

EC 410: FINAL EXAM (take-home, due by noon on Wed., June 8)

ANSWER THREE QUESTIONS (out of five)

At or near the end of world War II, the emerging world power – i.e. the US – and the former world power – the UK – both with a long history of similar cultures and language, joined diplomatic forces to create a number of global institutions and programs that would lead to everlasting peace and prosperity. Among them were:

NATO (North Atlantic Treaty Organization)

U.N. (United Nations)

G.A.T.T. (General Agreement on Trade and Tariffs)

I.M.F (International Monetary Fund) aka “Bretton Woods”

I.B.R.D. (International Bank for Reconstruction and Development), now “World Bank”

Marshall Plan

1 Explain what these were designed specifically to achieve

2 Assess their successes and failures, in particular the role of “spoiler” that the US has played, along with other countries from time-to-time, in thwarting these goals.

3 Explain the difference between the “Washington” and the “Beijing” Consensus, and consider why so many developing – and would-be developing – countries have rejected the former; e.g. the LDC’s rejection of GATT almost from the beginning.

4 Consider the role of cultural differences, as opposed to policy differences, in explaining the near-collapse of virtually all of the post-WW2 institutions; e.g., even in the European Union, hugely successful in its first quarter-century, why do Greece and Germany – separated by less than three hundred miles and sharing so many European features – find themselves on opposite extremes of growth, employment and debt?

5 Discuss the recent, including current, situation of the US economy, starting from the Reagan era of the 1980s up to the present day. What do you see as the most urgent – dangerous – problems looming in the near future for the US economy? Is there a cultural “divide” occurring in the U.S.?