

**Enduring question:**

***How does international politics shape the global economy?***

1. The comparative advantage model of trade suggests that overall consumption in a particular country is greater if it allows itself to trade freely with other nations. Do you think that overall consumption is an appropriate measure to use for economic well-being? If not, what other considerations should be a part of the economic well-being of a country? How does this relate to the domestic political reasons countries sometimes engage in protectionism?
2. Do you think a state might ever pursue protectionism against its own best interests? If so, by what mechanisms would this occur?
3. Refer to Box 9.1 of the textbook, which explains a debate over infant-industry protection in developing countries. Do you agree more with Anne Krueger or Ernesto Zedillo? Why?
4. What are some of the strengths and weaknesses of a fixed exchange rate currency? What are some of the strengths and weaknesses of a flexible exchange rate currency? What are some characteristics of countries that would be best served by the former, and what are some characteristics of countries that would be best served by the latter?
5. If you read the news or are politically active, you have probably heard many people arguing or debating about the merits and ills of multinational corporations. Now that you have a greater factual understanding of the international economic system and multinational enterprises, what do you think about these debates? Has your opinion changed?
6. The contribution of MNEs to the global economy has stalled since the 2008 recession. Do you think that, after the COVID-19 recession, MNEs will once again become of growing importance to the global economy? Why or why not?
7. Insofar as MNEs can have negative effects on the environment, how might the international system put laws in place which could protect the environment from a race to the bottom by MNEs and prevent MNEs from moving to pollution havens?
8. There are several contemporary trends which place the WTO-based global trade order under serious stress. Do you think the WTO-based order will be able to overcome these stresses, or do you think it will be replaced with something new? If it will be replaced with something new, what might that look like?
9. Today, some actions of the IMF are very politically controversial. What do you make of this controversy? What do the events in Greece in the 2010s suggest about the IMF? What do you make of Marxist critiques of the IMF?
10. During the Bretton Woods era, the United States was powerful enough to not only make the rules, but also break them when they no longer served US interests. More recently, international economic power has become more diffuse. Why do you think the US dollar continues to be so influential and the United States continues to be able to exercise outsized influence on the global economy despite this history of broken commitments?