

**Comparative Political Economy**  
**Spring 2022**  
**Final Exam**

Name:

Date & Time Begun:

You may work on the exam for 48 hours. You may use any class materials (notes, lectures, readings) for this exam, but do not conduct outside research or consult with others. Good answers will focus on material covered in class.

**I. Short Essays: Answer any three (3) questions. Read the instructions before answering and just answer what the question asks. Define your terms where necessary. Your answers should be at least 1 page. (20 points each)**

1. Petr Fiala has asked for your advice on how to cut the welfare state in the Czech Republic. How would you describe the hazards of making cuts and the tactics he should use to make these cuts.
2. Does public choice theory imply that good policies are impossible? How? Is it then just a counsel of despair? How would a believer in public choice explain successful policies and what sort of advice would they give to make things better?
3. Is economic inequality the central problem of our time? How much of a problem is it and why? Do different potential causes of inequality lead you to different assessments? Focus more on empirical research than normative arguments.
4. Most students at MU seem to dislike big business. How would you convince them that big business is good and how would you respond to their main criticisms of business?

**II. Long Essay. You must answer this question. Make sure to define your terms. Your essay should be at least 3 pages. (40 points)**

Fukuyama argues in *The End of History* that the combination of democracy and capitalism is the best answer we have to the problem of social order. Is he right? Consider the following issues: (1) Are democracy and capitalism compatible or do they tend to undermine each other? And how exactly? (2) How has the relationship between democracy and capitalism evolved over the last century or so in the developed world and what are the main forces behind this evolution? (3) What are the prospects for democratic capitalism systems today? Are they resilient or are they breaking down? And how?