

**INTERNATIONAL POLITICAL ECONOMY  
QUALIFYING EXAMINATION  
Department of International Studies  
Spring 2014**

**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. The exam will begin promptly at 9 am at the Sociology Computer Lab (Merrick Building Room 207). After finishing your exam please send an electronic copy to Dr. Yaffe ([l.yaffe@miami.edu](mailto:l.yaffe@miami.edu)) and Dr. Smith ([bsmith@miami.edu](mailto:bsmith@miami.edu))

Mandatory Question

1. Scholars such as Frieden and Martin argue that the field of IPE has approached a “consensus on theories, methods, analytical frameworks and important questions.” By contrast, others have pointed to a significant “theoretical broadening” in IPE, especially outside of the United States, and that far from being “an offshoot” of US political science, IPE has evolved into an interdisciplinary field in its own right. A related claim contends there are “multiple versions” of the field of IPE and call for a “global conversation” among these different traditions. Which perspective is, in your view, more accurate? In formulating your response, you should briefly discuss the origins and evolution of IPE and the nature of its links to other social science disciplines in different countries/regions of the world.

Trade and Economic Integration

2. Too often, simple trade cooperation agreements (also known as Regional Trade Agreements, or RTA) or projects between states and blocs are labeled as “integration”. Offer a distinction between basic economic cooperation projects and true “integration”. Identify a handful of experiments in what can be labeled as “regional integration” or “regionalism” (economic or political). How can they be subdivided into distinct groups according to the degree of interaction, cohesiveness, and depth, most especially in comparison to the model or point of reference offered by the European Union? Are all entities experiments following a theoretical script from “free trade” to “customs union”, to “common market”, then to “economic union” and (some day) “political union”?

## Historical Development and the Global Political Economy

3. In recent decades a somewhat heterogeneous "school" of social scientists (e.g., John Hobson, J.M. Blaut, Kenneth Pomeranz, André Gunder Frank, Janet Abu Lughod, Eric Wolf, and others) 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 – especially concerning the nature of economic development. 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, if verified, for current debates on development studies and modernization?

## Aid and Development

4. A spirited debate among academics and practitioners working in the field of development studies pits the supporters of Jeffrey Sachs (*The End of Poverty* 2006) against William Easterly (*White Man's Burden* 2006; *Tyranny of Experts* 2014). While the former advocates significant expansion in development aid from wealthy countries and very ambitious technocratic interventions to end poverty and spur development, the latter offers a strong critique of foreign aid and argues that it is economic growth based upon local knowledge, not the top down technocratic efforts at amelioration, that has generally led to an improved quality in poor countries. Considering this debate, your task, first, is to evaluate the empirical evidence compiled by social scientists regarding international aid, the role of foreign experts, and development outcomes and, second, to offer your own informed judgment about who is correct, Sachs or Easterly?

## Globalization, State Regulation and Distribution

5. Joseph Stiglitz has recently claimed that current trade negotiations such as the Trans Pacific Partnership (TPP) or the Transatlantic Trade and Investment Partnership (TTIP) threaten to put the US "On the Wrong Side of Globalization." He argues that trade deals today are markedly different from those made in the decades following World War II, when negotiations focused on lowering tariffs. Some jobs would be lost, but new jobs would be created and standards of living would rise. But today tariffs around the world are already low and the focus has shifted to "nontariff barriers and the most important of these – for the corporate interests pushing agreements – are regulations." Generally, as Stiglitz notes, most of the regulations in question stem from the demands of democratic competitive politics and are designed to protect workers, consumers, the economy and the environment. Discussing the relevant IPE literature on trade, finance, and production, your task is to evaluate the merits of both advocates and opponents of current proposals for further liberalization of the trade and investment regimes.

## International Economics

6. Explain briefly and as succinctly as possible *eight* of the following concepts (*two from each category*) illustrating them with examples from the relevant literature in IPE and International Economics. Each definition should be approximately a half a page or less:

<ul style="list-style-type: none"><li>• Inflation-unemployment trade-off</li><li>• Interest rate parity</li><li>• Trilemma of macroeconomic policy</li></ul>	<ul style="list-style-type: none"><li>• Pareto optimality</li><li>• Public goods</li><li>• Compensation principle</li></ul>
<ul style="list-style-type: none"><li>• Intra-industry trade</li><li>• Dutch disease</li><li>• Secular deterioration in the terms of trade</li></ul>	<ul style="list-style-type: none"><li>• Tragedy of the commons</li><li>• Hyperbolic discounting</li><li>• Total Factor Productivity (TFP)</li></ul>

## Globalization of Financial Markets

7. 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?

## Global Governance

8. It is commonly argued that globalization has generated or intensified a variety of collective action problems that can only be adequately addressed by global institutions and other means of global governance. Your task is to identify several of the most important such relevant collective action problems you believe are a consequence of globalization, and to explain how governance institutions might help solve these problems. Be sure to identify the main obstacles to the implementation of such measures. In your analysis also be careful to distinguish between public goods and common property resources.
9. For most governments in the advanced economies, the rate of future economic growth and its distributive consequences are particularly puzzling. The consensus view is that a gradual recovery from the global financial crisis. Although recovery seems to have begun, in most countries, unemployment is too high, public and private debts are too high, and global growth is too low

relative to potential. Concomitantly, growth in China and other in emerging markets is slowing, leading some leading economists (e.g., Larry Summers) to speculate about the possibility of a prolonged period of secular stagnation. Finally, many analysts are concerned about the impact of rising inequality for future growth prospects. In this somber context, discussions of “the new multilateralism” and other similar mantras seem insufficient. Considering current debates in IPE and international economics, please comment on these challenges and the prospects for reforming global governance in the 21<sup>st</sup> century.

### Development, Growth and Institutions

10. Why are some societies rich and others poor, divided by wealth and poverty, health and sickness, food and famine? In series of scholarly articles and in their highly praised recent book, *Why Nations Fail* (2012), Daron Acemoglu and James Robinson contend that culture, climate, geography, or ignorance of what scientifically correct policies, are not adequate explanations of long-term growth and development. Instead, they marshal historical and contemporary evidence to argue that the better explanation is “institutions, institutions, institutions.” But are they correct in dismissing these alternative claims that emphasize culture, climate, geography and the application of scientific knowledge? Citing the main authors, your task is to explain the hypotheses and methods underlying the rival positions in this debates and evaluate the claims advanced by Acemoglu and Robinson.