

Politics of the Global Economy (GL 363)

Exam # 1 STUDY GUIDE Fall 2007

The exam will cover all material (movie, readings, and lectures) since the start of the term and consist of objective and analytical questions, including one or more essays. The following list offers significant guidance in studying for this exam, but **this is a guide, not as an exhaustive list**, although I have tried to be thorough. All material from the course is fair game. For each you should be able to: (a) define them (b) specify their significance in IPE; and (c) understand how they relate to each other (e.g., how changing exchange rates alter the balance of payments).

COMMANDING HEIGHTS Video

Friedrich Hayek
Demand Management
Mixed Economies
Margaret Thatcher

John Maynard Keynes
“Chicago School”
Stagflation
“Reaganomics”

LIBERALISM:

Laissez-faire
Keynesianism
Economic Rationality
Rent-Seeking
Hegemonic Stability Theory

Absolute and Comparative Advantage
Interdependence
Markets and Information
Britain’s Corn Laws
Ordoliberalism

MERCANTILISM:

Alexander Hamilton
Economic Structure
Protectionism/Autarchy
Rent-Seeking Behavior
Tariffs and Quotas
UNOCAL

Friedrich List
Strategic Trade
Industrial Policies
Absolute v. Relative Gains
Non-Tariff Barriers & Voluntary Export Restraints
Karl Polanyi

STRUCTURALISM:

Historical Materialism
Lenin’s Theory of Imperialism
Dependency Theory
Core, Periphery, Semiperiphery
Joseph Schumpeter

Structure and Superstructure
Dialectics
Contradictions of Capitalism
World System Theory
“McDonaldization” Hypothesis

GENERAL CONCEPTS:

States and Nations
Power (Definition, Hard/ Soft/ Structural Power)
Anarchy
Purposes of Theory in Social Sciences
Non-Governmental Actors (MNCs and NGOs)
Public Goods
Opportunity Costs
Foreign Direct Investment v. Portfolio Investment
Heckscher-Ohlin Theory
Bretton Woods System
Regional Trade Agreements (RTAs)
Macroeconomic (Fiscal and Monetary) Policy
Criteria for Successful Monetary System
Triffin Dilemma
Hard Currency v. Soft Currency
Unholy Trinity (or Mundell Trilemma)
Managed Float
Terms of Trade
Factors of Production
World Trade Organization

Market
Free-Rider Problem
Empirical v. Normative Theory
Market Failure
Productivity
Stolper-Samuelson Theory
GATT (and Core Principles)
Balance of Payments (Components & Significance)
Federal Reserve/Control of the Money Supply
Gold Standard
Fixed v. Floating Exchange Rates
Purchasing Power Parity
Exchange Rates (and how changes effect trade)
Speculation/”Hot Money”
Value-Added
Capital Mobility
Dumping & Countervailing Trade Practices
IMF
“Washington Consensus”
World Bank