

**INTERNATIONAL POLITICAL ECONOMY  
QUALIFYING EXAMINATION  
Department of International Studies  
Spring 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. International Political Economy (IPE) has been described as a “true inter-discipline,” successfully integrating conceptual, theoretical and methodological frameworks from the fields of Economics, International Relations, Comparative Politics, Sociology and Social Theory. Yet, as Benjamin Cohen has recently noted, “beyond an interest in marrying International Economics and IR, there is no consensus at all on what, precisely, IPE is about.” In particular, Cohen emphasizes the “transatlantic divide” that currently characterizes the subfield. Your task is to discuss the distinct origins, key differences, and strengths and weaknesses of the American and so-called “British” (or non-American) schools in IPE. What, if anything, can be done to build bridges between them?

**Optional Questions**

***Domestic Politics and IPE***

1. Since its inception, IPE has been centrally concerned with the interaction between domestic politics and the international political economy. Discuss the main empirical and theoretical issues addressed by IPE scholars focusing on domestic-international linkages, including the “second-image reversed” literature, domestic political explanations of foreign economic policy and two-level game approaches. What are the relative strengths and weaknesses of these three alternative ways of conceptualizing domestic-international linkages? In your answer, be sure to cite the main scholars associated with each of the three traditions and, when possible, use empirical examples to illustrate their theoretical claims.
3. 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 groups’ preferences and the resulting domestic political cleavages over foreign economic policy. Discuss and explain the two main competing approaches, the factors and sectors models, used in the IPE literature to derive domestic level preferences for **trade** policy. In your view, which one provides a more realistic explanation and prediction of contemporary trade politics in the United States? Do you believe that such interest-based approaches are by themselves sufficient to account for trade policy making in the US in recent years? If not, what other theoretical perspectives would you use in your explanation?

***Work and IPE***

4. Employment generation has been central to capitalist development. The dominant theory to explain these processes has been neo-classical economics (NCE). Theories such as Marxism and Feminism have criticized NCE's conceptualizations. (1) Explain how NCE conceptualizes economy, labor, unemployment, and employment generation. (2) Critically evaluate the Marxist and Feminist critiques of NCE. In your response be certain to discuss the theoretical disagreements between Marxist and Feminist theories as well. (3) Building on your explanations developed in the first two parts of this question explain and critically assess NCE, Marxist, and Feminist explanations of the capitalist crisis that began in the 1970s through to the present.

### ***Globalization(s)***

5. The late Susan Strange observed that, while "... states were once the masters of markets, now it is the markets which, on many crucial issues, are the masters over the governments of states." According to this widely shared interpretation in much of the IPE literature, global business interests, particularly mobile financial capital, have gained power at the expense of the welfare states, reformist parties, and the interests of the poor. Other scholars contend that, on the contrary, globalization may actually strengthen the "virtuous" relationship between social democratic politics and economic policies that reduce market-generated inequalities. Which of these two interpretations is correct? Be sure to carefully define your concepts, cite the relevant literature, and provide specific examples of the state policies hypothesized to be affected by the globalization of markets, as well as of the causal mechanisms through which the latter purportedly constrain the former.
6. The post-Cold War era has been described by some as an epoch of intensifying globalization. As multi-dimensional process, globalization is said to involve alterations in politics, economics, culture and ecology. Have politics, economics, culture and ecology been transformed as a consequence of globalization? Or is the idea of "globalization" simply the latest academic fad that bears little relationship to how the world really is to be theorized? Would it be preferable to replace the word globalization with "interdependence," which was the term most commonly used in the 1970s? In your response be certain to define globalization citing relevant authors and perspectives. Provide sufficient examples to support your arguments.

### ***Trade and Finance***

7. The IPE literature defines the social and political compromise of "embedded liberalism" associated with the Bretton Woods regime as a virtuous combination of an international economy resting on trade openness, fixed exchange rates, and capital controls, on the one hand, with the domestic political economy and liberal democratic politics of the Keynesian welfare state, on the other. Compare the Bretton Woods regime with what has been referred to as the post-1971 "non-system" or "disorganized capitalism". What are the most critical differences in the pre- and post-1970 regimes in terms of trade, production, finance, and inclusiveness of democratic politics? What were the sources of these changes? Were these norm-governed or norm-transforming changes? In formulating your answer, be sure to cite the most influential authors and the theoretical perspectives.
8. What accounts for the vertiginous expansion of financial markets in the 1970s? In what ways, if any, has the relationship between finance and production changed in this era of intensifying globalization? What are the functions of offshore financial centers and production sites in the contemporary global political economy? What are the sources of and possibilities for international/global regulation? What social forces could be harnessed to resist the current trajectory of financial globalization? In your answer, be sure to define your

concepts, cite the relevant literature, and provide specific examples of the ways in which finance and production have changed in the face of increased interdependence.

### ***Regional Integration***

9. The introduction of the euro as a common currency for the European Union (EU) has been considered a revolutionary achievement, not only for the EU but also for the rest of the world. What were the political and economic rationales for the establishment of the euro zone? Identify the main stages in the expansion and consolidation of euro since its advent. To what extent has the creation of a common currency deprived governments of the ability to implement countercyclical monetary and fiscal policies to maintain employment and promote growth? To what extent has the euro bolstered the European Union as a counterbalance to US power and hegemony in the global order? Is monetary union, as the final step in economic integration, feasible in other regions of the world? In your response, be certain to cite the relevant authors and perspectives. Provide specific examples to support your arguments.
10. The recent revival of regional economic cooperation has renewed debates among IPE scholars regarding the causes and implications of regionalism in world politics. According to the “new regionalism” literature, globalization has led to new and more intrusive kinds of intra-regional linkages, which challenge or bypass state authority. As a result, according to this perspective, the state-centric theoretical approaches that had dominated earlier debates regarding cooperation in the European Union, MERCOSUR, or ASEAN are outdated and inadequate. Discuss and critique the main theoretical arguments in the “new regionalism” literature. How has this theoretical perspective contributed to our understanding of regional economic cooperation in the post-Cold War, post-9/11 international system?

### ***Development***

11. The 1980s and 1990s saw the spread of economic and political liberalization in much of the developing world. Free-market oriented economic reforms, including macroeconomic stabilization, liberalization of foreign economic policies and deregulation, took root throughout Latin American, Southeast Asia, Sub-Saharan Africa, and many of the countries of the former communist bloc. Many of these countries also underwent democratization at roughly the same time. At least four causal mechanisms have been emphasized by scholars studying this “diffusion” of economic and political liberalism to the developing world: coercion, competition, learning and emulation. Identifying the most important scholarly contributions to this debate, explain the differences among each of these mechanisms, as well as their divergent theoretical roots. Select one or two countries in the developing world that have recently undergone political and economic liberalization. Which of these mechanisms have been more relevant in explaining liberal reforms in these countries?