

2018 Political Economy Ph.D. Qualifying Examination Questions – Part 1 (7003)

Answer two of the following three questions.

1. Explain in what sense market exchange can involve both a collective action as well as a coordination problem. Using PD, Assurance and Chicken Games as analytical benchmarks, discuss 'endogenous' and 'exogenous enforcement' of property rights and contracts and the idea of institutions functioning as *commitment devices*.
2. Using wage-profit diagrams, discuss Marx's discussion of absolute vs relative surplus value. Using post WWII era as example, discuss when higher labor productivity leads to higher real wage. Compared to neoclassical theory where the real wage depends on the marginal productivity of labor, how does Marx's analysis differ?
3. Discuss in detail the social and economic dynamics that give rise to Polanyi's *Double Movement*, i.e., why market expansion can both stimulate or retard economic growth? Make sure to include in your answer (a) why market expansion creates a social protection gap; (b) *fictitious commodities*; (c) and *counter-movement*.

Qualifier Exam Summer 2018
Political Economy, Part 2

1. Based on your reading of Devine, Gordon/Weisskopf/Bowles, Keynes, and Bellofiore, discuss and compare the Marxian crisis theories and the Keynesian/Minskian crisis theories. How were Keynes's and Minsky's understandings of the underlying cause of capitalist economic crisis different from the various Marxian crisis theories? According to Minsky (as interpreted by Bellofiore), how did contradictions within Keynes's ideas contribute to the limitations and failures of big government capitalism and create the conditions for the rise of money manager capitalism?

2. According to Hayek, what was the main economic problem of society? How did Hayek, using his theory of "knowledge", argue that a rational economic system would have to be based on "price system" rather than "central planning"? Robert C. Allen argues that despite the conventional criticism of the Soviet planning, the Soviet economy actually performed well for many decades. According to Allen, what were the causes of the rapid growth of the Soviet Economy? How is Allen's explanation of the Soviet economic slowdown in the 1980s different from the conventional interpretation?