

# Globalization

## ECON 258W Study Questions

1. What is *globalization*?
2. How many U.S. workers have jobs that are potentially at risk as a direct result of globalization? How many jobs are lost? What are other causes of jobs lost in manufacturing that might be confused with jobs lost to globalization? Explain. Do those who lose manufacturing jobs to globalization find other jobs that pay as well? Explain.
3. Some argue against globalization by saying that it is a vehicle by which “the rich have gotten richer, and the poor have gotten poorer.” Is this true? What do the actual data tell us about the effects of trade and capitalism on poverty, wealth, hunger, and education in various places around the world? Be specific.
4. What have been the effects of globalization on the oppression of women, and the progress of women around the world?
5. Globalization amounts to global capitalism, and capitalism is an engine of prosperity, growth, increasing living standards, increasing life expectancy, equality, freedom and empowerment. Explain.
6. What about the relationship between growth through trade and pollution? What have the experiences been of countries like China, Mexico, and Brazil?
7. Has globalization reduced poverty? Is poverty reduction through trade more complicated than just opening up markets to free trade? Explain.
8. How do consumers fare under globalization? Do they actually enjoy lower prices as a result of trade? Does this vary with industry? How?
9. Do firms simply move operations to other countries to be able to pay lower wages? Does this really work for them? How do worker productivity and its relationship to wages vary across countries? Do large corporations from developed countries offer workers in other countries wages and working conditions that are better or worse than the norm in those countries? Do large corporations like Nike exploit workers in less developed countries (now)?
10. How big are the largest corporations? Has globalization resulted in greater or lesser market concentration; that is, do the largest corporations have a greater or lesser market share as a result of globalization? Have corporations grown faster than countries? Are they larger than countries? Explain the measurement problems in answering these questions.

11. What is the Tobin Tax? What is its intent and what are the problems with implementing such a tax?
12. What is international transfer pricing? How might firms use globalization and international transfer pricing in an attempt to pay lower corporate income taxes?
13. What is the Trade Adjustment Assistance (TAA) program of the U.S.? How does it work? What expansions to TAA have been proposed?
14. What are the typical characteristics of a worker who is displaced by trade in the U.S.? How quickly do those who lose jobs in the U.S. find new ones? How many have to take pay cuts to do it? According to TAA claims, how many U.S. workers are actually displaced by globalization, and hence qualify for benefits? How many U.S. jobs are lost *involuntarily* each year? How many are permanent displacements, and how many are actually displaced as the result of globalization?
15. What is *flexicurity*, the plan used in Denmark to deal with unemployed workers? Explain the plan. How expensive is the plan and how does it compare with costs of unemployment plans in the U.S.?
16. According to Sam Palmisano of IBM, the structure of multinational corporations has evolved over time. He gives three specific stages in this evolution. Give the stages and explain the evolution he describes. What are the implications of this new model of the corporation for globalization?
17. Palmisano of IBM says that IBM is building a “globally integrated enterprise.” What does he mean by that? What will the new IBM look like? How will it differ from the old IBM and the previous notions of what a corporation is?
18. Stiglitz seems to argue that in practice free trade is not really so free. Explain his arguments to support this. If he does not advocate free trade, what does he advocate and why?