

World Trade

Skills: Social Studies, Language Arts

Objective: Students will use research skills to learn about world trade and the organizations which govern trade.

Background

International trade is defined as the exchange of goods and services across international boundaries or territories. This trade represents a significant share of the Gross Domestic Product (GDP) for most countries. While international trade has been present throughout much of history, its economic, social, and political importance has been on the rise in recent centuries due, in large part, to industrialization, advanced transportation, globalization, multinational corporations, and outsourcing.

Trade and marketing are vital to American agriculture. The US exports agricultural products to countries that can't grow crops and livestock as efficiently as American farmers or can't grow them at all, due to their lack of space, viable soil, or climate restrictions. The US also imports products from other countries that produce different, less expensive, or better quality goods.

Government trade policies influence the volume of trade between nations. In domestic trade, goods may move freely from one part of the nation to another. In international trade, governments often place artificial barriers against the free movement of goods from one country to another. Several organizations, policies, and/or agreements maintain and control fair trading between the United States and other countries.

Activities

1. Read together and discuss the background information and the vocabulary.
2. Review "How Reliable Are Your Sources?" in the "Resources" section.
—Students will work in pairs or groups to select and research one of the following topics.
 - World Trade Organization (WTO)
 - European Union (EU)
 - Organization of Economic Cooperation and Development (OECD)
 - General Agreement on Tariffs and Trade (GATT)
 - Reciprocal Trade Agreements Act
 - WTO Agriculture Agreement (1986-94)
 - North American Free Trade Agreement (NAFTA)
 - Free Trade Area of the Americas (FTAA)
 - Gross Domestic Product
 - Central America Free Trade Agreement (CAFTA)

P.A.S.S.

GRADE 6

Social Studies—1.3; 4.2

Reading—1.1a; 3.1b;
5.1a,2a

Writing—2.7

Oral Language—1.2; 2.1

GRADE 7

Social Studies—1.1; 4.1,2

Reading—1.1; 3.1a;
5.1a,2a

Writing—2.8

Oral Language—1.2; 2.1

GRADE 8

Social Studies—1.1,2

Reading—1.1; 3.1a;
5.1a,2a

Writing—2.8

Oral Language—1.2; 2.1

Resources Needed

computer access

encyclopedias and other
reference books

note cards

world map

Vocabulary

dumping—production of excessive amounts of goods and “dumping” the goods on another foreign country.

export—any good or commodity, transported from one country to another country.

globalization—affecting or relating to the earth as a whole; world-wide.

gross domestic product (GDP)— the market value of all final goods and services produced within a country in a given period of time.

import—any good or commodity brought into one country from another country.

industrialization—the change in social and economic organization resulting from the replacement of hand tools by machine and power tools and the development of large scale industrial production.

outsourcing—raw materials supplied to other companies, states, or countries for the production of finished products.

subsidize—the providing of supplemental financial support for farmers for agriculture products grown.

tariff—a tax placed on a specific good or set of goods imported from a country.

trade barriers—government laws, regulations, policy, or practices that either protect domestic products from foreign competition or artificially stimulate exports of particular domestic products.

—Students use note cards to record the following information about the organization or agreement: topic, years of operation, main goals or issues, agriculture connection, interesting information related to agriculture, countries involved.

—Students report their findings to the class.

3. As groups report on their research, students will use the worksheet table included in this lesson to record information.

—Use a world map to color in or track the trade organizations and agreements between the United States and other countries.

—After all reports are complete, lead a discussion on prospects for new trade agreements, surprises about trade and how agricultural exports benefit American farmers and the US economy.

4. Using their completed worksheets, each student will write a question or statement on one side of a note card and the answer to the question on the opposite side.

—Divide students into two equal groups.

—Form two large circles with one inside the other.

—Students in the inside circle face students in the outside circle.

—Students in the inside circle begin by asking their questions to the students facing them.

—Students in the outside circle attempt to answer.

—Students in the outside circle then ask their questions.

—When the first round of questions is complete, both groups shift to the left by one student.

—Each student is now facing a different student.

—Rotation continues until the review is complete.

Extra Reading for Students

Burgess, John, *World Trade—Exploring Business and Economics*, Chelsea House, 2001.

January, Brendan, *Globalize It! The Stories of the IMF, the World Bank, the WTO—and Those Who Protest*, Millbrook, 2004.

Woods, Michael and Mary Woods, *Ancient Agriculture: From Foraging to Farming*, Runestone, 2000.

The World Almanac for Kids—2006, World Almanac, 2005.

Extra Reading for Teachers

Aksov, M. Ataman, and John C. Beghin, *Global Agricultural Trade and Developing Countries*, World Bank, 2004.

Colyer, Dale, P. Lynn Kennedy, William A. Amponsah, Stanley M.

Fletcher, and Curtis M. Jolly, editors, *Competition in Agriculture: The United States in the World Market*, Haworth, 2006

Ingco, Merlinda, *Agriculture and the WTO: Creating a Trading System for Development*, World Bank, 2005.

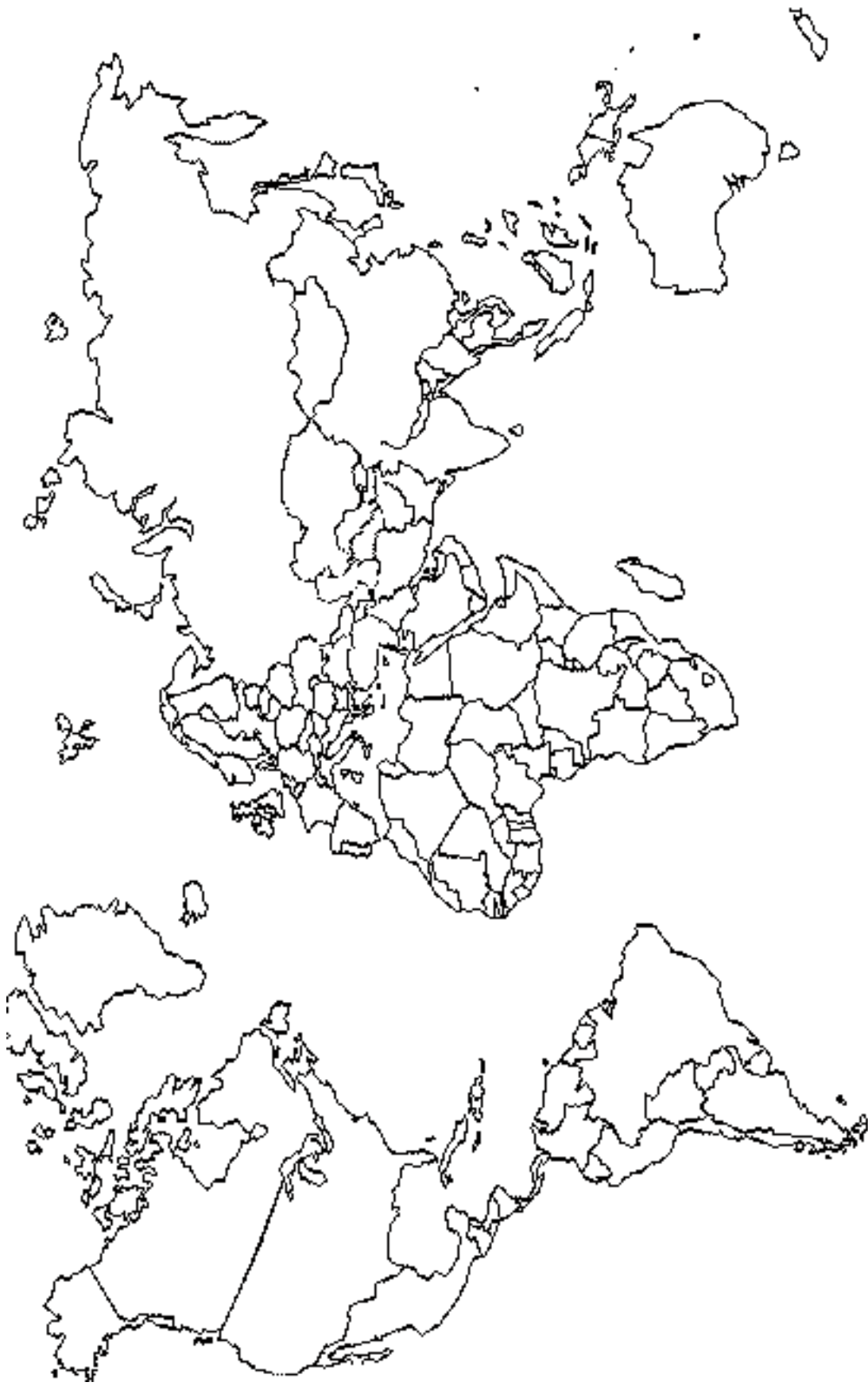
Name _____

World Trade Organizations and Agreements

As groups report on their research, use this table to record the information.

	Years of Operation	Main Goals or Issues	Agriculture Connection	Interesting Information Related to Agriculture	Countries Involved
World Trade Organization (WTO)					
European Union (EU)					
Organization of Economic Cooperation and Development (OECD)					
General Agreement on Tariffs and Trade (GATT)					
Reciprocal Trade Agreements Act					
WTO Agriculture Agreement (1986-94)					
North American Free Trade Agreement (NAFTA)					
Central America Free Trade Agreement (CAFTA)					
Free Trade Area of the Americas (FTAA)					
Gross Domestic Product					

World Map



How Reliable Are Your Sources?

When conducting research, make sure you use reliable information from legitimate sources. Reliable information is well-researched from sources that are well-respected and as objective, or neutral, as possible. The best way to find legitimate sources is to go to the library and use scholarly journals, reference books and other well-researched sources.

Another place to find information is the Internet. Conducting research on the Internet is convenient, but it can also be tricky. There are many thousands of Web pages that have little actual content and are mainly links to other pages, which may be links to other pages, and so on. Anyone can post anything to the Internet. To make sure you have found a reliable source of information, ask yourself these questions:

1. Who is responsible for the Web site? Is the Web page associated with a reliable organization, such as a university or a government agency? What interest does the organization responsible have in the information presented. For example, will the organization profit from the information presented?
2. Who wrote the information? If the author is not listed or has no credentials, it may not be a credible source. Pay attention to the author's credentials or experience. Is the source really an authority on this particular matter or someone with an impressive title that has no connection to the subject matter?
3. When was the information written? Is it current? Is it still relevant?
4. Are there other sources that agree with statements made on the site, or do other sources contradict this source? In that case you may need to search further. It's always a good idea to gather more than one source.
5. Are any sources cited? If the author does not document anything, then the information may simply be someone's opinion. If statistics used come from a survey, how was the data gathered? Who conducted the survey or poll? Was the sample representative of the population? How many were surveyed? What percent of the population?

When choosing between the library and the Internet keep in mind that up to 90 percent of the contents of college library collections are not on the Internet. Because of copyright laws it is too expensive to put all scholarly work on the Internet. This means that the most comprehensive source of information is still the library.

