Political Economy (7004) Ph.D. Qualifying Examination Questions - 2012

Answer two of the following three questions:

1. How do collective action problems emerge in economic analysis in general and in the case of voluntary private exchange in particular? Using a game theoretic framework discuss the viability of a “spontaneous order”, and how that relates to whether the ‘market’ is embedded or disembedded in the sense of Polanyi?
2. Discuss North’s theory of the state and contrast it with that of Marx. How do they explain, respectively, the connection between property (rights) relations and economic growth. What are the collective class interests capitalists have to exercise collective action to address?
3. What are the historical preconditions of self-regulating markets? In your answer, make sure to compare and contrast Polanyi’s “fictitious commodities” and Marx’s notion of “commodification of labor.” Why does Polanyi argue that the notion of a capitalist economic system based on fully self-regulating markets is a utopian idea, where markets for fictitious commodities are especially liable to malfunction?