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Answer Key: Macro Realities, Micro Fates: College Current Events Analysis

Students synthesize geopolitical shifts and domestic policy trajectories to evaluate the long-term socio-economic implications of contemporary international crises.

1. In the context of the 'resource curse' or Dutch Disease, how does a sudden surge in a nation's export of critical minerals for the green energy transition typically impact its domestic manufacturing sector?

Answer: B) It strengthens the local currency, making domestic manufactured goods less competitive globally.

Economic theory suggests that a sharp increase in natural resource exports (like lithium or cobalt) can appreciate the national currency, inadvertently harming other export-oriented sectors like manufacturing.

2. The concept of 'Strategic Autonomy' in European Union foreign policy refers to the Union's ability to act militarily and economically without reliance on traditional transatlantic alliances.

Answer: A) True

Strategic autonomy is a central theme in modern EU discourse, reflecting a move toward reduced dependency on the US for security and tech supply chains.

3. The ongoing shift toward 'near-shoring' or 'friend-shoring' in global supply chains is primarily a reactive strategy intended to mitigate risks associated with _____.

Answer: B) Geopolitical volatility and over-reliance on adversarial nations

Friend-shoring involves relocating supply chains to countries with shared values to avoid disruptions caused by political tension or conflict.

4. When analyzing the 'democratic backsliding' observed in some Eastern European or Latin American nations, which indicator is most often cited by political scientists as a precursor to systemic change?

Answer: B) The centralization of executive power and erosion of judicial independence

Erosion of checks and balances, particularly the judiciary and the free press, is a primary metric used to track the decline of democratic health.

5. The 'Thucydides Trap' is a contemporary analytical framework used to argue that conflict is inevitable when a rising power threatens to displace an existing hegemon.

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Answer: A) True

Graham Allison popularized this term to describe the structural stress created when a rising power (like China) challenges a ruling power (like the US).

6. The emergence of 'Central Bank Digital Currencies' (CBDCs) represents a significant shift in monetary policy, potentially allowing governments to directly manage _____.

Answer: C) Consumer liquidity and the direct distribution of fiscal stimulus

CBDCs offer central banks a programmable way to influence the economy, including the ability to distribute funds directly to citizens' digital wallets.

7. Which of the following best describes the 'Brussels Effect' in the context of international regulatory trends?

Answer: B) The process by which EU data privacy and environmental standards become the de facto global norm

Because of the size of the EU market, global corporations often adopt EU standards (like GDPR) worldwide to maintain market access, effectively exporting EU Law.

8. In modern geopolitical analysis, 'Lawfare' refers to the use of _____ as a substitute for traditional military means to achieve a political or military objective.

Answer: B) Legal systems and international judicial bodies

Lawfare involves using legal challenges, international court rulings, or trade laws to delegitimize or hinder an opponent.

9. The concept of the 'Splinternet' suggests that the global World Wide Web is fragmenting into distinct regional networks controlled by different sets of regulations and censorship.

Answer: A) True

The 'Splinternet' reflects the divergence between the open internet and highly regulated national networks (like the 'Great Firewall').

10. What is the primary implication of 'Soft Power' in Joseph Nye's framework for assessing a nation's global influence?

Answer: C) The ability to shape the preferences of others through appeal and attraction

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Soft power relies on culture, political values, and foreign policies to persuade rather than force other states to cooperate.