

**INTERNATIONAL POLITICAL ECONOMY
QUALIFYING EXAMINATION
Department of International Studies
Fall 2012**

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. Ph.D. students have eight (8) hours and must answer the mandatory and three (3) optional questions. Note: you may answer only one (1) question from any optional group. Upon completion of the exam you must immediately email your exam to Professor William Smith (bsmith@miami.edu) and Mr. Steve Ralph (steveins@miami.edu).

Mandatory Question

1. Critics from a variety of theoretical perspectives have raised serious questions about the direction of current trends in IPE. For example, Robert Keohane (2009), one of the field's central founding figures, recently 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 and other, more heterodox 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, Comparative Capitalisms & the State

2. Many IPE scholars contend that globalization and the acceleration of international integration of markets in goods, services, and capital have seriously eroded state power and national autonomy. These same analysts claim that even in the advanced countries the welfare state belongs to a previous era and is out of step--and perhaps even incompatible--with globalization. In short, there is no "room to move" in a world of globalized markets. Yet the challenges that many welfare states sought to address remain and have, in some instances, intensified (e.g., poverty, inequality, racial segregation, lack of access to public goods, etc.). In this regard, other analysts claim that globalization, rather than weakening state power, may actually increase the scope and intensity of state power to regulate production, trade and even finance. Who is correct? Are partisan politics and social welfare policies condemned to wither with the advance of globalization? What empirical evidence and operational indicators do you believe are most relevant to adjudicating rival arguments about state power under conditions of rapid globalization?

Or

3. Some scholars have contended that globalization signifies the triumph of the U.S. model of a "liberal, uncoordinated" market economy over its competitors with "coordinated" market economies, namely European social democracies, Asian developmentalist states, and Latin American "hierarchical" capitalist models. Are these analysts correct? Or, are those who

argue that other models of capitalism may be equally competitive in an increasingly globalized world economy closer to “the truth?” In answering, be sure to mention principal contending theorists in the IR and IPE literatures.

Finance and Monetary Regimes

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 this question in reference to recent events in the international monetary system, including the 2008 global financial meltdown, and recent problems of fiscal deficits, debt crisis and apparent unsustainability in the European monetary union.

Or

5. 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/crawling 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 arrangement and explain the pros and cons of those systems. Provide at least two examples of the financial crises in the last two decades, and explain how and why these crises have been caused by the current financial structures. Make sure you explain the ideas behind the gold standard, the theory of Optimal Currency Area (OCA), Dollarization, or the possibility of a Chinese Yuan areas, among others.

Trade

6. The past two decades have seen an impressive surge in the number of regional trade agreements (RTAs) in the international trading system. This proliferation of overlapping RTAs has given rise to substantial scholarly interest in both their sources and their consequences. Drawing on this work, discuss the main economic, political and security factors explaining the recent spread of this type of preferential trading arrangements. Discuss also the complex interrelationship between the emerging “spaghetti bowl” of RTAs and the multilateral trading system. Do RTAs complement or hamper multilateral trade liberalization? To what extent and in what ways have recent developments in the multilateral trading system contributed to the proliferation of regional trade institutions? In your answer, cite the relevant literature and provide specific examples.

Or

7. A central debate in IPE focuses on the domestic political sources of foreign economic policy making. Society-centered approaches explain national trade, investment and monetary policy choices in reference to pressures from groups in society. Among these, different

scholars rely on different assumptions about the sources of societal group's preferences and the resulting domestic political cleavages over foreign economic policy. Focusing specifically on trade policy, discuss and explain the two main competing models used in the IPE literature to derive domestic level preferences. In your view, which approach provides a more realistic explanation of contemporary trade politics in the United States and/or Latin America? Do you believe that such interest-based approaches are by themselves sufficient to account for trade policy choices (in the US and or Latin America) in recent years? If not, what other theoretical perspective(s) would you use in your explanation and why?

Global Governance

8. Discussing the current global economic crisis, in his essay on "Capitalism 3.0" Danny Rodrik contends that "The lesson is not that capitalism is dead. It is that we need to reinvent it for a new century in which the forces of economic globalization are much more powerful than before. Just as Smith's minimal capitalism was transformed into Keynes' mixed economy, we need to contemplate a transition from the national version of the mixed economy to its global counterpart. This means imagining a better balance between markets and their supporting institutions *at the global level*." Taking up Rodrik's challenge, discuss the competing theoretical approaches that have been proposed to explain the creation, evolution and transformation of the post war international economic regime. Analyze the role and current performance of the institutions of global economic governance. In your view, have the current institutions of global governance succeeded or failed? How might these institutions be modified in order to create a better balance between markets and institutions at the global level?

Political Economy of Development

9. Why are some societies rich while others are poor, divided by wealth and poverty, health and sickness, food and famine? In their highly praised recent book, *Why Nations Fail* (2012), Acemoglu and Robinson challenge traditional explanations based on culture, climate, geography, or knowledge/ignorance of what are the right policies. Instead, they marshal historical and contemporary evidence to argue that the better explanation for long-term growth and development is "institutions, institutions, institutions." Citing the main authors in this debate, your task is to explain the hypotheses and methods underlying the rival explanations and to evaluate the claims advanced by Acemoglu and Robinson. Beyond their theoretical and empirical strengths and weaknesses, do these rival explanations for successful or failed development have significant political or policy implications?

Or

10. 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.

Global Public Health

11. Recent empirical scholarship has shown that increased trade globalization may contribute to both positive and negative public health, safety, and security outcomes. These findings are relevant across advanced, transitioning, and developing countries. In this regard, current research seeks to identify the proximal and distal factors that will contribute to the acceleration vs. the deceleration of chronic and infectious diseases as well as the emergence of new disease threats. Your task is to discuss the role of global trade and its inextricable relationship to global public health issues in the 21st Century. You should examine at least one trade-related health opportunity and/or possible threat (e.g. pharmaceuticals and lifesaving drugs, genetically modified seeds, food and beverage industry, bioterrorism, biotechnology, etc.) in formulating your argument. Discuss the relevant IPE literature, theoretical perspectives, and the role and influence of international actors in the decision-making process related to trade and global public health realities today.