

Facts and Fiction about Globalization

Test your knowledge about the economics of globalization in my Globalization Quiz

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For each of the following 10 statements indicate whether you believe it to be correct or wrong by checking the appropriate box. Please explain your answer shortly in words.
(In case your answer is based on simple prejudice, no explanation is needed.)

1.	correct	wrong
The more goods and services a country exports and the less it imports, the better it is for the economy of that country.	<input type="checkbox"/>	<input type="checkbox"/>
Rationale		

2.	correct	wrong
When an economy grows and the country gets richer, this can happen only at the expense of some other country (or countries) that become poorer.	<input type="checkbox"/>	<input type="checkbox"/>
Rationale		

3.	correct	wrong
Only the rich and strongly developed countries can participate in and benefit from globalization, since the poor and less developed countries are too weak to profit from globalization.	<input type="checkbox"/>	<input type="checkbox"/>
Rationale		

4.	correct	wrong
Globalization is a process in which rich countries enrich themselves by exploiting poor countries more and more.		
Rationale		

5.	correct	wrong
The effect of globalization is that the poor become even poorer while the rich always get richer.		
Rationale		

6.	correct	wrong
A main reason why less developed or poor countries suffer from globalization – and, thus, cannot benefit from it – is that globalization leads to ruinous competition. Therefore, poor countries will benefit from restrictions on global competition.		
Rationale		

7.	correct	wrong
International trade should be restricted since its enormous increase over the past decades severely harms poor developing countries.		
Rationale		

8.	correct	wrong
Globalization is a relatively young phenomenon that has emerged only recently.		
Rationale		

9.	correct	wrong
The rich developed world is able to maintain its wealth and high living standards only if other countries remain poor (since rich countries can profit from the cheap products coming from the third world and continue to exploit poor countries).		
Rationale		

10.	correct	wrong
Globalization leads to a shift of production towards "low wage" countries. Therefore, the "high wage" countries of the western world are running out of labor to the effect that unemployment will increase dramatically and persistently.		
Rationale		