

Political Science H553
Politics of the Modern World Economy
Spring, 2005
The "Rolling Take-Home" Exam / Essays

Write on the **four (4)** of the following questions. Choose one question from each section. **Please make it clear which question you have chosen to answer.** Two (2) exam answers are due no later than the beginning of class on Thursday, April 28 (Midterm). The remaining two (2) are due no later than the end of the ninth week (May 26).

The essays should be about 3-5 pages in length, double-spaced. At all times, keep in mind: **The purpose of this exercise is to demonstrate command of course materials. Direct and explicit integration of reading materials is essential to winning high scores on these essays.** Judging from past years, last-minute submission of essays is very highly correlated with grades of B- and lower.

These are broad questions. And a typical essay will be only four pages in length. Therefore, I am **not** expecting you to deliver *The Definitive Answer*. Rather, I am looking for you to offer a number of intelligent comments, grounded in the course readings as much as possible.

I. TRADE AND FINANCE, HISTORICAL BACKGROUND

- Why would nations still employ tariffs, quotas, n.t.b.s, and subsidies now more than 225 years after the publication of Adam Smith's *Wealth of Nations*? Are there essential tensions between market forces and the objectives of the state?
- What motivates some nations to form currency unions with each other (as many members of the EU now use the Euro). And what motivates some of their neighbors (like Britain or Sweden) to stay out? Given that NAFTA is up and running, should Canada, the United States and Mexico also form a currency union?
- Some groups within a country might favor a more protectionist trade policy, while others may favor more liberal trade policies. Traditionally, what type of policies do import-competing industries favor? What type of policies do export-oriented industries favor? What type of policies do consumers favor? Why do they favor these policies? Has the increase in foreign companies operating in the US or the growth in intrafirm trade affected the demand for protection in the US? How?

II. STRUCTURE OF THE GLOBAL ECONOMY, ECONOMIC POWER AND INFLUENCE

- Does the strength and effectiveness of international economic institutions like the WTO and IMF depend on the power of a single, pre-eminently powerful state?

- Is a truly global economy emerging, or will we evolve instead into a world of blocs?

III. GLOBALIZATION: COOPERATION, COORDINATION AND INTEGRATION

- "The contemporary global economy is becoming ever more economically integrated and nation states are ever more economically interdependent, and perhaps irrelevant." Do you agree or disagree with this statement? What evidence you would offer to support your argument? Why do you think the global economy is (or is not) becoming more integrated? What do you think are the implications for the state, for sub-national authorities, and for international cooperation in light of this trend?
- Would you expect globalization to exacerbate chances of armed conflict between nations or dampen it? What are the important linkages between globalization and conflict?
- Many argue that global economic well being will require greater policy coordination among G-7 nations. Do you agree or disagree?

IV. GLOBALIZATION: DEVELOPMENT AND TRANSITION

- Are the world's poor likely to see their lot improve or worsen and the global economy becomes more integrated? What do you consider to be the chief dangers, threats, hopes and opportunities for poor people emanating from this trend?
- Discuss the major changes in development since the 1960s. Identify two policies for the North and two policies for the South that have been advocated by development theorists to help the less developed countries. What are the world views underlying the policies you have identified?

*****Policy Regarding "Incompletes"*****

I can only grant the grade of "Incomplete" under extraordinary circumstances such as serious health or family matters. Your best strategy is to pace yourself carefully, keep up with readings and assignments, let me know a.s.a.p. if you are having any trouble, and complete the work on schedule, even if it isn't perfect.