

**“Rich Man, Poor Man” *The Economist* 01-18-2007,  
“In the Shadow of Prosperity” *The Economist* 01-20-2007,  
“Krugman's Conundrum” *The Economist* 04-19-2008**

1. According to the article, why is protectionism likely not the best solution if international trade harms some workers?
2. What is a potential downside of using the tax system to make everyone's incomes more equal?
3. Describe what the article proposes as how to “ease globalization ... the same as the way to ease other sorts of economic change, including the impact of technology.” What should government policy try to do to help adjustment?
4. What is Trade Adjustment Assistance (TAA)?

5. How is the impact of trade felt differently on workers in the United States versus Europe?

6. How does assistance to displaced workers in Europe compare to that in the United States?

7. What are some of the reasons Krugman gives for why trade with poor countries likely is responsible for more of the rising income inequality between skilled and unskilled workers than previously thought?

8. What are some of the counter arguments for why trade still plays a minor role in the determination of wages for skilled workers relative to the wages for unskilled workers?