I. What is Development?  

1. Why do some economists worry about the globalization of service jobs and what do unabashed proponents of globalization’s virtues talk about? (2 pts.)

**Answers**

**Why some economists worry:**
- As technology and education levels in developing countries turn service jobs into tradable commodities, US workers will find themselves in competition with low wage workers in developing countries.

**What unabashed proponents of globalization talk about:**
- Need to help displaced workers/need institutionalized support to handle the volatility.

2. What are 2 reasons why many (religious leaders) from both East and West are critical of globalization? (2 pts.)

**Answer (any 2 of the following)**
- Has failed to fulfill its economic promise.
- Has undermined cultural identity (that supply meaning to life).
- It promotes materialistic/secular values.
- There’s a conflict between globalization’s short term (e.g., maximize profits, political stability, raise the standard of living) and religion’s long term goals (e.g., focus on what’s best for the individual & society over the long term).

3. What is the difference in the way rich vs. poor nations view the threat to their security? (2 pts.)

**Answers**
- Rich countries see as the threat: terrorism/weapons of mass destruction.
- Poor nations see as the threat: poverty.

4. Who did Robert Zoellick predict would be hit hardest by the global financial crisis and what would drive them into poverty? (2 pts.)

**Answers**
- Who hit hardest: the poor/most vulnerable in the developing world.
- Drive them into poverty: rising food/oil prices.

5. What are 2 major issues that the leaders of the G20 are expected to discuss at the G20 Summit? (2 pts.)

**Answer (any 2 of the following)**
- The global economy/whether leaders will agree to continue the fiscal stimulus/whether to set up a new global referee to blow the whistle when the world economies get out of balance.
- Climate change/the threat of global warming.
- Financial reforms/whether to regulate/restrict bankers’ bonuses and/or the amount of capital banks should have.

6. Many economists say that the way to help the most people is to focus on growth, but a growing number are saying that equality too is important. What are 2 reasons economist say a more equal income distribution in a country is important? (2 pts.)

**Answer (any 2 of the following)**
- Equality can aid:
  - Political stability.
  - Broaden the base of consumers/fuel new economic growth.
  - Reduce migration.
  - Fulfilling human potential/reducing suffering.