, the problems in the European monetary union and the rise of emerging powers in world politics)?

**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. Although economic theory shows free trade is optimal in terms of efficiency and maximizing global welfare, in reality, most the foreign economic policies of many states nevertheless continue to be characterized by considerable protectionism. It has been argued that protectionism is in part a political response to the trauma of the Great Depression in the 1930s. First, explain in the nature of

the paradox between economic theories of free trade and the prevalence of protectionism. Second, identify at least two different explanations for how politics, more than economics, determines the stability and openness of the international economy. Which one provides the most convincing account of contemporary international trade relations?

### *Money & Finance*

4. The international monetary system has experienced periodic bouts of instability from the classical gold standard to the present. Scholars have long debated the structural roots of this instability. Some scholars, writing in the neoclassical economics tradition, have argued that global financial stability largely stems from over-regulation of monetary affairs. Others, writing from a Keynesian and institutionalist economics perspective, have claimed that this instability stems from under-regulation of monetary affairs. Finally, other scholars, writing generally from within a political economy tradition, maintain that instability stems primarily from changes in the fortunes of hegemonic powers and/or of particular interest groups. Write an essay in which you present carefully and assess critically these diverse theoretical accounts of international financial instability. Which of these perspectives provides the most plausible account of the current international financial crisis?
5. [The recent crisis in the Eurozone] has revived skepticism among economists and other analysts about the benefits of fixed exchange rate arrangements and currency unions. According to some, the crisis of the euro “is not an accident: it is inherent in the system.” Write an essay explaining the economic and political rationale for the creation of the European monetary union, and its expected benefits for different member-countries. Identify and explain the trade-offs and risks associated with the maintenance of fixed exchange rate regimes in a context of increased financial integration. How useful are these theoretical arguments in explaining the current problems confronted by Greece and the rest of the countries in the Eurozone? In your answer, be sure to provide a comprehensive overview of the origins and economic and political consequences of this crisis.

### *Global Economic Governance*

6. Scholars have relied on the notion of the “tragedy of the commons” to emphasize the need for international coordination and cooperation in the management of collectively held natural resources. Explain the logic of this metaphor and its relevance to the debate on the emergence of international environmental regimes. How do other types of explanatory factors (such as power, interests, knowledge, and domestic politics) affect the prospects for international environmental cooperation? Discuss this debate in reference to the cases of the ozone depletion and climate change regimes. What combination of factors best accounts for the greater success of the ozone regime? In your answer, be sure to discuss implications of the recent Copenhagen Accord.

### *Development*

7. Explain and compare the main alternative development strategies followed by Latin American and East Asian countries since the end of the Second World War. What were the central objectives and the principal results of the import-substitution industrialization (ISI) and the export-oriented strategies? Were the market-oriented policies implemented throughout Latin America 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 and Asia in the 21st century. To what extent has the greater emphasis placed on equity and distributional considerations in policy and scholarly debates actually shaped national policy choices? Be sure to discuss the most influential authors and approaches and to give appropriate examples.

8. The emergence of China as a major purchaser of commodities from Africa and Latin America has triggered new debates about the implications of this exchange for economic development. Critics have argued that this model leads to “reprimarization” and deindustrialization on the part of China’s trade partners. Present a discussion of this debate, identifying and critiquing the most influential scholars and their arguments. Evaluate the empirical evidence marshaled by the different interpretations. What are your own views on this debate?
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.

### *Organized Crime*

10. States regulate markets, both legal and illegal. In the case of organized crime, what states do, or fail to do, appears to be crucial in determining the structure and dynamics of criminal groups, as well as levels of violence associated with specific criminal activities such as drug trafficking. Write an essay in which you discuss how particular constellations of state institutions affect organized criminal behavior in countries such as Mexico, Colombia and the United States (or any others of your choice). Why are organized criminal groups so much larger and more violent in Mexico today than in the United States and Canada? In your essay you should identify the key factors highlighted in the relevant literature that are used to explain why criminal organizations adopt different forms and behavior patterns in different national settings.

### *Global Public Health*

11. Some scholars suggest that the impacts of neoliberal economic policies have been more detrimental than beneficial to public health in many low and middle-income countries. In contrast, others support the contrary argument that it is precisely these policies that have produced positive health rewards. Your task is, first, to present the best arguments for both sides in this debate. Second, critically evaluate these scholarly debates and evaluate the available empirical evidence. To construct your answer consider the following: (1) the impact of the liberalization of trade, investment and capital flows for positive or negative consequences for public health and health security; and the function and role of the different actors involved in global trade and health. In addition to citing the most influential scholarly research on this topic, be sure to cite at least two specific examples related to

food, medicines, health care services, science and technology or other key areas related to trade and health to support your position.