



# A Dilemma: Unequal Resources

Economics Arkansas

## Lesson Description

Students will demonstrate their understanding of how the need for interdependent relationships between countries affect our economy by engaging in a simulation involving the unequal distribution of natural resources.

## Grades 9-12

### Concepts

- **Embargos:** Governmental bans on trade with one or more nations.
- **Exchange:** Trading a good or service for another good or service, or for money.
- **Interdependence:** A situation in which decisions made by one person affect decisions made by other people, or events in one part of the world or sector of the economy affect other parts of the world or other sectors of the economy.
- **Natural trade barriers:** distance, geography (mountains, bodies of water, etc.).
- **Preservation of standards (Protectionism):** The practice of restricting or restraining international trade, protecting domestic trade from foreign competition.
- **Quotas:** In international trade, the limit on the quantity of a product that may be imported or exported, established by government laws or regulations; in command economies, more typically a production target assigned by government planning agencies to the producers of a good or service.
- **Scarcity:** The condition that exists because human wants exceed the capacity of available resources to satisfy those wants; also a situation in which a resource has more than one valuable use. The problem of scarcity faces all individuals and organizations, including firms and government agencies.
- **Subsidies:** Governmental payments to an individual or business to encourage or protect particular economic activities.
- **Tariff:** A tax on an imported good or service.
- **Trade barriers:** Restrictions that prevent free trade among nations. Examples include tariffs, import and export quotas, and nontariff restrictions such as licensing requirements and bureaucratic red tape.

### Standards

#### *Arkansas Economics Standards*

- E.5.ECON.1 Analyze the role of comparative advantage in trade and global markets using available data and a variety of sources.
- E.5.ECON.3 Research the impact of international and national economic and political policies on global trade using a variety of sources from multiple perspectives (e.g., trade policies, tariffs, quotas, immigration laws, fiscal policy, regulations).

**English Language Arts Standards**

- 9.CC.1.SLC Initiate and express ideas in a collaborative setting, using effective discussion strategies.
- 10.CC.1.SLC Initiate and express ideas in a collaborative setting, using effective discussion strategies.
- 11.CC.1.SLC Initiate and express ideas in a collaborative setting, using and adapting effective discussion strategies appropriately.
- 12.CC.1.SLC Initiate and express ideas in a collaborative setting, using and adapting effective discussion strategies appropriately.

**Objectives**

- Students will be able to demonstrate how specialization leads to interdependence and trade for the satisfaction of wants.
- Students will demonstrate an understanding of how relationships between countries affects our economy.

**Time required**

2 class periods of 45 - 60 minutes

**Materials required**

- Sheet of white paper and markers for each group
- 4 task sheets, one for each of the four groups
- 4 large manila envelopes
- 1 ruler
- 3 pairs of scissors
- 1 glue stick
- 20 paper clips
- 2 markers
- 6 sheets white paper
- 2 sheets red paper
- 3 sheets blue paper
- 5 sheets gold (yellow) paper
- 3 sheets green paper
- 2 pencils
- Activity 1
- Activity 2

**Teacher Preparation**

- Make two copies of Activity 1 and cut them in half
- Copy Activity 2 (one per student)
- Cut 2 four inch squares of white paper
- Cut 2 four inch squares of red paper
- Fill the 4 large manila envelopes as follows:

- Envelope #1: 2 pairs of scissors, 1 ruler, 20 paper clips, 2 pencils, 2 four inch squares of red paper and 2 four inch squares of white paper
- Envelope #2: 1 pair of scissors, 1 glue stick, and 2 of each of the following colors of paper: blue, white, gold (or yellow)
- Envelope #3: 2 markers and 2 of each of the following colors of paper: green, white, gold (or yellow)
- Envelope #4: 1 of each of the following colors of paper: green, gold (or yellow), blue, red

## Procedure

### *Session 1*

1. Explain that the class will be divided into 4 groups, representing 4 different countries to be named by each group. List the countries on the board. Have each country select a leader and create a flag. Tape the flags to the board next to the countries' names when they are completed.
2. When the group finishes its flag, the leader is to bring it and the markers to you and exchange it for an envelope containing the resources found in their country. The contents represent all the resources their country has in order to meet the needs of its citizens. Do not allow them to open the envelope until told to do so.
3. Give the signal to begin. Each country is to complete the task sheet in the envelope, even though all the resources needed to do so won't be in the envelope. **DO NOT LET THE COUNTRIES TRADE.** The purpose is to show the need for trade. Make notes of comments the members of the countries make as they are trying to meet the wants/needs of the residents with scarce resources.
4. Post on the board the order in which each "country" completes its tasks. When it becomes obvious that not all of the groups will complete the tasks, stop the activity.
5. Ask the different groups to share what they experienced. Be sure to highlight those who share the frustration of not being able to produce all of the items on the task list. Ask how they could have solved the problem. (trade)
6. Discuss that in this session there were barriers to trade. Tell the students that these barriers can be natural or man made. Give the following examples of trade barriers.
  - a. Natural trade barriers: distance, geography (mountains, bodies of water, etc.).
  - b. Tariffs: A tax on an imported good or service.
  - c. Quotas: In international trade, the limit on the quantity of a product that may be imported or exported, established by government laws or regulations; in command economies, more typically a production target assigned by government planning agencies to the producers of a good or service.
  - d. Embargos: Governmental bans on trade with one or more nations.
  - e. Preservation of standards (Protectionism): The practice of restricting or restraining international trade, protecting domestic trade from foreign competition.
  - f. Subsidies: Governmental payments to an individual or business to encourage or protect particular economic activities.
7. Ask which of the trade barriers could have played a part in the lack of trade. (any of the above)

**Session 2**

1. Repeat the procedure from Session 1. During this simulation allow the students to trade.
2. As each country completes the assigned tasks, post their names to the board. Distribute Activity 2 as they finish.

**Closure**

When all groups have completed their tasks and their discussion question sheets, conduct a classroom discussion in which you mention which group finished first, why they did, and how they did. Then continue your classroom discussion by reviewing each question. Elicit comments from each “country.”

**Assessment:**

After the discussion, have students write a summary of the most important things they learned about why countries trade.

**Connections:**

- Geography: Have students identify a list of products that Arkansas trades with other countries and locate the countries on a map.
- History: Divide students into groups and have each group research a period of time in Arkansas History and discuss the effects of trade during that time period.

# UNEQUAL RESOURCES TASK SHEET

**Your group is in the position of trying to provide certain economic necessities for your country. These are met by completing the tasks listed below.**

1. **FOOD:** Make four strips of yellow paper each 3 inches by 1 inch.
2. **CLOTHING:** Make a green “T” 4 inches high.
3. **INDUSTRY:** Make a four-link paper chain, each link out of a different color.
4. **SHELTER:** Make a white square 2 inches to a side and attach a gold or yellow triangle to one side of the square.
5. **EDUCATION:** Make a four-page book out of two different colors. Remember that the book must have printing or pictures on each page.

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# DISCUSSION QUESTION SHEET

Name: \_\_\_\_\_

**Directions:** Answer these questions with a complete sentence.

1. Could your group have completed the task without trading with other groups for resources?
2. How did your group solve the problem of not having all the materials needed to complete the tasks?
3. Were there conflicts? Why or why not? How were the conflicts resolved?
4. How did you feel when you realized the resources were unequally distributed?
5. Give some examples of innovative or unusual ways your group accomplished their tasks.
6. How do relationships between countries affect the economy?

## QUESTIONS RELATING TO ARKANSAS

1. If a wall were built around Arkansas, would the state be self-sufficient?
2. What kind of goods and services does Arkansas trade for?
3. Are resources allocated equally in the different regions of Arkansas?
4. What natural resource does Arkansas have that no other state has?
5. Arkansas is #1 in the nation in producing what agricultural product(s)?