

Political Science H 553
Politics of the Modern World Economy
Midterm Study Guide

- Know the central, organizing ideas of the three great world views of political economy: Mercantilism, Liberalism and Marxism/Structuralism. Understand the key imitations of each.
- Understand that money is a *unit of account*, a *store of value*, and a *commodity* in its own right. Describe what is meant by each of these and how each of these three aspects of money increases our economic well-being.
- Know the concept of *international regime* and be able to describe different examples of regimes operating in the global economy.
- Know the main differences between fixed and floating exchange rate regimes. Make an argument in favor of each.
- Know the three central questions that any global monetary order must address. Know how the Bretton Woods accord answered them in 1944. Know the main effects of the Bretton Woods system, how it shaped the world 1944-1971. Know the processes that undermined it.
- Know the story underlying the origins of GATT. Know at least two important ways in which it differed from the I.T.O. Understand key principles that undergirded both agreements, and continue to be embodied in the W.T.O.
- Understand the foundations of economic power. Be able to describe economic power in the *structural* sense as “power to write the rules, create the regimes that manage the system” as well as power in the sense of overt, purposive *coercion* by one actor to change the behavior of another.
- Know what is meant by “hegemony”. Identify which nations took the position of hegemon in the 19th and 20th centuries, and be able to sketch ways in which the economic order of their time reflected their interests and ways in which they provided for growth and stability.
- Describe the key features of the world oil regime as it existed by 1930. Who wrote the rules? What were the key agreements which embodied those rules? How did those rules distribute exchange costs and benefits? How were actor interests and capabilities affected by those outcomes?