

# CRASH COURSE: ECONOMICS

## EPISODE 16: Globalization, Trade, and Poverty

### STUDENT QUESTIONS

#### TRUE OR FALSE

1. The top priority of the Millennium Development Goals, a United Nations project, was to promote gender equality.
2. The U.N. definition of “extreme poverty” means living on less than \$1.25 per day.
3. The U.N. wanted to see half as many people living in extreme poverty by 2015, and they more-or-less met this goal.
4. One serious threat to improvements in global poverty cited in the episode is the looming risk of world war.
5. The greatest impact on extreme poverty in the last two decades has come from improvements to education in the developing world.
6. World trade has been on the increase since the end of the Second World War.
7. Economist Jeffrey Sachs believes that the internet has been the “single most transformative technology” when it comes to the developing world.
8. Globalization means that labor –intensive production will often move to the nations with the lowest wages.
9. The process of globalization creates winners and losers. Corporations and stockholders are the winners, and consumers are the losers.
10. Opponents of globalization regard it as economic colonialism, putting profits before people, even though it does create employment in the nations being “colonized.”
11. The strongest argument against globalization is the idea that it is simply unfair.
12. “Microcredit” is called that because this type of loan has a very minor effect on individuals’ lives.
13. According to Muhammad Yunus, poor people are the world’s greatest entrepreneurs.

#### Extra Credit Questions / Discussion Prompts

- Ignoring wages, what OTHER reasons do companies have to move production to developing nations?
- Besides a paycheck, what other things do American workers often receive as part of their compensation? What would likely happen to all these costs of production if the jobs in question are outsourced to a developing nation?
- How could you personally use a \$100 microcredit loan to improve your economic outlook? Don’t think about what you could buy with the money – think about how you could use the money to make more money.