

- The first wave of globalization prior to World War I was for the most part an imperial system created, controlled by and benefiting European countries. Ask groups of students to research the colonies held by specific European countries prior to World War I and to describe the social, political and economic nature of the relationship between colonies and Empires. Today, only one-sixth of the world's population lives in the developed world, while the vast majority live in the developing world. Students may research and debate the extent that these colonial relationships continue to exist.
- When the United States was a new nation, it had an unregulated free market system for banking and credit. However, after many panics and recessions, the U.S. government introduced numerous banking laws to try to maintain a healthy and functioning system. Ask students to research and define Federal Reserve, reserve requirements and depositor insurance and discuss the roles they have played in managing the country's economy.
- Ask students to research the Asian Financial Crisis of 1997 and create a time line of events, starting with the decline of the baht in Thailand. Students may form IMF teams to develop banking policies that could help prevent similar catastrophes in the future.
- A backlash against free trade after World War I led many countries to close their borders and to try to protect key industries. For example, in an effort to help farms and other businesses, the United States, the Fordney-McCumber Act (1922) and the Hawley-Smoot Act (1930) created a high level of tariffs for foreign-made goods. As other countries retaliated with their own protectionist measures, foreign trade suffered a sharp decline, and the global depression of the 1930s intensified. Ask students to research these laws and discuss their impact on the Great Depression. As a follow-up, ask students to research the 2004 WTO ruling that states that U.S. subsidies to cotton growers violate international trade rules. Students may hold a mock international debate among consumers, agribusinesses, and small farmers from around the world regarding this ruling.
- When the United States "liberated" Cuba from Spain over a hundred years ago, it immediately cancelled Cuba's debt to Spain, saying the debt was invalid since it had been imposed on Cubans without their consent. Ask students to research this "odious debt" principle, and debate its validity to today's international debt crisis. Students may also research the amount of debt that many developing countries owe to foreign banks and international institutions and discuss the relative blame for the origination of this crisis.

Suggested Internet Resources

Periodically, Internet Resources are updated on our web site at www.LibraryVideo.com

- www.imf.org/
The International Monetary Fund is an international organization established to foster economic growth and to help countries experiencing economic crises.
- www.jubilee2000uk.org/
The Jubilee Network is an international group supporting economic justice campaigns worldwide.
- www.g7.utoronto.ca/
The G8 is a group of major industrial democracies that meets to deal with the major economic and political issues of various nations and the international community.

Suggested Print Resources

- Frost, Randall. *Globalization of Trade*. Smart Apple Media, North Mankato, MN; 2004.
- Klein, Naomi. *No Logo*. Knopf Canada, Toronto, ON; 2000.
- Stiglitz, Joseph. *Globalization and its Discontents*. W.W. Norton, New York, NY; 2002.

TEACHER'S GUIDE

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TITLES IN THIS SERIES

- AFRICA: CHALLENGES IN THE 21ST CENTURY
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GLOBAL ECONOMIC ISSUES

Grades 9 & up

This guide is a supplement designed for teachers to use when presenting programs in the series, *Global Issues for Students*.

While science and technology have improved the standard of living for many people in the past fifty years, the global community has not been able to find solutions to major issues such as genocide, persistent poverty and environmental degradation. While the current wave of globalization has brought people in closer contact than ever before, it has also heightened our awareness of the tremendous gap in standards of living between the developed and developing worlds. *Global Issues for Students* will help viewers understand the historical causes, enduring effects and possible solutions to complex world problems. Students will increase their awareness of global issues that directly impact their lives, and in learning about these issues from a more global perspective, will become more knowledgeable citizens in our increasingly interconnected world.



Program Summary

In the latest wave of economic globalization, technology and other forces have enabled international trade to be at its highest pitch ever, with billions of dollars of goods and services flashing across national borders each day. Since the end of the Cold War, more and more governments have opened their borders to trade in the hopes of ending poverty and spreading wealth. The increased globalization of the world economy has been credited for raising the standard of living for hundreds of millions of people; however, the gap between rich and poor has widened and international labor and environmental protections are weak, prompting strong anti-globalization movements around the world.

Common criticisms of globalization protestors focus on the perceived inequities of global trade and finance policies. For example, while the United States and Europe and international organizations urge developing countries to adopt free trade, they keep their own markets closed to many foreign products and pay huge subsidies to protect domestic industries. Also, unregulated free flows of capital across national borders have brought benefits to many countries, but also have been very disruptive, as investors can quickly pull millions of dollars out of a nation's economy with just the click of a mouse.

The increasing interconnectedness of the global economy means that economic decisions made in one country can profoundly affect the lives of people in other countries. As globalization moves forward, many hope that international policymakers will develop rules of free trade and investment that balance the desire for economic growth with quality of life, human rights and environmental protections.

Vocabulary

Cold War — An intense hostile rivalry during the second half of the 20th century between Communist nations, particularly the Soviet Union, and capitalist nations of the world, led by the United States.

globalization — The bringing together of the world in increasingly interconnected ways, such as economics, culture or common threats such as AIDS or terrorism.

World War II — The second major war of the 20th century that involved the Allied Powers led by the United States, Russia, Great Britain and France who fought the Axis Powers, which included Nazi Germany, Japan and Italy.

free market system — A type of economic system in which governments have few regulations, allowing businesses to freely compete and letting prices rise and fall without interference.

communism — An economic system in which all goods are owned jointly. In the Soviet Union, this developed into a government in which all social and economic policy decisions were made by a single party.

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hyperinflation — An economic condition in which prices of goods and services rise at a rapid rate, making a country's currency virtually worthless.

mixed economy — An economic system that combines a free market with some government intervention in the hopes of avoiding sustained downturns.

Great Depression — The time period from around 1929 to 1939 in which many people suffered from extreme poverty as a result of high unemployment.

World War I — The first major war of the 20th century that involved the Allied Powers, led by Great Britain, France and Russia, who fought the Central Powers, which included Germany and Austria-Hungary. The United States joined the Allied side in 1917.

Keynesian economics — A theory named after John Maynard Keynes that advocates government involvement to ensure a healthy, functioning economy.

The International Monetary Fund (IMF) — An organization created at the end of World War II to help countries whose economies are in trouble.

World Bank — A group formed to help poor countries develop and to provide financial assistance for countries to reconstruct after World War II.

perestroika — The restructuring of the failing Soviet economy, which allowed for limited free enterprise under Mikhail Gorbachev.

The World Trade Organization (WTO) — An evolving international agency that grew out of the GATT treaty, it encourages free and fair trade among member nations.

The General Agreement on Tariffs and Trade (GATT) — A treaty signed in 1947 whose 23 original members agreed to trade more freely while maintaining protections for jobs and working conditions.

“hot money” — A term used to describe money that speculators in one currency can quickly exchange for another currency. Unregulated, this practice can cause serious economic problems.

Structural Adjustment Plan — A controversial plan by the International Monetary Fund to reorganize a country's economy, which prescribes measures such as embracing the free market and cutting government spending.

Pre-viewing Discussion

- Many young people in your class may already have or want to obtain their own credit cards. Ask students to discuss the possible perils of using credit cards to spend more money than they have. To develop more insight, students may extend the discussion to speculate about how a country could be affected by taking on too much debt.

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- What is a sweatshop? Ask students to discuss or speculate about working conditions for people who are employed by sweatshops.
- Ask students to imagine that they have money to invest on Wall Street. How might their investment decisions affect other people? What value considerations would they make before allocating their funds?

Focus Questions

1. What role did new technologies play in sparking the early wave of globalization before World War I?
2. How did John Maynard Keynes believe that governments could counter market swings?
3. Why were the IMF and World Bank created after World War II?
4. What was the Cold War based on?
5. How has expanded trade impacted countries like South Korea and China?
6. Describe working conditions that cause many people to protest for economic justice.
7. What is the WTO?
8. How do subsidies to farmers in developed countries affect farmers in developing countries?
9. What happened to much of the money developing countries borrowed from the IMF?
10. What positive and negative effects have Structural Adjustment Plans had on developing countries?

Follow-up Discussion

- Ask students to imagine that they are farmers, then have them consider how their businesses would be affected if other farmers in their state paid much less for materials such as plows, seeds and fertilizer, receiving them at a 50% discount from the government.
- In 2002, U.S. Secretary of State Colin Powell said, “Like scientific knowledge, globalization in and of itself isn't a force for darkness or a force for light; the issue is how we respond to this powerful force, how we use it to create hope for ordinary men, women and children around the world.” Ask students to interpret his remarks about globalization.
- Ask students to discuss the role that the Internet has played in sparking the current wave of economic globalization.

Follow-up Activities

- The outsourcing of American jobs to other countries has become a major political issue. Ask students to research this issue and debate it from the perspective of corporate leaders and American and international workers.

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