

Politics of the Global Economy (GL 363)

Exam # 2 STUDY GUIDE Fall 2007-08



The second exam will cover all material (readings and lectures) since the first exam (“Financial Crises” through “Comparative Capitalisms”). The exam is divided into three parts as outlined below. ***Please note that the essay will count for a higher percentage of your grade than on the first exam.***

Part I: Objective Questions: As on the first exam, this section will have a series of objective questions (multiple choice, fill in the blank, etc.) based on the following terms and concepts discussed in class and/or in the reading.

International Monetary Fund (IMF)	Elements of a Financial Crisis
Asian Financial Crisis (1997-98)	Mexican Peso Crisis (1994-95)
Argentinean Financial Crisis (2001-02)	Prisoner’s Dilemma
Moral Hazard	TNCs (Definition & Significance)
‘Triad’ of FDI	Reasons for FDI
Spillover Effects	Transfer Pricing
Product Innovation v. Process Innovation	Outsourcing
‘Social Dumping’	Intellectual Property Rights
Product Life Cycle	TRIPS
Super 301	Deterritorialization
Thomas Friedman’s ‘Flat World’	Richard Florida’s ‘Spiky World’
Sources of Globalization	Trends in Global Trade and Finance
First Era of Globalization (~1850-1914)	Cold War System (1945-89)
Second Era of Globalization (1989-Present)	Diff’s between Two Eras of Globalization
Aspects of Global Integration for the US*	Thomas Friedman’s ‘Golden Straitjacket’
Global Liberalization	Globalization and Technology
Globalized Production	‘Moore’s Law’
How Capitalist Economies Differ	Equity v. Bank Financing (and implications)
Corporate Governance	Inter-Firm Relations
Employment Protection Legislation (EPL)	Wage Bargaining (centralize/decentralized)
Economic Culture	Liberal Market Economy
Organized (Social) Market Economy	Statist Economy
Oligarchic Economy	Types of Capitalism and Globalization

Part II: Articles on Globalization: In this section you will be asked to ***summarize AND critique*** Niall Ferguson’s “Sinking Globalization” and Rawi Abdelal and Adam Segal’s “Has Globalization Passed Its Peak?” Your critique should answer: (a) Was their analysis sound? (b) Do you agree with their conclusions/policy proposals?

Part III: Essay: In this section you will have to answer the following essay question:

Q: *Is globalization good for the United States?* First, what is globalization? Second, in the net, does it make us economically better off or worse off? Who tends to benefit from globalization? Who loses? What policies can be implemented to counter the shortcomings of globalization? Third, is globalization likely to continue apace? Should the US actively pursue policies to ensure that this happens? Finally, overall, *is globalization a Good Thing?*

* This refers to the article on “The Globalization Index”, *Foreign Policy*, Nov/Dec, 2006. [Handout]. Review the graph on the first two pages on how American integration differs from other countries.