

Chapter 10

1. (a) Correct; (b) Correct; (c) Incorrect; (d) Incorrect; (e) Correct; (f) Incorrect.
2. (a) comparative advantage
(b) flows
(c) internationalization
(d) foreign assets, sales volume and employment
(e) building blocks
(f) First World War
(g) financialization
3. (1) 82,000
(2) 67
(3) From \$58 billion to \$1.7 trillion
(4) 91 and 8 in India
(5) 35%
(6) Estimated at \$14 trillion
(7) 38
(8) 19
4. (a) Due to the fact that most of the Mexican 'maquiladoras' employed women, male unemployment remained high, providing a continuing incentive for males to migrate into the USA.
(b) Government inducements to TNCs include offering low tax regimes, subsidized plant and infrastructure, duty-free imports, cheap labour and a limited imposition of health and safety or environmental regulations. Moreover, corrupt local politicians often take bribes from TNCs in exchange for facilitating their operations, including sending profits out of the country.
(c) They demand year-round supplies of exotic fruit and vegetables which can only be provided by tropical countries through global supply chains.
(d) A huge number of people employed in factories in the Global South work in locally owned companies. But the latter frequently undertake considerable

volumes of sub-contracting work for TNCs based overseas. In effect, therefore, many more are 'employed' by TNCs than seems to be the case.

(e) Better marketing and advertising resources available to TNCs means the demand for local goods often declines as consumers switch to global brands.

5. 1984 = E; Early 1990s = H; 1995 = Shell and Ken Saro-Wiwa in Nigeria; 1997 = D; 2001 = C; 2003 = I; 2006 = A; 2007 = B; 2009 = F; 2010 = J.