



# Using this module

## HELLO AND WELCOME TO 'ECONOMICS - AN INTRODUCTION'!

This module has been designed for teaching **Post-10 learners** and **adults**. Most of the module is written in intermediate level English. In order to use this module successfully you need to think about a few things.

### 1. PREPARATION

Probably, like most people, you are not an expert in Economics. So, it will help you a lot if you spend time reading through the Student's Book and the Teacher's Guide in detail before you start teaching. This is necessary to help you understand the ideas, the vocabulary and the teaching methods and activities.

Perhaps you won't understand everything. Don't worry! If you really don't understand something, ask another teacher, a friend, or someone else who you think might know, and see if they can help you. If nobody can help, don't teach that part, but keep thinking about it and keep looking for someone to ask. Preparation is also important before each lesson. You should always make sure you understand exactly what you will teach, and how you will teach it, before you start.

### 2. LANGUAGE

Although this module is in English, you should decide on the language that you, and the learners, will use in the classroom. Ideally you should use the learners' first language when you explain concepts and meaning (if you can speak their first language, of course!). For presentations, comprehensions, and other activities, learners should also be allowed to use their first language where possible. If you are using the module to teach Social Studies and English language skills together, then you can ask them to use English as much as possible. Make sure that you have at least one dictionary available in the classroom at all times.

### 3. CLASSROOM ORGANISATION

There are many pairwork and groupwork activities in this module. Depending on the size of the class, and the amount of time you have, you should decide how large the groups should be, or whether learners should work in pairs or groups. The problem with large groups is that some learners will not get the chance to participate much in the activity. Also, don't always put students in the same groups or pairs. Change them around.

### 4. SELECTING ACTIVITIES

There are a lot of activities in this book. If you don't have much time, you need to decide which activities you want to do, and which activities you won't have time for. REMEMBER: you don't have to do everything in the Teacher's Guide! Choose what you think is appropriate for the amount of time that you have to teach the learners.

### 5. WORKING WITH TEXT

There is a lot of text in the Student's Book. If possible, try to use a few different ways of reading the text in class so that you don't always do the same thing. Here are some options:

1. Ask learners to read the text on their own and then check their understanding.
2. Put learners into pairs and ask them to read the text together and discuss the meaning.
3. Ask selected learners to read the text aloud (a paragraph or a sentence) to the rest of the class and discuss together.
4. Put learners into pairs or small groups and ask them to read the text and summarise the main points. Then ask one or two groups to explain the main points to the class in their first language. When they have finished check with the class that they agree.

### 6. IF YOU DON'T LIKE IT, CHANGE IT!

If you can think of a better way to do / explain something, or you want to add or remove things, go ahead! You know your learners and your situation better than we do.

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# 1. What Is Economics?

The word 'Economics' comes from two old Greek words - 'oikon', which means 'home' and 'nomos' which means 'management'. Therefore, economics literally means 'management of the home'. However, the meaning is now much larger, meaning the management of all world **resources**.

## Brainstorm

1. Before giving out the Student Books, ask the students: 'What is economics?' Put them into groups of 3-5 and ask them to think of words related to economics. For example, they might say 'money' or 'business'. Give them about 5 minutes to think of words. Then, go around each group eliciting one word and writing it on the board until you have about 15-20 words (or less).

Then, ask each student in turn to come up to the board and draw a line between any two words on the board and explain why they think they are linked. For instance, if you drew a line between 'business' and 'money' you might say, 'Business is a way of making money.' A student can choose the same two words as a previous learner, as long as they give a different reason for the link (e.g. 'You need money to start a business.')

Bring an object to class, perhaps a pen. Ask the class:

**Where was this made?**

*Answer: A factory.*

**Where did it go after the factory?**

*Answer: A shop.*

**How did it reach the shop?**

*Answer: In a van or truck.*

**How did I get it?**

*Answer: You went to the shop and bought it.*

**What did I buy it with?**

*Answer: Your money.*

**What do I use it for?**

*Answer: You use it to write with.*

Introduce the following concepts:

**Production** - this pen is made in a factory.

**Distribution** - the pen is taken to the shop in a van or truck.

**Consumption** - you buy and use the pen.

Give out the Student Books and ask students to turn to Page 2. Ask one student to read aloud the first bit of dialogue at the beginning of the page. Ask another student to read the other bit of dialogue.

Explain the difference between 'need' and 'want':

**Need** - something that is necessary for survival.

**Want** - something that you desire to have, but is not necessary for survival.

Ask students to read the paragraph, '**What is Economics?**' Check understanding. Then look at the section on '**Ma Ma's Cakes**' with the class. Ask one student if he/she can see where production is happening (the factory). Ask another student about distribution (the van and the shop), and another about consumption (buying at the shop and eating the cake).

## Pairwork

2. Put students into pairs and ask students to draw an economic map for another product. Give them about 20 minutes. Then ask each pair to come to the front and briefly explain their economic map.

## 2. Needs and Wants

### Groupwork

1. Ask the students to read the instructions. Make sure that everyone understands. Make sure that they understand that there are no other people or buildings on the island, and that they should only write the things that they think they **NEED**. Divide the class into groups of 3-5 people and give them about 10 minutes to complete the exercise.

When they have finished, elicit one 'need' from each group in turn. Each time, ask whether the rest of the class agrees that it's a need. If they agree, write it on the board.

Pre-teach:

*to survive (verb): to stay alive.*

*poverty (noun): being poor.*

Ask students to read the two paragraphs about needs and wants. Make sure they understand that **education, healthcare** and **safety** can also be needs. Also make sure they understand that wants are usually much greater than needs.

Ask them to look at the cartoon. Tell them that 'stuff' means 'things'. Ask them if any of the things they can see are needs.

None of the things that are in the picture can really be described as 'needs', except maybe some of the books which can be included as 'education', and the clothes in the drawer. People can survive without chairs, tennis racquets, pictures, tape recorders, etc.

### On Your Own

2. Give students about 5 minutes to write their lists. If the class is very big, you might prefer to put the students into pairs or groups. Ask each student (or pair / group) to read aloud their list. Are any of these things needs?

Ask one student to read aloud the paragraph about '**wealth inequality**'.

### Discussion

3. Is there a lot of wealth inequality in your community? Why? Why not? Who owns the wealth in your community? Why?

Elicit opinions from students.

# 3. Goods and Services

Bring some objects to class, for instance, a pair of scissors, a pen, a calculator, a guitar, a story book etc. You should be able to perform a service (action) with each item.

## Brainstorm

1. Do you know what **goods** and **services** are? Can you think of any examples? Elicit ideas from students.

Ask students to read the paragraphs about goods and services. Explain that goods are objects; services are actions. Goods and services are sometimes called **commodities** - things to buy and sell. Hold up one of the objects you have brought to class. Ask one of the students, 'Is this a good or a service?' (Correct answer: a good). Now give the object to a student and ask them to perform a service for another student with it. Give the next object to another student and repeat the activity.

Ask the students what other kinds of services they could do with the goods you have brought into the room. For instance:

<b>Scissors:</b>	you could cut someone's hair.
<b>A pen:</b>	you could write a letter for someone who can't write.
<b>A calculator:</b>	you could help someone with their maths homework.
<b>A guitar:</b>	you could sing a song for the class.

Ask them what goods they can see on the page. The pictures, from left to right, show rice, books, a pig, a pen and a longyi.

Ask them what services they can see (elicit answers from selected students). The pictures (clockwise) show two men painting / building a house, a woman making / repairing clothes, a man cutting a boy's hair, and a train. Make sure they understand the difference goods and services. For instance, a train is a good, but using the train to go somewhere is a service.

Ask students to read the paragraphs of text about different services: the clinic, the school and the teashop.

## Pairwork

2. 'Presentation posters'. Put the students into pairs. Give them about 30 - 40 minutes to complete their two posters. Once they have finished their posters, ask each pair to present their ideas briefly to the class. If you don't have poster paper, then they can do a quick drawing on the board. When everyone has finished, the class should vote on which pair invented the best good and the best service. Students cannot vote for themselves.

## Groupwork

3. For the discussion you may have to elicit ideas from students. The most important goods and services in the community are those needed for survival (needs). These include rice, vegetables, meat, water, healthcare, education etc.

## Pairwork

4. For the activity, make sure that each pair is researching different goods. You might want to think of some goods yourself for each student in the class and write them on pieces of paper. Then fold up the pieces of paper and put them in a container and have each pair choose three pieces of paper.

# 4. Scarcity & Choice

## 1. Scarcity of goods and services

### On Your Own

1. Give the students 5 minutes to write down the goods and services that they want. Draw a table on the board with four columns with the titles: 'Name', 'Want', 'Reason', 'What Stops You?'. Do a mini interview with one of the students. Ask them: *'Tell me one good or service that you want.'*, *'Why do you want this good/service?'*, *'What stops you from getting this good/service?'*

Write their name in the first column on the table, the good or service that they want in the second column, the reason why they want that good or service in the third column, and the thing that is stopping them getting it in the fourth column. Then, put the students into pairs, and ask them to interview each other for 5 minutes about ONE good or service. Finally, elicit answers from each pair about their partner, and add them to the table.

Ask students to read the paragraph about '**scarcity**'. Make sure that they understand that scarcity means that there is 'not enough'. Ask the students what the cartoon says about scarcity.

It shows how people are 'eating up' the resources in the world like insects eating plants. The more resources they consume, the scarcer they become. Different things are scarce in different parts of the world. Some countries do not have enough water (mostly in the Middle East, Africa, South America, Asia, Australia). Some countries do not have enough food (particularly parts of Africa). Some countries do not have enough healthcare services or education.

2. Put students into groups of 3-5. Ask them to think about the causes of scarcity. Give them 10 minutes to discuss and write down ideas. Then, elicit one idea from each group in turn and check agreement with the class.

### Groupwork

Scarcity can be caused by many things including:

**Lack of natural resources:** Some countries do not have many resources (land, water, oil etc.).

**Climate problems:** Weather can cause scarcity. Crops can be flooded, or affected by drought.

**War:** In war, crops are often destroyed, people displaced, transport and trade disrupted, etc.

**Bad economic management:** corrupt/inefficient governments often create scarcity (e.g. Burma).

**Bad transport infrastructure:** Inadequate road, rail and air networks can cause scarcity.

**Government policy:** some governments make laws that create scarcity (e.g. new cars in Burma).

3. Put the students into pairs. Ask them to go out into their community and interview three people about which goods and services are scarce, and why. Ask each pair to make a list and prepare a short (2-3 min) presentation for the class. When they have finished make sure they keep their list safe for another lesson.

### Pairwork

## 2. Choice

### On Your Own

4. Ask students to look at the four questions and think about the choices in each case. Elicit some ideas from the students. Then ask them to read about the three examples about choices at different levels of society.

5. Elicit ideas from individual students about different kinds of economic choices made in the community. You could divide their ideas into three (or more) levels: individual, family, community, etc..

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## Scarcity & Choice (cont'd)

**Groupwork** 1. Ask the students to make a list of scarce goods and services in their community and decide among themselves which items on the list is the most important. The ask them to write a short presentation explaining why the good is important, why it is scarce, and what they think could be done to improve the situation.

**Groupwork** 2. Put students into groups of 3-5. Give them 5-10 minutes to discuss and write down ideas. Then elicit one idea from each group in turn, check agreement with the rest of the class, and write them down on the board. Ask students to copy the list into their books.

Some ideas for resources that may be scarce in the future: *Bamboo, Wood, Water, Oil, Minerals, Agricultural land.*

**Groupwork** 3. Divide the class into four groups. Tell the students that each group will give a 3 to 5 minute presentation at the Committee meeting. EVERY student will have to speak during the presentation. Explain to them that at the end of the Committee meeting, everybody will vote on which idea they think is the best. They can only vote for one idea, and they cannot vote for their own group. Then, give the groups about 20-30 minutes to discuss and organise their presentation. They should think about:

- Why their service is the most important.
- What advantages it will bring to the people of Mazalia.
- Why their idea is better than the other groups' ideas.

During the preparation time check that the groups understand what to do, and tell them how much time they have left.

When they are ready, ask the students to gather together in the classroom in their groups. Then ask each group in turn to present their ideas. Each student in the group must stand and present a part of it.

Voting: Explain to the students that they can only vote once, and for one group. They can't vote for their own group. Therefore, they have to decide which of the other groups made the best presentation. Give each student a small blank slip of paper. Explain to them that they have to write which group they want to vote for (Group 1, 2, 3 or 4). Remind them again that they CANNOT vote for their own group. Then ask them to fold the piece of paper up so no-one can see what is written on it, and give it back to you.

Once you have received all the slips of paper, draw four columns on the board, with the headings 'Group 1', 'Group 1', 'Group 3' and 'Group 4'. Then open each slip of paper and place a point in the column of the Group that has received the vote. If two groups receive the same highest number of votes then, as Prime Minister, you have the 'casting vote'. This means that you can decide which of the groups should win.

**Discussion** 4. Do you agree about the choices made about services in your community? If you were community leaders, what changes would you make?

Put the students into groups of 3-5 people. Give them about 10 minutes to think about these questions. Then elicit ideas from each group in a class discussion.



# 5. Money & Barter

## Discussion

1. Put students into groups. Ask them to think of a way to define the word 'money'. Give them about five minutes to think and write down their ideas. Then ask them to give you their answer written on a piece of paper. Read out each answer, write it on the board, and discuss briefly.

## Discussion

2. Ask them why a US\$50 is more valuable than a notebook. If students get stuck ask them what can you do with a \$50 dollar note that you can't do with a notebook.

The reason why a US\$50 note is more valuable than the notebook is because of its **exchange value**. You can exchange a US\$50 note for a lot more things than a notebook.

## Brainstorm

3. Ask students to give you names of world currencies. (There are 178 different currencies in the world.)

### Exchange Rates

Ask one student to read aloud the paragraph on 'Exchange Rates'. Ask the students:

**If I exchanged US\$100 for Burmese kyats, how many kyats would I receive?**

*Answer: 125,000 kyats.*

### Different things used as money

Ask one student to read the paragraph aloud.

### Yap Stone Money

Ask one student to read aloud the paragraph about Yap stone money. Then ask the students to read the paragraphs to themselves for a few minutes. Ask questions to check understanding:

**How big are the largest Yap stones?**

*Answer: About four meters in diameter.*

**How do Yap people calculate the value of their stone money?**

*Answer: It depends on the size and history of the stone.*

**Do they usually use the stones as money?**

*Answer: No, they usually use US dollars.*

**What do wealthy people do with the stones?**

*Answer: They put them outside their houses.*

## Discussion

4. Put students into groups of 3-5. Ask them to discuss these questions and write down their ideas for 5-10 minutes. Then elicit ideas from different groups and check agreement with the rest of the class.

For the different kinds of money used in Burma, you might mention: gold and silver, precious and semi-precious stones, animals (cows, goats, chickens), etc.

## Money & Barter (cont'd)

Note: 'BCE' stands for 'Before the Common Era'. It is the same as BC, the Christian dating system which stands for 'Before Christ'. 'CE' stands for 'Common Era' and is the same as AD, the Christian dating system which stands for 'Anno Domini' (Year of our Lord).

Ask students to read the text about the '**History of Money**'. Give them about 10-15 minutes. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

### On Your Own

1. Write following statements about the History of Money on the board,. Put students into pairs. Ask them to decide whether the statements are true or false. If they are false, they must provide a correct statement. Give them about 15 minutes to complete the activity. Then elicit one answer from different pairs and check agreement with the rest of the class.

**1. The world's first metal money appeared in Lydia in 500 BCE.**

*False. The world's first metal money appeared in China in 1000 BCE.*

**2. The use of livestock as money started around 9000 BCE.**

*True.*

**3. The first metal money was made out of bronze and copper.**

*True*

**4. Shells have never been widely used as money.**

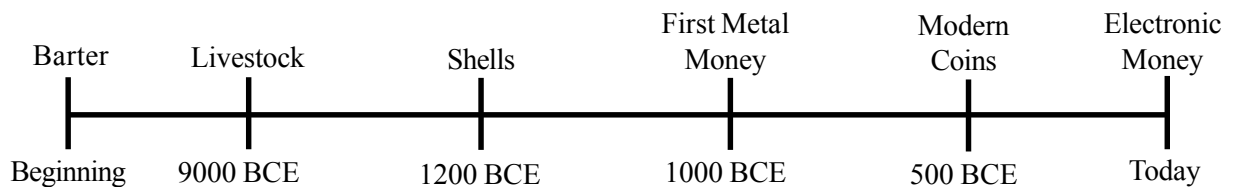
*False. The shell is the most widely and longest used currency in history.*

**5. The first use of paper money in China was in 1455 CE.**

*False. The first use of paper money in China was in 860 BCE.*

### Pairwork

2. Timeline. In pairs, ask the students in groups to create a timeline showing the history of money. Here is an example. You will need to show them how to start their timeline. If possible, provide the students with large pieces of paper to draw their timelines on. If you don't have this, they can use their notebooks. Ask them to be creative - maybe they can use pictures also. Their timelines don't have to look exactly like the one below, as long as they have the key information. Give them about 10-15 minutes to complete them.



When they have finished, ask each pair to stick their timeline on the wall of the classroom. Ask students to look at all the timelines, and then have a vote on which they think is the best (they can't vote for themselves).

**Brainstorm**

1. Before students open their books, ask students why money is useful. What is it used for? Write their ideas on the board. Use their ideas in a discussion to guide them towards the four uses of money. For instance:

**Exchange:**

If the students say 'to buy things', ask what happens when they buy something. They give money, and the other person give them goods or services. It is an 'exchange'.

**To store value:**

Prompt the students. Ask them to imagine they are banana growers. Ask them how long you can keep bananas once you have picked them. Why is this a problem if there is no money in the economy? Clearly, after a week or so the bananas will begin to rot. They will rapidly lose their value. Money does not rot, and usually keeps its value. Therefore, if the farmer can exchange the bananas for money he can store their value for use later on. Money is also a lot easier to carry than bananas! How many bananas can you fit in your pocket?

**To measure value:**

Ask the students: How many bananas should I pay to buy a motorbike? How many chickens should I pay someone to repair the roof of my house? How many onions should I pay for a bus journey to Mawlamyine? Without money it can be very difficult to determine the value of one good or service against another. Money provides a universal standard value which makes it much easier to measure the value of different goods and services. For instance, a bus journey to Mawlamyine might cost 4000 kyat. A kilogram of onions might cost 500 kyat. Therefore, a bus journey to Mawlamyine costs 8 kilos of onions.

**To borrow and pay back debt:**

Ask the students to imagine there is no money in their country. They need to buy a bus ticket to Mawlamyine, but they have nothing to barter with. What can they do? Elicit ideas from the students.

*Perhaps they ask their friend if they can borrow some onions. Then they go to the bus station and ask the bus driver how many onions he wants to take them to Mawlamyaing. They go back to their friend and get the heavy bags of onions and return to the bus station. Some weeks later they paint somebody' house and receive 15 kilograms of bananas. Now they can pay back their friend. How many bananas should they give to their friend?*

With money it is much easier to borrow and pay back **debt**. Debt is money that you owe somebody.

**The advantages of money over barter****Groupwork**

2. Put the students in to groups of 3-5. Ask them to read about the fisher's week, and think how money would make their life easier. Ask them to write down their ideas. Here are some suggested reasons why money would be useful in these situation:

**Monday:** with money he/she could store the value of yesterday's fish and use it to buy food today.

**Tuesday:** with money, it would be easier to measure the value of tomatoes and fish.

**Wednesday:** people will almost never refuse to exchange something for money.

**Thursday:** money is much lighter and easier to carry than most goods.

**Friday:** as money can be stored, it is easy to use to borrow and pay back debt.

**Money better than barter?**

Ask students to read the text. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**Pairwork**

1. **Money or Barter?** Put students into pairs. Ask them to look at the examples a, b, and c. Ask them to decide whether money or barter is more useful for each of these people, and why. Give them about 10 minutes. Then, elicit answers from different pairs, and check agreement with the class. Below are some ideas about the benefits of each system in the three examples.

a. Because the camp is a restricted economy, there is not much money around. Most people don't have jobs which pay them money, and cannot practise farming to sell their crops for money. So money is not a widely available commodity. Therefore, barter is a useful method of exchange. People can exchange their goods and services directly for other goods and services.

b. Mae Sariang is a town with a largely money economy. Su Su can easily exchange the fish for money with the restaurants, rather than having to barter it for another good or service. She can then store the value of her fish for use later.

c. As the kyat is losing its value fast because of economic problems, it is not a useful way to store value. Also, as a measure of value it is changing all the time, and so less useful. Furthermore, as many people are in debt, they do not have much money to pay for things. Therefore, barter is a better method of exchange. Goods and services can be exchange directly with one another, avoiding the use of the unstable kyat.

**Discussion**

2. What kind of communities/economies benefit from barter? Put students into groups of 3-5 and ask the discuss and write down ideas. Give them 5-10 minutes. The elicit ideas from different groups and discuss. Below are some ideas to help you guide the discussion.

Barter benefits communities where money is scarce, or where the value of that money is changing quickly. Barter means that exchange partners do not need to worry about money. Also, in an economy that has recently experienced growth, but is now slowing down, people and businesses may have a lot of goods and services to offer, but not much money. Barter enables them to continue to exchange with each other.

Governments also use barter for similar reasons. In times of economic turmoil, when their currency is unstable, and the government does not have a lot of money, barter can help governments to obtain important goods and services. It also helps governments in general to reduce their reliance on cash, and reduces the amount of money they spend on foreign goods.

It is also a good way of people, businesses and governments to get rid of goods that they do not need, or find difficult to sell (but which someone else needs) and receive useful goods in return. For instance, in November 2005, China agreed to exchange seven locomotive trains for US\$25m of rice from Thailand. Neither country will need to spend money on the deal, and both are in need of the other's goods.

**Bartering in modern business**

Ask one student to read aloud the paragraph of text. Check understanding.

**Turn to the next page in the Teacher's Guide**

Pre-teach:

**rural (adj):** countryside (opposite of 'urban'); **debt (noun):** money that is owed; **self-sufficient (adj):** not dependent on anyone else; **interest (noun):** fee paid (usually every month) when you borrow money.

Ask students to read the text about '**Bia Kud Chum**'. Give them about 10-15 minutes. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**On Your Own**

1. Write the following questions (but not the answers!) on the board. Ask them to answer them in their notebooks. When they have finished put students into pairs and ask them to compare answers for a few minutes. Do they agree? Finally, elicit answers from individual students and check agreement with the rest of the class.

- Why did the villagers in Kud Chum district decide to create the Bia?**  
*Answer: They decided to create the Bia because many villagers were in debt and were becoming dependent on banks and price changes over which they had no control.*
- What are the advantages of a community currency like the Bia?**  
*Answer: The advantage of the Bia is that it reduces the local people's reliance on the national currency. It creates an alternative measure, and store, of value.*
- Why was the Thai government against the Bia?**  
*Answer: The Thai government said that the Bia was illegal and dangerous to Thai security. They were concerned that many other community currencies would be launched all over the country, causing the value of the Thai baht to fall quickly.*
- Should the community be allowed to use Bia? Why/Why not?**  
*Each student decides on their answer.*

**Pairwork**

2. Put the students into pairs and ask them to interview five adult members of their community about when they buy and sell things using money, and when they use barter. Particularly important questions to include are: **When and why do people use barter, or cash. Do they use different systems for different good and services? If so, why?**

Ask each pair to write a short report about their findings, and then ask them to read/present their report to the class, and answer any questions the class may have. Have the class vote on which report was the best (content and presentation), and give a small prize to the winning pair if possible (they cannot vote for themselves).

**Debt, Loans & Interest:** Ask the students what they know about these words. Do they know what they mean? Ask students to read the paragraph about debt, loans and interest.

Ask the students to do the following monthly interest calculation: Mi Cho borrows 250,000 kyat from the bank. The bank charges her 12% interest. How much interest will she have to pay each month? (*Answer:  $12/100 \times 250,000 \div 12$  (months) = 2500 kyat*)

**Paw Lu:** Ask a student to read aloud the text about Paw Lu. What do they know about debt problems in their community? Is debt a problem? Why/Why not?

**Foreign Debt:** See the next page.

**'Foreign Debt' and 'The effect of debt on poor countries':** Ask students to read the text. Give them about 10-15 minutes. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

Ask them to look at the two cartoons. What do they think they mean?

**Pairwork**

1. Put students into pairs. Ask them to think of three questions about 'Foreign Debt' and 'The effect of debt on poor countries'. Ask them to write their questions on one piece of paper, and the answers on another piece of paper. Give them 10-15 minutes to do this. Then ask each pair to swap their question paper with another group (but keep the answer paper). Give each pair about 10 minutes to answer the questions of the other pair. Then ask each pair to give their answer sheet back and correct each other's answers.

**Groupwork**

2. Put students into three groups. Give each group one of the statements below, and ask them to discuss among themselves and think of reasons why the statement is fair or unfair. Ask them to write down their reasons. Then ask each group in turn to present their ideas. Elicit the opinion of the class about their ideas. Suggested answers are given in *italics* below each statement.

**Some debts were passed on to poor countries when they achieved independence from colonial rule.**

*During colonial rule, the people had no control over the loans accepted by the government which ruled them, took their natural resources, and imposed foreign economic systems. Therefore, many people argue that it is unfair that they should have to pay for these debts, which often funded projects which stripped their country of natural resources.*

**In some cases, loans were given to dictators or corrupt leaders, and the money was not spent for the benefit of the people (and was often used to oppress them).**

*If loans are not spent to benefit the people of a country, should the people of that country be expected to repay the loan? Many people argue that loans to developing countries were often given irresponsibly, particularly to countries with dictators or corrupt leaders. They argue that the people should not have to repay this money, particularly when it was used by leaders to oppress them. They had no control over its use.*

**Poor countries cannot repay their debts. In 100 years their debt will have increased to around \$13,780,000,000,000. This is \$3.5 million for every person in the developing world.**

*Interest and debt repayments take money away from badly needed hospitals, schools, and infrastructure projects. If these debts can never be repaid, why continue to demand huge debt repayments which prevent the country from developing and cause a lot of suffering?*

**'What can be done' and 'Burma's foreign debt':** Ask students to read the text. Check understanding. Elicit any words that they don't know.

**Pairwork**

3. True or false. Write these statements on the board (but not the answers!). Students must decide if they are true or false. If false, they must provide a correct statement. Finally elicit answers from different pairs and check agreement with the class.

**1. In June 2005 the G8 countries agreed to cancel 7% of the debt of 18 poor countries.**

*Answer: True.*

**2. G8 countries have also agreed to reduce aid to Africa by 2010.**

*Answer: False. G8 countries have agreed to double aid to Africa by 2010*

**3. The World Bank still lends money to Burma.**

*Answer: False. The World Bank stopped lending money to Burma in 1987.*

**4. China, Japan and India have continued to offer loans and debt relief to Burma.**

*Answer: True.*

# 6. Price

## Discussion

1. Can you think of any free goods and services? Why are they free? Put students into groups of 3-5. Give them 5 minutes to discuss and write down ideas. Then elicit an idea from each group and discuss it.

Air is free. This is because it is everywhere, and it is impossible to control the supply of air. Some other resources can also be free. In refugee camps, basic food and water are free for the refugees, supplied by non-governmental organisations (NGOs). In rural communities in some countries, some resources are also free, like water from the rivers and streams, or wood and bamboo from the forest, and wild fruits and animals for food. In richer countries, with 'developed' economies, very few goods and services are free. Nearly everything is bought and sold in the **market**.

In economics, the word '**market**' does not necessarily refer to a place in a village, town or city. It can have many meanings as a place where goods and services are bought and sold:

- a geographic region considered as a place for buying and selling, i.e. the Asian market.
- the buying and selling of a specific commodity, i.e. the banana market (local or international).

## Prices and competition

Ask students to read the text about '**Prices and competition**'. Make sure they understand what 'competition' means. You might want to use football as an example. For instance the English Premier League is a competition between 20 football teams.

Ask students to read the text about each type of competition: Seller vs. Seller, Buyer vs. Buyer, and Seller vs. Buyer.

## Discussion

2. Put the class into groups of 3-5. Ask them whether they can think of any examples from their own community for each type of competition. Why do these kind of competition affect price? Give them 5-10 minutes to discuss and write down ideas. Then elicit ideas from each group in turn and discuss.

**Seller vs. Seller:** two shops that sell similar goods are competing against each other for customers. Each shop tries to offer lower prices than the other to try and attract more customers.

**Buyer vs. Buyer:** often individuals and businesses want the same goods and services. As these goods and services are usually limited, the buyers must compete. Not all buyers will have enough money to buy all goods and services.

**Seller vs. Buyer:** sellers can set any price they want, but buyers can refuse to buy the goods and services if they are too expensive. Therefore sellers and buyers must discuss and agree a fair price.

## Pairwork

3. For the interview activity, put students into pairs. Try to make sure that they don't all interview the same person. Either you can give them each a person to interview from a list that you have already prepared, or you can ask each pair to tell the class who they will interview. If two pairs think of the same person, you can ask one pair to think of somebody else. Ask each pair to briefly present the results of their interview for a class discussion.



# 7. Supply and Demand

**Supply and Demand is one of the most important concepts in economics. Therefore, it is very important that students understand this chapter well.**

Bring a small number (about five) of some kind of snack to the classroom. Hold one up and ask the students, 'Put your hand up if you would like some \_\_\_\_\_?' Probably, all or most of the students will put their hands up. Then say, 'I only have (five) of these, so I can only give them to five people.' Hand the snacks to five students in the class at random. Explain that Demand is the number of people that want goods and services, and how many they want, i.e. every student wants a snack. Then explain that Supply is the amount of goods or services available, i.e. only five in this case.

## Groupwork

1. Put the students into groups of 3-5. Ask them to make two lists. One list of goods and services where demand is greater than supply, and one list of goods and services where supply is greater than demand. The lists should be headed 'Demand greater than Supply', and 'Supply greater than Demand'. Give them 10-15 minutes to discuss and write down ideas. Then elicit one idea from each group in turn for each list and check agreement with the rest of the class.

## Pairwork

2. Put the students into pairs and ask them to read the information on Style Clothes and answer the questions. Give them about 5 minutes. The elicit answers from different pairs and check agreement with the rest of the class.

**a.** There are 200 buyers (Demand) and 40 jackets (Supply). So Demand is greater than Supply. The price of each jacket will probably be high because many buyers are competing to buy few jackets. The shop can ask more money for each jacket because it has lots of customers.

**b.** There are 30 buyers (Demand) and 80 jackets (Supply). So Supply is greater than Demand. The price of each jacket will probably be low because few buyers are competing to buy many jackets. The shop has to lower the price of each jacket because it does not have many buyers.

## On Your Own

3. Ask the student to think about the picture for a few minutes. Then elicit ideas and check agreement with the rest of the class.

The picture shows the relationship between supply and demand. For every good / service in a free economy there is supply and demand. Companies can choose freely which goods / services to offer, and people can choose freely what to buy. However, the supply and demand for a particular good / service is constantly changing. Often, there is not enough supply to satisfy demand, or not enough demand to satisfy supply.

In a free economy, neither supply or demand would win because the two depend on each other. Without demand there would be no supply. Without supply there would be no demand. If nobody wants to buy shoes, then shops will not offer them for sale. If there are never any shoes in the shops, people will not try to buy them.

**Factors Affecting Demand****Groupwork**

1. Before students open their books, put them into groups of 3-5 and ask them whether they can think of factors (things) that affect Demand. Give them 5-10 minutes and then ask each group in turn to give you an idea. Write it on the board and see if the other groups agree.

Pre-teach: *substitute (adj): replacement, alternative.*

**Pairwork**

2. In pairs, ask the students to complete the exercise in their notebooks. First, read through the exercise with the students. Then give them 20-30 minutes to complete the activity. Finally, elicit answers from different pairs and check agreement with the rest of the class.

**Answers:**

**1. The price of mangoes in Mae Sot rises from 20 to 100 baht per kilogram in one week. Does the demand for mangoes rise or fall? Why?**

*Answer: The demand for mangoes will probably fall, because they are more expensive and fewer people can afford to buy them.*

**2. Ma Aye Aye is a teacher in Nupo camp. She loves chocolate, but her salary is small and she can't afford to buy much. One day she is promoted to headteacher, and her salary increases. Does she buy more or less chocolate now? Why?**

*Answer: She probably buys more chocolate because she has more money.*

**3. Myint Thu lives in Mae Sot in Thailand. He has a stall in the market selling sandals. One day another stall in the market starts to sell sandals also. However, the sandals in the other stall are stronger and cheaper than Myint Thu's. After a few weeks, what happens to the demand for Myint Thu's sandals? Why?**

*Answer: The demand for Myint Thu's sandals decreases. Many buyers have discovered that the other stall sells better and cheaper sandals, so they no longer come to Myint Thu's stall.*

**4. Tun Tun lives in Taungoo. He is a farmer. He works on his farm with his wife and his three sons. Most months, Tun Tun spends most of his money on sweets for his grandchildren. In May, he decides to buy rubber boots for the rainy season. Does he spend more or less money on sweets in May? Why?**

*Answer: Tun Tun spends less money on sweets in May because he has already spent much of his money on the rubber boots that he needs.*

**5. Yin Twe has three children. They like bananas. She always buys lots of them at the market. One day her children tell her that they don't like bananas any more, but prefer oranges. What does Yin Twe buy the next time she goes to the market? Why?**

*Answer: The next time she goes to market she buys oranges instead of bananas because this is what her children want.*

**Factors Affecting Supply****Groupwork**

1. Before students open their books, put them into groups of 3-5 and ask them whether they can think of factors (things) that affect Supply. Give them 5-10 minutes and then ask each group in turn to give you an idea. Write it on the board and see if the other groups agree.

**Pairwork**

2. In pairs, ask the students to complete the exercise, in their notebooks. Give them 20-30 minutes to complete the activity. Then elicit answers from different pairs and check agreement with the rest of the class.

**Answers:**

**1. The Win owns a factory in Mandalay making umbrellas. In June, the price of umbrellas rises because the rainy season begins and more people want to buy them. Does The Win decide to supply more or less umbrellas to the market? Why?**

*Answer: The Win decides to supply more umbrellas to the market, because more people want to buy them, so he can make more money.*

**2. Lam Mu lives in Rangoon. She makes two kind of jewelry - cheap bracelets made of silver, and expensive rings made with gold and precious stones. Many people have enough money to buy the bracelets, but only a few people have enough money to buy the rings. Does she make more rings or bracelets? Why?**

*Answer: Lam Mu makes more bracelets than rings because the bracelets are much cheaper than the rings and so more people are able to buy them.*

**3. Mahn Mahn owns a forge near Mawlamyine. He makes iron farming tools. One day he decides to produce spare parts for cars as well, as many of the cars in Mawlamyine are old and need regular repair. What happens to the number of farming tools he produces when he starts making car parts? Why?**

*Answer: When Mahn Mahn starts making car parts, the number of farming tool that he can produce decreases, because he has a limited amount for employees, machines and materials. Therefore the supply of farming tools decreases.*

**4. Ye Min owns a chicken farm in Lashio. She sells eggs and meat from the chickens. Demand for eggs is high, so she decides to buy 25% more chickens and produce more eggs. What happens to the amount of chicken meat she supplies? Why?**

*Answer: Because Ye Min now has more chickens, she will able to produce more chicken meat (as well as more eggs). Therefore the supply of chicken meat will increase.*

**5. Eh Moo Ka Baw lives in a village in Nyaunglebin District . The villagers grow rice on the land near the village. Sometimes, soldiers from the Burmese Army come and destroy the crops or take them away. What happens to the supply of rice in the village? Why?**

*Answer: When the Burmese Army destroys or steals the rice, the supply of rice in the village decreases.*

**Price, Supply and Demand****Pairwork**

1. Put the students into pairs, and ask them to think about what is happening in the two graphs. Give them 5-10 minutes. Then ask if any of the pairs can explain the graph to the class.

*Graph A shows the Demand Curve for oranges. As the price of oranges decreases, more people want to buy them. When the price is 3 baht, only 100 are sold (demanded) but when the price decreases to 2 baht, 400 are sold. So, a decrease in price leads to an increase in demand.*

*Graph B shows the Supply Curve for oranges. As the price of oranges increases, sellers want to sell more so that they can make more money. Therefore, they supply more oranges to the market. If the price is too low, they may restrict supply to try and make the price increase.*

**Advertising and Demand****Discussion**

2. Elicit some famous brand names from the students. If the students can't think of any, then suggest: Dove shampoo, Nivea body creams, Nike, Ovaltine, Chang beer, Milo, Nescafe, Coffeemate, etc.

**Pairwork**

3. Give the students some newspapers and magazines. Give them about 5 minutes to look through them in pairs and then ask each pair to demonstrate one good example of an advert to the class.

**Discussion**

4. Well known brands are often more expensive than other brands because:

- advertising creates more demand because more people know about the product, so the seller can raise the price,*
- advertising persuades people of the higher status and higher value of a particular product, and so they agree to pay more for it,*
- people recognise products which they often see advertised, and so they may trust that product more and agree to pay more for it,*
- advertising is expensive, so businesses raise the price of their products to cover costs.*

Nike wants to put their logo on Ronaldinho's shirt because:

- Ronaldinho is popular with many people around the world, who may copy his clothing habits and so buy Nike products.*
- Nike wants people identify their brand with brilliance and success in sport. They may then buy a Nike product hoping that it will make them play more like Ronaldinho.*
- Ronaldinho is very famous, and pictures of him appear everywhere around the world. If he is wearing Nike products it is good advertising for the Nike brand.*

**Pairwork**

5. Ask students to do a quick advertising survey in their community. Ask them to walk around for about 10-15 minutes and record the adverts they see, which products they are for, and what the advertisement says about the product. Then ask the each pair to do a short presentation in class.

**Pairwork**

6. Ask the students to create a magazine advert for one good or service. They can choose anything they want. They should **not** copy an existing advert, but think of a new idea. Give each pair a piece of paper on which to design their advert. This activity may take a full lesson or more. Get each pair to briefly present their advertisement to the class. Get the class to vote on which one is best (pairs can't vote for their own advert).

# 8. Inflation

## Brainstorm

1. If you can find a balloon, write the word 'Prices' on it. At the beginning of the class blow it up in front of the students. Ask them, 'What is happening to 'Prices'?'

## Discussion

2. Get them to think about rice, cheroots, hats, fruit and vegetables, clothes and shoes.

## Pairwork

3. Give them some time, perhaps 30 minutes, to walk around the local community asking questions to local people (preferably older people who can remember price changes). Ask them to write a short report (half a page maximum) about the answers to their questions. Some questions that you may want to give them to help them?

Have prices increased in the last 5-10 years?

How much have they increased?

Which goods have increased the most?

Which goods have increased the least?

Have the prices of any goods decreased?

Why do you think the prices have increased / decreased?

Get each pair to read their report to the class. What have they found?

Ask students to read the text on inflation (and deflation). Make sure they understand that inflation only exists if the price of **many** goods and services rises.

Then, ask students to read the text on '**Measuring Inflation: The CPI**'.

Ask them to think about what goods and services they would put in the 'basket' for their own community. Make a list.

## On Your Own

4. Explain to the students that they do not need to give exact answers, just approximate ones.

### Answers:

1999 = 99

2000 = 101

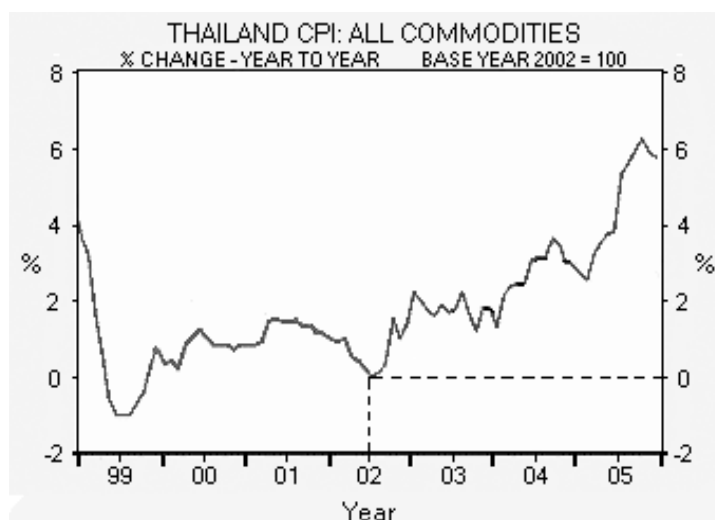
2001 = 101.4

**2002 = 100**

2003 = 101.8

2004 = 102.8

2005 = 104



**Pairwork**

1. Put the students into pairs. Ask them to think about answers to the three questions and write down their ideas. Give them about 15 minutes.

**Answers:**

*Question 1: The price of oranges will rise. There will be more dollars per orange in the economy. Also, oranges will be more scarce so people will be willing to pay more for them.*

*Question 2: The price of oranges will fall. There will be more oranges per dollar. Oranges will be less scarce, so people will want to pay less for them.*

*Question 3: The price of oranges will rise. There will be more dollars per orange than before. People will have more dollars, but there are not more oranges to buy.*

Ask student to read through examples A, B, C and D (on pages 43 and 44) on their own. Give them about 15 minutes. Elicit any words that they don't know. See if the class can guess them. If not, provide a dictionary and ask one student to look up the word and tell the rest of the class.

**Pairwork**

2. Put the students into pairs. Ask them to write down what they think are the cause(s) of inflation in each case. Give them about 20 - 30 minutes. Then elicit ideas from each group.

**A. Aung Kyaw** - *this is an example of inflation caused by too much demand, or too little supply. The market wants more goods and services than can be produced. Therefore, scarcity causes prices to rise.*

**B. Hsa Hsa** - this is an example of how labour unions can push up wages and cause inflation. A labour union is when a group of workers get together to obtain, improve and protect their working rights. As a group they have more power to negotiate with their employers than as individuals. When a labour union negotiates higher wages, employers may increase the prices of their goods/ services so that they don't lose money.

**C. Mazalia** - this is an example of the 'Wage-Price Spiral'. Higher prices force workers to ask for more wages. When their employers give them the wage increase, they then raise their prices to avoid losing money. As a result, the workers ask again for more wages. This can lead to rapid inflation.

**D. Southeast Asia** - this is an example of inflation caused by economic crisis. The value of a currency is linked to other world currencies due to the relationships of trade and investment between countries. If a country suffers an economic crisis, the value of their currency will fall. This is particularly true if the country has borrowed a lot of money from other countries. The fall in the value of a currency will cause inflation - people will need more money to buy the same things.

Pre-teach: **pension (noun)**: *income paid to people after they retire, by governments or from private funds.*

Ask students to read through the five examples on pages 44 and 45. Give them about 20 minutes. Elicit any words that they don't know. See if the class can guess them. If not, provide a dictionary and ask one student to look up the word and tell the rest of the class.

**Turn to the next page in the Teacher's Guide**



**Pairwork**

1. Put students into pairs and ask them to decide the effects of inflation in each scenario. Emphasise that they can cross more than one box for each scenario if they wish.

Give them 15 - 20 minutes and then elicit answers from each pair and check agreement with the rest of the class. Ask them to give reasons for their decisions.

Here are the answers:

**High Inflation often means that...**

1. ...people do not want to save their money.
2. ...foreign companies can sell goods/services more easily.
3. ...people don't buy so many things.
4. ...companies find it difficult to sell goods/services locally.
5. ...more people lose their jobs.
6. ...companies find it difficult to sell goods/services internationally.
7. ...people do not have so much money to invest in business.
8. ...people can't buy so much with their income (wages/pension, etc).
9. ...people borrow more money than usual.
10. ...everybody gets richer.
11. ...people store value in commodities (e.g. gold), not in money.

	Scenario				
	1	2	3	4	5
	X	□	□	X	□
	□	□	□	□	X
	□	X	□	□	□
	□	X	X	X	□
	□	□	X	□	X
	□	□	□	□	X
	□	□	□	X	□
	□	X	□	□	□
	□	□	X	□	□
	□	□	□	□	□
	X	X	□	X	□

Ask students to read the text about '**Hyperinflation in Yugoslavia, 1993-1995**'. Give them about 10-15 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**On Your Own**

1. Give students about 20 minutes to answer the questions in their books. Then, put them in pairs and get them to compare their answers. Do they agree? Finally, elicit answers from individual students and check agreement with the class. Here are some example answers.

- 1. Why was there such a big black market in Yugoslavia in 1993?**  
*The black market was so big because the shops, controlled by the government, had very few goods in them due to the government's financial problems.*
- 2. What problems did the high price of petrol create?**  
*Many people could not afford to drive, the government was not able to give the farmers any fuel at harvest time, and only 40% of public buses could operate.*
- 3. How did the government try to control inflation? What happened?**  
*The government tried to control inflation by controlling prices. Producers stopped producing goods because they couldn't make any money.*
- 4. Why did many businesses refuse to accept the Yugoslavian Dinar at this time?**  
*Because it was losing value so quickly.*

**Inflation in Burma****Groupwork**

1. Put the students into groups of 3-5. Ask them to think of similarities and differences between the situation in Yugoslavia in 1993 and in Burma today. Then elicit ideas from individual students for a class discussion. Below are some ideas to prompt student with if necessary:

**State Control:** The SPDC exercises control over the prices of some commodities, particularly important ones like rice and petrol. They also exercise control over imports. However, there are many more private shops in Burma where prices are usually free from government control.

**Black Market:** The black market in Burma is huge, perhaps twice as large as the 'official' economy. This is due to problems of supply in Burma linked to economic mismanagement, strict import controls, and sanctions.

**Public Transport:** Public transport in Burma is becoming increasingly expensive, linked primarily to the rise in petrol prices. It is becoming more difficult for private transport operators to make a profit.

**People's ability to buy basic goods and services:** Prices in Burma are rising fast. The poorest people now have difficulty affording even the cheapest rice.

**Discussion**

2. The figures on this graph are an estimate. It is possible that inflation could be much higher.

Ask students to read the text about '**Inflation Indicators**'. Give them about 10 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if the students can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

3. In pairs, ask students to think of three comprehension questions about the text on 'Inflation indicators'. Ask them to write the questions and answers on separate pieces of paper. Give them 10-15 minutes to do this. Then ask each pair to swap their questions with another pair, and answer the other pair's questions. Give them about 10 minutes to do this. Finally, ask each pairs to give back their answers to each other and mark them.

**Pairwork**

4. In pairs, students find and interview at least three people who recently came from Burma (within the last 12 months). They should ask them about the economic situation, particularly prices/inflation. Ask them to prepare a 2-3 minute presentation (with graphics if possible) summarising the information that they obtained.

# 9. Tax

## Groupwork

1. Mind-map. In groups of 3-5, ask the students to create mind-maps about tax, without looking at their books. Give them 10 minutes. Then ask students to present their mind-maps to the class, explaining why they have included these words.

Write the following questions on the board:

If SPDC soldiers come to your village and take some chickens and pigs without villagers' permission, can this be called tax? Why / Why not?

Elicit opinions from individual students and check agreement with the rest of the class.

Pre-teach: **extortion (noun):** using authority and threats to take money from people; **non-legitimate (adj):** not lawful; **essential (adj):** absolutely necessary.

Ask students to open their books. Ask one student to read aloud the first two paragraphs about tax.

## Discussion

2. How about tax and extortion in Burma? Do you think a military regime has the right to ask for tax if the people cannot control how they spend it? Elicit opinions from students about tax in Burma. The information below may help you to guide the discussion.

*Tax is the money that national and local governments require their citizens to pay. It is usually spent to maintain and improve the various services that the governments provide. Tax rates (levels) are established by national and local governments. In democratic countries, elections determine the tax policy accepted by the people, and laws enforce and monitor it. In many countries, there are strict controls about the collection of tax. The government controls who collects the tax and how much, to protect the people from unauthorised tax collection. Laws also decide what the money can be spent on.*

*In some countries extortion is common. Extortion is the unlawful demanding of money, goods or services from people by individuals, group or governments. Extortion is usually achieved through threats, or actual violence, against people and/or their property. Although the people carrying out the extortion may be representatives of a governing group (elected or unelected), they have no right to demand more than what is established by law. It can be argued that illegitimate (unelected) governments do not collect tax, but practice extortion. They demand money from the people, but do not give them the opportunity to decide how much they should pay, or what the money should be spent on.*

Ask the students to read to themselves the section on Direct and Indirect Taxes. Give them 5 minutes. Ask if there are any questions.

## Discussion

3. Ask the students about taxation and extortion in their community. If they don't pay any tax, why not?

### **Fairness of Income Tax.**

Ask students to read about each kind of taxation. Discuss in the class.

**On Your Own**

1. Ask the students to decide which graph is showing which kind of income taxation (progressive, proportional or regressive). They should use the description they read on the previous page to help them decide. Give them 5-10 minutes. When they have made their choices, put them into groups and see if they have all got the same answers. If not, they should discuss among themselves until they all agree on the answers. Elicit answers for each graph from different groups and check agreement with the rest of the class.

Answers:

1. **Proportional** - everyone pays the same percentage of their monthly income
2. **Progressive** - the higher a person's monthly income, the higher the percentage they pay in tax.
3. **Regressive** - the higher a person's month income, the lower the percentage they pay in tax.

Pre-teach: **income (noun):** *the money that people receive from their salary and other investments.*

**Pairwork**

1. Put the students into pairs. Ask them to read the conversations between the three sets of pairs and decide which system of **income tax** each pair is talking about. Also ask them to decide which person in each conversation they agree with. Give them 10-15 minutes. When they have finished, put the pairs into groups of four people and ask them to compare their answers. Do they agree?

Then, ask a different pair to give you an answer for each of the three conversations. Ask them why they have chosen that answer, and check agreement with the rest of the class.

Answers:

Pair 1: **Progressive**

Pair 2: **Proportional**

Pair 3: **Regressive**

Finally, ask every student to raise their hand and vote on whether they agree with the first or the second person in each conversation. Ask one or two students why they agree with that person in each case.

**Groupwork**

2. Put the students into groups of 3-5. Explain that each group are the leaders of a different political party in a democratic Burma (they need to choose a name for their party). They are preparing for an election in a few months, and must decide on their party's income tax policy. They need to choose either Progressive, Proportional or Regressive taxation, and be able to explain clearly why they have chosen that policy. Everyone in the group needs to agree on the policy. If they do not agree, the members of that group should vote among themselves and the policy that receives the most votes wins. Explain that they must prepare a short presentation (2-3 minutes) to explain to the rest of the class why they have made that choice. Make sure that they understand that there is no 'right answer'. This is about opinions. Give them 20 minutes or so to complete this.

Ask each group to make a presentation to the class, explaining which tax policy they have chosen, and why. Once each group has made a presentation, ask the students to vote individually (by raising their hand) on which group they would vote for (they cannot vote for their own group), based on how well they persuaded the class in their presentation. For instance, you can ask, 'Raise your hand now to vote for Group 1!'. Record the number of votes for each group, and congratulate the winners.

Ask the students vote individually (by raising their hand) on which system of income tax they think is the fairest, Progressive, Proportional or Regressive. Write the number of votes for each system on the board.

**Discussion** 1. Do you know what a 'black market' is? Can you guess? Elicit ideas from individual students and check agreement with the rest of the class.

**Black Markets.** Ask students to read the text on '**Black Markets**'.

**Groupwork** 2. In groups of 3-5, ask the students about black markets in their communities. What kinds of goods / services are sold in it, and why? Ask them to make a list of these goods / services. Also ask them if they can think of other goods that are often sold in black markets around the world, and why. Give them about 10-15 minutes. Then elicit one idea from each group in turn and check agreement with the rest of the class. Here is a list of items that are traded in black markets around the world:

*Labour (illegal / untaxed work), Money (i.e selling kyat at the unofficial exchange rate), Illegal Drugs, Weapons, Cigarettes, Alcohol, Fake perfume, Fake branded clothing (ie.fake Nike, Adidas etc.)*

Ask the students what they think the cartoon is about.

*Answer: It refers to the black market trade in human organs. Some people in poor countries illegally sell their organs (i.e. kidneys) to people in richer countries who need them. Some people also steal organs from dead bodies to sell to hospitals and individuals for transplants.*

Pre-teach: **restriction (noun):** limitation; **fake (adj):** not real, original, authentic; **incentive (noun):** a motivation or encouragement to do something.

Ask students to read the next two paragraphs of text. Check understanding.

**Pairwork** 3. In pairs, ask students to draw up a list of things that they think are sold most widely on black markets around the world. Give them 5-10 minutes. Then, elicit one idea from each pair in turn, ask them why they think that it is sold on the black market. Write their ideas on the board and check agreement with the rest of the class. The information below will help you.

Some economists estimate that the global black market is worth about US\$990 billion. The different categories include:

**Counterfeit and piracy (US\$522 billion):** alcohol, clothing & shoes, books, cigarettes, cosmetics, money, pharmaceutical drugs, CD & DVD (music & film), passports, watches, software, toys.

**Drugs (US\$322 billion):** marijuana, amphetamines, cocaine, heroin, ecstasy.

**Environmental goods (US\$56 billion):** animals & wildlife trafficking, illegal fishing, gas & oil smuggling, illegal logging, diamond smuggling.

**Humans (US\$44 billion):** human trafficking & smuggling, illegal adoption, human organs & body parts, prostitution.

**Consumer Products (US\$37 billion):** art & antique smuggling, cigarette smuggling.

**Weapons (US\$10 billion):** arms trafficking, illegal sales of nuclear and radioactive materials.

Ask a student to read aloud the fourth paragraph about supply and demand.

**The Burma-Thailand Black Market.** Ask students to read the paragraph.

**Discussion** 4. Give students a few minutes to think about these questions. Elicit ideas from individual students and discuss.

# 10. Production

## Brainstorm

1. Before the students open their books, ask the question: 'What do you need to produce a cotton shirt?'. See if they can guess all the things needed. Write their answers on the board. Prompt the items above if they have not guessed them.

### Answers:

- Cotton and other materials (Land)
- Some ground to put a factory on (Land)
- People to work in the factory (Labour)
- Money to buy the materials (Capital)
- The factory building and the machines (Capital)
- A businessman and a team of managers to organise the production of the shirt (Enterprise)

Then, ask the students to open their books. Ask students to read through the introductory text about Production. Check understanding.

Then draw a table on the board with 4 columns, labelled 'Land', 'Labour', 'Capital', and 'Enterprise'. Put the student into pairs and ask them to decide which columns the things needed to produce the cotton shirt should go in:

LAND	LABOUR	CAPITAL	ENTERPRISE
Cotton and other materials	People to work in the factory		

Give them about 5 minutes to do this. Then elicit one answer in turn from different pairs and check agreement with the rest of the class.

Repeat this activity with other objects, perhaps a cup, or a book, some coffee, until they understand it clearly.

## 1. Land

Ask students to read the text about '**Land**'. Make sure they understand that, in economics, land means ALL NATURAL RESOURCES.

## Pairwork

2. In pairs, give them 5 minutes to make a list about 'land' in their community. Elicit ideas from each pair in turn and write answers on the board.

**Ownership of Land (Natural Resources).** Ask students to read the first two paragraphs. Check that they understand what ownership means. Then, ask a different student to read aloud one of the three different types of ownership.

## Groupwork

3. Put students into groups of 3-5. Ask them to try and think of examples of the three different types of ownership in their community. Give them 5 minutes. Elicit one answer from each group in turn and check agreement with the rest of the class.



**Problems of land ownership****Groupwork**

1. Divide the students into three groups. Give each group a different kind of land ownership to discuss: private, public or collective. Tell them to read the examples about Mazalia carefully. Give them 10 minutes to discuss it and write down their ideas. Ask each group to present their ideas to the class. (You may also want to ask them to think of advantages as well as disadvantages of different kinds of ownership.)

Disadvantages of different kinds of land ownership:

**Private ownership** - Everybody needs to use land (natural resources) to survive. If too much land is privately owned by a small number of people, then it can be difficult for other people to get access to natural resources. The owner might refuse to allow them to use the land, or charge them a very high price. (Blue Village)

**Public ownership** - Governments don't always act in the interests of the people, particularly in non-democratic countries. If the government owns most of the natural resources, there is a risk that they will be used for the benefit of the government and its friends only, and not the people. (Green Village)

**Collective ownership** - If everybody in a community has equal ownership of natural resources, it can be difficult to get everyone to agree on how they should be used. (Red Village)

**Fighting for agricultural land rights in Brazil**

Pre-teach:

**colonise (verb):** to take over, populate and rule an area of land.

**landless (adjective):** without land.

**inequality (noun):** not being equal.

**occupy (verb):** to enter and take control of a place.

**constitution (noun):** the basic principles and laws of a nation.

**to cultivate (verb):** to grow.

**slave (noun):** a person who is owned by another person, and usually used for labour.

**condemn (verb):** to say that something is wrong.

Ask students to read the text on this page and the next page. Give them about 10 minutes. They should write down any words that they don't know.

Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**On Your Own**

1. Write the questions (but not the answers!) on the board. Give students about 15-20 minutes to answer them in their notebooks. Then put them into pairs and ask them to compare answers. Do they agree? Finally, elicit answers from individual students and check agreement with the rest of the class.

**1. What is the main system of land ownership in Brazil?**

*Answer: The main system of land ownership in Brazil is private ownership.*

**2. How did MST start fighting for their land rights in 1985?**

*Answer: They started fighting for their land rights in 1985 by occupying a large unused farm in the South of Brazil.*

**3. What system of land ownership are MST using?**

*Answer: MST are using the collective system of land ownership.*

**4. What is sharecropping? Why are MST against it?**

*Answer: Sharecropping is when landowners let farmers use their land, in return for a share of the crop. MST are against it because they say it only helps the rich people and that the sharecroppers are almost like slaves.*

**5. When MST occupy land, they call it 'cutting the wire'. What do they mean?**

*Answer: They mean that they are changing the ownership of the land from private to collective.*

**Discussion**

2. Brainstorm the main kinds of land (natural resources) in the students' community. Write their answers on the board. For each one ask the students whether they are owned publicly, privately or collectively (the answer might be one or more of these). Then ask if they know about any problems about ownership of these resources. Useful questions: Is it difficult for everyone to get access to enough natural resources? Why/Why not? Who owns them? Are there any laws to control access to natural resources? Are they good laws?

**Groupwork**

3. Land reform in the community. Put the students into groups of 3-5 people. Give them 15-20 minutes (more if necessary) to think about these issues, write down their ideas, and make a presentation poster (if possible). Then ask each group to present their ideas to the class. Try to ensure that every student in each group participates in the presentation. When all the groups have finished, discuss which ideas the class thought were the best, and why.

### The Asian Highway

Pre-teach: **appropriation (noun):** to take something illegally and without payment.

**Pairwork**

4. True or false. Write the statements below on the board (but not the answers!). In pairs, ask the students to decide if the following statements are true or false. If they are false, they must provide a correct statement.

**1. The Asian Highway is supported by UNESCAP.**

*Answer: True.*

**2. UNESCAP is not helping Burma build their section of the Asian Highway.**

*Answer: False. UNESCAP is seeking funding for three road improvement projects in Burma.*

**3. Burma's Asian Highway has not involved the appropriation of land.**

*Answer: False. The government appropriated rice fields in Thaton and Pa'an. This land was used without the permission of the villages.*

## 2. LABOUR

**Brainstorm**

1. Brainstorm jobs in the school. Make two columns on the board, Paid and Unpaid, and put each job into the appropriate column. Ask students why they think that some jobs are paid, but others unpaid. (You could also get the students to walk around their community in pairs, spot different kinds of labour, and write a list).

**On Your Own**

2. The pictures show the following kinds of labour:

- a. women making cheroots in a factory
- b. a man harvesting rice
- c. a woman looking after her child
- d. men tending machines in a modern factory

**Ko Shwe & Naw Berry.** Ask one of the students to read the text aloud to the rest of the class. Then ask student to read it on their own.

**Discussion**

3. Put the students into groups of 3-5. Have them discuss the questions about Ko Shwe and Naw Berry among themselves and write down their ideas. Then lead a discussion by eliciting opinions from different students.

Ko Shwe's labour is paid, but Naw Berry's labour is unpaid. Why? Is Ko Shwe's labour more valuable than Naw Berry's? Does Ko Shwe work harder than Naw Berry?

In most societies, parents who raise their children and manage a household are not paid for this work. The home is the private family space and family members are expected to manage it without expecting any payment because this work is purely for their own benefit. However, in many societies, it is women who are seen as the 'natural' and 'traditional' homemakers and childcarers, and therefore do most of the work that occurs in the home. In some cases, they do not have any opportunity to work outside the home and earn money for themselves. In other cases they do paid work outside the home, but are expected to do the major share of the work in the home too (this is called the 'double burden'). In these cases, the paid work that men do outside the home is usually considered to be the most important, while the paid work that women do is seen as 'secondary'. Therefore, women are mainly defined by the work that they do within the home, for which they are not paid. This raises important questions about equal opportunities between men and women, the control of women's access to the economic arena, and the control that women have over their own lives.

### Labour Segregation

Pre-teach: **to segregate (noun):** to divide, to separate; **to specialise:** to focus on a small number of tasks.

Ask students to read the text about '**Labour Segregation**'.

**Groupwork**

4. Put students into groups of 3-5. Ask them to identify three types of labour in their community. Is it paid or unpaid? Do both men and women do this kind of labour? If so, who does more, men or women? Is it segregated in other ways (ethnicity, wealth, age, social status, etc.)? Give them 10 mins to discuss and write ideas. Then ask each group to present ideas to the class.

**Labour specialisation**

Pre-teach: **intensive agriculture (adj)**: production of a lot of food from a small area of land using farm machinery and chemical fertilisers; **specialisation (noun)**: focusing on a small number of tasks which one becomes very good at.

Ask students to read the text. Give them about 5 minutes. They should write down any words that they don't know. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

1. Put the students into pairs and ask them to think about what kinds of labour specialisation exist in their community. Give them 5-10 minute to discuss and write down their ideas. Then, elicit one idea from each pair and check agreement with the class.

**3. CAPITAL**

Make sure that the students understand that capital includes **money** and **tools**. Both are used to produce things. Without money you cannot buy the materials needed for production. Without tools it is difficult, or even impossible, to produce many things.

**a. Money capital**

Ask students to read the text about '**Money capital**'.

**Pairwork**

2. **Nang Htay**. Ask students to read the paragraph about Nang Htay. Then, in pairs ask them to answer the questions.

Pre-teach: **profit (noun)**: money made from sales after all expenses (stock/goods, building rent, salaries, etc.).

**a. How much money capital has Nang Htay used to open her shop?**

Answer:  $25,000 + 3,000 = 28,000$  baht

**b. How much profit does she make each month?**

$12,000$  (monthly sales) -  $4,000$  (new stock) -  $5,000$  (salary) -  $2,000$  (transport, maintenance, taxes) =  $1,000$  baht profit.

**c. How long will it take her to repay her investment (money capital) with her profits?**

It will take Nang Htay 28 months to repay her money capital investment with her monthly profits ( $1000$  baht profit per month  $\times$  28 months =  $28,000$  baht).

**Capital Goods**. Ask a student to read aloud the text about capital goods. What capital goods can they see in the picture?

Answer: *buffalo and plough*

**Groupwork**

3. Put the students into groups and ask them to brainstorm a list of money and capital goods used in their school. Give them 5-10 minutes then elicit ideas from each group in turn.

**Money capital**: funding from an Education Department, or NGO.

**Capital goods**: buildings, whiteboards, chairs, tables, notebooks, textbooks, pens, computers, musical instruments, sports equipment...

## 4. ENTERPRISE

### Different kinds of enterprise

Ask students to read the text about the different kinds of enterprise. Give them about 10 minutes. They should write down any words that they don't know. Elicit these words. Ask if they can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

1. Write the following descriptions on pieces of paper, and put them in different places around the classroom.

A. Chadchai drives a government bus between Mae Sot and Tak in Thailand. He has worked for the national bus company for thirty years. His wife works with him in the bus as a steward, making sure the passengers are comfortable. Chadchai will retire in two years. He is looking forward to receiving his government pension and going to live in his home village near Chiang Rai.

B. Felipe is Brazilian. He lives in a village in the Mogiana region of Brazil. His family are farmers. They grow and sell coffee. The farmers in the village share the land so that they can grow the coffee well. They decide together each year on the different kinds of coffee to grow, and everybody helps to work on the land. The village sells its coffee directly to a non-governmental organisation which gives them a good price for it.

C. Kim lives in Seoul, South Korea. His family run a printing business. They employ about 30 people. Many members of his family work in the press. Kim's father is the manager of the business, though many members of the family have invested money in it. They have three offices in different parts of the city. Kim works as a manager of one of the offices.

D. Sanjiv lives in Delhi in India. He works with his brother Rajiv. Together they own a rickshaw. A rickshaw is a kind of bicycle with a seat in the back for passengers to sit in. They drive the rickshaw around the city, picking people up and taking them where they want to go. Sanjiv works from six o'clock in the morning until two o'clock in the afternoon. Then Rajiv works from three o'clock in the afternoon until midnight. It's hard work and they don't earn a lot of money.

E. Jorge is Spanish. He works for a German company that develops computer software. He is based in London, but the company has offices in 26 countries around the world. The company employs about 12,000 people. Jorge manages a team of forty people in five different countries. His team develops software to help run factories.

In pairs, ask students to go around the room, read the descriptions, and decide what kind of enterprise each person works for. Give them about 15 - 20 minutes. Then elicit one answer from each pair in turn and check agreement with the rest of the class.

**Answers:**     *A - State company, B - Cooperative, C - Local company, D - Small business  
E - Corporation.*

**Discussion**

2. Which kinds of enterprises exist in your community? Put students into groups of 3-5 and ask them to discuss and write down ideas. Then elicit ideas from each group in turn.

Guide the students through the 'Production of Paper'. Make sure that they understand each part.

**Pairwork**

1. Ask the students to get into pairs and design a poster about the production of a particular good (not paper!) or service, showing the kinds of land, labour, capital and enterprise used. They can use the 'Production of Paper' model as a guide, but you should emphasise that you are looking for original and creative ideas. Give them about 30 minutes to design the poster.

Then ask each pair to present their poster to the class. After each presentation, ask the class whether they think the pair have forgotten anything, and whether the items are listed under the correct categories. Finally, when all the pairs have finished, have a vote on which poster was the best. Pairs cannot vote for themselves.

**Groupwork**

2. Put students into groups of 3-5. Ask them to decide on two goods that are produced in their community. Monitor the groups to check that they are not all choosing the same goods. Then give each group about 10-15 minutes to identify the land, labour, capital and enterprise required in the production of each of their goods. When they have finished ask each group to present briefly to the class and discuss where necessary.

# 11. Employment, Working Conditions & Labour Unions

## Brainstorm

1. Ask the students why they think people work. Write their ideas on the board. If they get stuck, here are some suggestions:

- Work is a necessity. Having a job means that we can earn money (wages, income) that we need to buy things.
- Work can bring self-confidence and status in a society.
- Work can stop people being bored, and is a way to meet new people.
- Work can bring pleasure and satisfaction.
- Work helps people to be independent. They can support themselves and their family.

## Discussion

2. Does everybody want to work? There may be different reasons why people don't have to work:

- Study - students may not want to work because they want to focus on their studies
- Illness - physical or mental illness may mean that it is difficult for people to work
- Unpleasant jobs - if people can only find unpleasant jobs, they may not want to do them
- Don't need the money - some people who are very rich don't need or want to work
- Laziness!
- Caring for children is **not** included here as it is work (usually unpaid)

## Labour & Unemployment

Pre-teach: *to negotiate (verb): to discuss a disagreement in order to reach an agreement.*

Ask a student to read aloud the paragraph about labour. Check that they understand what **labour**, **labour market** and **labour force** mean.

Ask a student to read aloud the paragraph about unemployment, the text about 'Thet Aung', and the text about 'employer' and 'employee'. Make sure that the students understand that unemployment is not just about a lack of jobs. **Skills** are also important to consider. For instance, there may be many jobs available in a place, but the people do not have the right skills for those jobs, and so they can't get the jobs.

**Sai Serdai and Nang Far.** Sai Serdai is the **employee**, and Nang Far is the **employer**.

## Brainstorm

3. Write two columns on the board: 'Paid' and 'Unpaid'. Elicit ideas from the students about the kinds of jobs in the community.

## Discussion

4. Unemployment in your community. Put students into groups of 3-5. Ask them to think and write down ideas for about 5 minutes. Then elicit one idea from each group in turn and check agreement with the rest of the class. Unemployment can be caused by many things, including:

- lack of skills among the people
- lack of businesses looking to employ people
- economic problems meaning that businesses are having to close or lose employees
- transport problems meaning that people are unable to travel to find work

Pre-teach: **wages (noun):** salary, income, pay.

**Discussion**

1. Ask the students to think about these questions for a few minutes. Then elicit answers and check agreement with the rest of the class.

**Labour Supply & Demand**

Pre-teach: **to shrink (verb):** to get smaller; **to lay off (verb):** to ask workers to leave their jobs

Ask students to read the text. Give them about 5 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Discussion**

2. Put students into groups 3-5 and ask them to think about this for 5 minutes. You might want to prompt them by writing things like age, wages, conditions etc. on the board. Give them about 5 minutes. Then elicit ideas from each group in turn and check agreement with the rest of the class.

Pre-teach:

**discrimination (noun):** denying someone equal treatment on the basis of age, skin colour, nationality, religion, or gender.

**exploitation (noun):** to make use of someone's labour unfairly, sometimes through force.

Ask the students to read the paragraph about '**Labour Law**'. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Discussion**

3. Ask the students what the picture on the right of the text is trying to say.

This picture is about child labour. The child in the picture is working hard to make footballs. In his mind he is thinking of playing football, but because he has to work so hard he never has time to play. In many poor countries around the world children have to work, even when it is against the laws of that country. They often have to work very long hours every day for very low wages. They often cannot go to school because they have to work, and have little time to play. They do not know their rights, if they have any, and are vulnerable to many kinds of exploitation in the workplace. Unfortunately many families in poor countries have little choice but to send their children to work. Often they don't have enough money for their food and schooling, and the government cannot or does not help them.

Ask the students if there is any child labour in their community.

**Groupwork**

4. Put students into groups of 3-5. As employees of the Labour Ministry of a democratic Burma, explain that you want each group to write 5 statements about who should be allowed to work, who should not, and what kind of work they should be allowed to do. Give them about 15 minutes. For instance:

- Children under 16 should not be allowed to work in factories.
- Women should not be allowed to work in the army.

Elicit one idea from each group in turn and check agreement with the class.



**Burmese migrant workers in Mae Sot**

Pre teach: **to fire (verb)**: to dismiss someone from their job; **severely (adverb)**: badly; **to protest (verb)**: to argue against, object; **unprecedented (adj)**: something which has never happened before; **activist (noun)**: a person who uses direct action to try to change things; **back-breaking (adj)**: very difficult, physically exhausting.

Ask students to read the text. Give them about 10 minutes. Then elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**On Your Own**

1. Write the questions below on the board (but not the answers!). Give them about 20 minutes to write their answers. Then put them into pairs and ask them to compare answers and agree. Then elicit one answer in turn from a different pair and check agreement with the rest of the class.

**a. Why were Burmese workers fired from the Nut Knitting Factory?**

*Answer: They were fired because they demanded better working conditions.*

**b. What happened to the workers when they protested against unfair treatment?**

*Answer: They were severely beaten by gangs linked to the company.*

**c. Why didn't the workers believe they could win the court case?**

*Answer: Because it was the first-ever legal case brought by Burmese workers in Thai courts.*

**d. Why couldn't the workers find employment in other factories during the court case?**

*Answer: Other factories wouldn't employ them because they were seen to be 'troublemakers'.*

**e. Why was the victory so important?**

*Answer: Because it will encourage other workers to fight for their rights in the Thai labour courts.*

**f. What kind of jobs do Burmese migrant workers often have to do in Thailand?**

*Answer: Burmese migrant workers often have to do dirty, dangerous, back-breaking jobs.*

**Groupwork**

2. Put the students into groups and ask them to think about the questions below, and write down their ideas.

**Why are Burmese migrant workers usually treated worse than Thai workers in Thailand?**

*As they are not Thai citizens, Burmese migrant workers in Thailand have fewer rights than Thais, and the rights they do have are rarely enforced by the legal system. For instance, the legal minimum wage in Tak Province is 139 baht per day, with 25 baht per hour for overtime. However, research shows that most Burmese workers in the province receive around 55 baht per day, with 7 baht per hour overtime.*

**What are the economic advantages for Thai employers who treat Burmese migrant workers unfairly?**

*By paying Burmese workers less, Thai employers are able to produce goods and services more cheaply, and therefore be more competitive in the market, and make more profit. Thai businesses are often competing with other low-wage economies in South East Asia, such as China, Cambodia, Vietnam and Laos. Thai employers are aware that the Thai legal system will not systematically enforce the rights of Burmese migrant workers.*

**What do you think are the best ways to change the situation?**

*Many Burmese migrant workers are pleased to have jobs in Thailand, despite the low wages. This is because there is very little employment in Burma, and the wages are even lower there. They usually only protest at their treatment if their employers refuse to pay them anything at all. Furthermore, if Thai employers are forced to pay the legal minimum wage to Burmese migrant workers, it might cause businesses to close, and workers to lose their jobs. Therefore, the employment situation between Burmese workers and Thai employers is a delicate balance, and changes probably need to be gradual and carefully considered.*

**Working Conditions**

Pre-teach: *to maximise (verb): to make as big as possible*

Ask students to read the text about '**Working Conditions**'. Give them about 5 minutes. Then elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**Discussion**

1. Ask the students to imagine what bad working conditions are. Give them a few minutes to think and then elicit suggestions. If they are not sure, prompt them with questions like:

- What about if you have to work for 12 hours without a break?
- What about if you have to work with dangerous equipment without protection?

**Labour Unions**

Ask students to read the text about '**Labour Unions**'. Give them 2-3 minutes. Then elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**Pairwork**

2. True or false. Write the statements below (but not the answers!) on the board. In pairs, students must decide which statements are true, and which are false. If they think a statement is false, they must provide a correct statement.

**a. Some employers will try to save money by providing poor working conditions.**

*Answer: True*

**b. A labour union helps employers to improve and protect working rights and conditions.**

*Answer: False. A labour union helps workers to improve and protect working rights and conditions.*

**c. A strike is when employers refuse to allow workers to work.**

*Answer: False. A strike is when workers refuse to work for the employer.*

**The Bryant & May Matchgirls Strike, London, England**

Pre-teach: *pus, boycott, dispute, publicity, inspire, and formation* (definitions in the Glossary at the back of the module).

Ask students to read the text. Give them about 15 minutes. Then elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary, or tell them the meaning.

**On Your Own**

3. Ask students to answer the questions below in their notebooks. Then ask them to compare answers in pairs. Elicit answers and check agreement with the class.

**1. What was the system of fines used in the Bryant & May factory?**

*Answer: Workers were fined if they talked, dropped matches or went to the toilet without permission. If they arrived late to work, they were fined half a day's pay.*

**2. Why did 1400 women at the factory go on strike?**

*Answer: They went on strike because their co-workers were fired for refusing to sign a statement that they were happy with the working conditions.*

**3. What did Annie Besant and other journalists call for in their newspapers?**

*Answer: They called for a boycott of Bryant & May matches.*

**4. Why was the Matchgirls strike so important?**

*Answer: It was so important because it was the first strike by unorganised workers to gain national publicity, and helped to inspire the formation of unions all over the country.*

# 12. Oil

**Discussion** 1. Elicit ideas from the students about each question for a few minutes. Then ask one student to read aloud the paragraph 'What is oil?'. Explain that oil formation takes millions of years.

**Pairwork** 2. Put the students into pairs. Ask each pair to spend 5 minutes making a list of things that they think are made of oil. Then elicit ideas from each pair.

**Brainstorm** 3. Elicit suggestions about things that use oil as a fuel. Here are some ideas:

*motorbikes cars trucks buses trains ships aeroplanes generators  
factories power stations heating systems agricultural machines*

**On Your Own** 4. Give the students a few minutes to think. Then, elicit possible answers from the students, checking whether the rest of the class agrees.

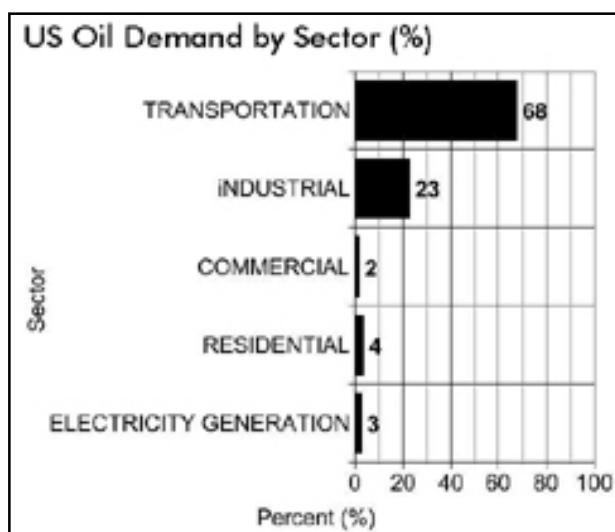
The answers are as follows:

**A** = Coal  
**B** = Oil  
**C** = Natural Gas

Ask a student to read the paragraph 'What is oil used for?' Check understanding.

**Discussion** 5. Elicit ideas from students. Then ask a student to read aloud the paragraph on 'Oil Consumption'. Check understanding.

**Pairwork** 6. Put the students into pairs. Give them about 5 minutes to guess the order of the sectors, from highest to lowest, and the percentage of oil used by each sector. Then draw the graph below on the board WITHOUT the information included. Get one pair to come up and add their answers to the graph. Then ask another pair if they agree, and to change the graph if not. Finally, give them the correct answers.



Elicit ideas from students about why the US uses so much oil for transport.

Most goods in the US are transported by road and air, which use a lot of oil. The railway system, which uses much less oil, is not as developed as many other countries. The US is a large country, so people often have to travel long distances. The US has a very high number of cars and trucks, with about 240 million registered in 2004, nearly one for every US citizen. Compare this with China, which has 27m vehicles and a population of about 1.3 billion.

Pre-teach: *demonstration, activist, compensation, slums, nationalise, totalitarian.* (Definitions in the Glossary at the back of the module)

**On Your Own****Pairwork**

1. Read the text below 3 times. The first time, all the way through, and the second and third times pausing between each paragraph. Ask students to **summarise the main points**. They should NOT just copy what they hear. Correct grammar is not important. Then ask them to compare their work in pairs. Finally, elicit one main point from each pair in turn.

**Access to oil**

All countries worry about oil supply, particularly countries that consume a lot of oil. If they cannot get the oil they need, they will have serious problems. Oil **shortages** would affect energy generation, transport, manufacturing and cause widespread economic damage.

Many people argue that the US, the world's largest oil consumer, has used its political, economic, and military strength to control the world's oil supply. Many of the actions of the US have been **condemned** by some international groups as undemocratic and unlawful. The US is willing to tolerate, and even support, dictatorships to obtain oil.

For instance Saudi Arabia, the world's largest oil producer, is not democratic. Political opponents of the government face regular **harrassment**. Serious abuses of human rights by the government, including torture, are often reported. Nevertheless the US continues to support the government publicly, and sell the regime large amounts of weapons.

Oil companies have also been **criticised**. A lot of oil is owned by non-democratic and/or corrupt countries with bad human and environmental rights records. Many oil companies work closely with them to extract oil, giving them some **legitimacy** and money from oil sales.

**Groupwork**

2. **Oil, economics and power.** Put students into teams and give them 20 minutes or so to discuss and write ideas. Then elicit ideas in a class discussion.

1. Many people say that the real reason that the US and UK invaded Iraq was not about Saddam Hussein and 'weapons of mass destruction', but about oil. Iraq is a major oil producer. Saddam Hussein's actions increased instability in the Middle East - the largest oil producing region in the world. These protesters are arguing that wars should not be fought, nor people killed, for oil.

2. The military government in Nigeria didn't want to share oil revenues with the Ogoni. They wanted to keep all the money themselves. Also, they were worried that Ogoniland might try to become independent, particularly if it became rich. They killed Saro-Wiwa to try to stop these things happening.

3. Because much of the oil and gas in Bolivia is extracted by foreign companies, most of the profit was not going to the Bolivian people. Evo Morales and his supporters believe that this is wrong. They believe that Bolivia's natural resources should be used to benefit the Bolivian people, not foreign companies. The decision was condemned by certain sections of the international community, particularly countries with large oil and gas needs, or big investments in Bolivian oil. They fear that the actions of Bolivia will be copied by other oil producing countries, and that they will lose control over precious oil resources and oil profits.

4. Total, the French oil and gas company, is heavily involved in Burma, particularly the Yadana Gas Pipeline. Many people accuse Total of helping the regime and being aware that forced labour was used frequently on Total projects.

5. Oil supply dropped and many countries experienced an oil shortage. The price of oil quadrupled (x4) by 1974. The US suffered its first fuel shortage since the Second World War.

**The Future of oil****On Your Own**

1. Get the students to circle a date on the timeline. Elicit dates from the students to see whether there is any general agreement about when they think oil may run out. Do not give them an answer.

**On Your Own****Pairwork**

2. Read the text 3 times, and get them to fill in the gaps. When they have finished, put them into pairs to compare answers. Then elicit answers from students, and check with the rest of the class. The correct text is below:

Oil consumption depends on two things: supply and price. It is impossible to know exactly how much oil remains in the Earth. New sources are still being found, though much less often than before. The world's proved oil reserves are currently 1,293 billion barrels. It is also difficult to predict how much we will consume in the future, although consumption rates are still rising rapidly. World demand for oil has risen from 60 million barrels per day in 1986 to 84 million barrels per day in 2006. Some scientists think that there will be serious oil shortages by the year 2080, and the price of oil will be so high that many countries will not be able to afford it. The price of a barrel of crude oil rose from 34 US dollars in January 2004 to 77 US dollars in October 2006.

**Discussion**

3. Elicit suggestions from the class. The answer is that rises in the price of oil will probably mean rises in the prices of ALL goods. Almost everything relies in some way on oil, in production, transportation, etc.

**Oil and gas in Burma**

Ask students to read the text. Give them about 5-10 minutes. They should write down any words that they don't know. Elicit any words that students don't know. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

4. True or false. Put students into pairs. Write the statements below on the board (but not the answer!). Ask students to decide whether the statements are true or false. If they are false they must provide a correct statement. Give them 10-15 minutes to finish. Then elicit one answer in turn from different pairs and check agreement with the rest of the class.

1. **Burma has a lot of oil, but not much gas.**

*Answer: False. Burma has a lot of gas, but not much oil.*

2. **The Burmese governments intends to extract more oil from the Irrawaddy Delta.**

*Answer: True.*

3. **The Shwe Gas Pipeline could earn the SPDC more than \$800m per year.**

*Answer: True.*

4. **The construction of the Yadana Gas Pipeline did not involve human rights abuses.**

*Answer: False. The construction of the pipeline included forced labour and the confiscation of land from villages on the pipeline route.*

**Discussion**

5. Elicit ideas from different students.

# 13. Economic Indicators

Pre-teach: **indicator (noun):** a value/statistic which shows the health of an economy, **to shrink (verb):** to get smaller

Ask students to read the first paragraph about economic indicators. Explain that economic indicators are a bit like a thermometer. They take the 'temperature' of an economy, to see if it is 'healthy' or 'ill'.

Explain that the **standard of living** is **relative** to the situation in each country. For instance, a person living in the US might earn a lot more than a person living in Thailand. However, the **cost of living** in the US is much higher than in Thailand, so the person in the US might actually be poorer than the person in Thailand. Share the information below about **real** and **relative** income.

Kate Smith, New York, USA		Sompit Mala, Mae Sot, Thailand	
<b>Annual Income:</b>	<b>\$32,000</b>	<b>Annual Income:</b>	<b>\$3,500</b>
Annual Rent Cost:	\$14,000	Annual Rent Cost:	\$750
Annual Food Cost:	\$6,000	Annual Food Cost:	\$1000
Annual Transport Cost:	\$3000	Annual Transport Cost:	\$500

This shows that Kate spends about 45% of her income on rent, while Sompit only spends about 21% of his income on rent. Also, food and transport are much cheaper in Mae Sot than in New York. So, while Sompit earns less in 'real' terms, he is not necessarily poorer in 'relative' terms.

## Groupwork

1. Put students into groups of 3-5. Ask them to think about different indicators that could measure the standard of living in a country. Give them 10 minutes to discuss and write down ideas. Then elicit ideas from each group in turn.

Pre-teach: **gross (adj):** whole; **domestic (adj):** home, as in country; **product (noun):** the goods and services produced.

## Discussion

2. Ask the students to look at the GDP figures. Do they think that China is really richer than Japan and Germany? What might be the problem with these figures? Prompt them by asking 'What about population?'.

*The problem with GDP is that it does not give you detailed information about the standard of living of the average person in that country, nor about how the wealth is distributed. Is it divided equally, or are there a few very rich people and lots of very poor people? It only gives an overview of the total goods and services that the country produces. Also, it does not take into account the number of people in the country, so a country with a small GDP may be rich because it has a very small population.*

## Discussion

3. Ask the students to look at the GDP per person figures. The word 'capita' is sometimes used instead of 'person'. GDP per person is the GDP divided by the number of people in the country. What do they notice? Do these figures give a more accurate picture of a country's economy? Why? Do they see any problems with the accuracy of this economic indicator?

*For most purposes, GDP per person is a more accurate economic indicator than just GDP. But it still does not really show the average standard of living in the country. All the money may be concentrated in the hands of very few people, while most of the population remain very poor. Also, it does not tell us accurately how much economic power the country as a whole has. The GDP per person in Thailand, for example, is much higher than in India, but India has much more economic power because the total GDP is much higher.*

**GDP per person in Equatorial Guinea**

Pre-teach:

**slum (noun):** an overcrowded, poor part of a town or city with bad housing.

**to condemn (verb):** to say that something is wrong.

**corruption (noun):** illegal use of power, or position, for personal benefit.

Ask students to read the text about '**GDP per person in Equatorial Guinea**'. Give them about 10 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

1. Put students into pairs and ask them to write answers to the questions at the end of the text. When they have finished, put the pairs into two or three big groups and get them to compare their answers. Do they agree? If not, they have to decide together on a correct answer. Then elicit an answer for each question from each group, and check that the other groups agree.

Answers:

1. **Why is Equatorial Guinea's GDP per person (capita) so high?**

*It is high because the country discovered large oil and gas reserves under the sea near the coast in 1995.*

2. **If the GDP per person (capita) is so high, why are so many people poor?**

*Many people are poor because most of the money made from the selling the oil and gas has been taken by President Teodoro Obiang Nguema and the people close to him.*

3. **How do the government and military keep control over the people?**

*They hold unfair elections, and use violence and corruption.*

4. **Why does this example demonstrate the limits of using GDP per person (capita) as an economic indicator?**

*It demonstrates that GDP per person does not show how wealth is distributed in a country. Therefore, even though a country might have a lot of money, most of its citizens could be very poor.*

### 3. The United Nations Human Development Index (HDI)

Pre-teach:

**poverty (noun):** being poor.

**literacy (noun):** being able to read and write.

**life expectancy (noun):** the average amount of time that someone can expect to live.

**to rank (verb):** to put in order.

**development (noun):** how advanced a country is.

Ask students to read the text about the '**Human Development Index**'. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### Pairwork

1. In pairs, ask students to write down **three** key points from the text. These should be the things they consider important. Then elicit one key point from each pair in turn and write them on the board.

#### Discussion

2. Elicit a brief discussion about Burma's economic indicators.

Burma's economic indicators show that the country is in a poor economic state. Here are some more in-depth figures for Burma for 2003 (see the detailed HDI document in the *Supplementary Pack*).

<i>Life Expectancy at birth:</i>	60.2 years
<i>Adult Literacy Rate (15 years and above)</i>	89.7%
<i>School Enrolment (primary, secondary &amp; tertiary education):</i>	48%

Burma's HDI of 0.578 means that it ranks as a Medium Developed Country. However, the accuracy of these figures is questionable. See the text below.

#### *Accuracy of Economic Indicators for Burma*

*It is hard to find accurate information for Burma's economic indicators. It is likely that the Burmese government only releases figures that give the regime a political advantage. International agencies (such as the UN) find it difficult to gather accurate data in Burma due to restrictions on their movements and their access to information. In 1987 Burma was declared a Least Developed Country (LDC) by the UN. This meant that some of Burma's debts were cancelled, and that it received trade advantages. However, the regime purchased nearly US\$2 billion in arms from China during the 1990's. If the country was so poor, where did the military find this money? It may be that Burma's situation is not as bad as the government claims, but that the regime is using money for military purposes and for the personal benefit of regime leaders, rather than spending on national health and education.*

#### Discussion

3. The HDI map shows that by far the largest number of Low Development countries are in Africa. Ask the students why they think this is. Issues to discuss: **climate, war, political instability, corruption, infrastructure (roads, railways, communications), healthcare, education**

#### Groupwork

4. In groups, ask the students to think about the HDI of their own community.



# 14. Economic Systems

## Groupwork

1. Put the students into groups of 3-5. Ask them to discuss and write down ideas for a few minutes. Then elicit ideas from each group in turn and check agreement with the rest of the class.

Pre-teach: **to interfere (verb):** to involve yourself in something to try to influence it; **allocation (noun):** sharing out; **unique (adj):** different from all the others.

Ask students to read the text about '**Inflation indicators**'. They should write down any words that they don't know. Elicit these words. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself. Check their understanding of the text.

## Groupwork

2. Give students 5-10 minutes to look through the information on their own. Then split them into groups of 3-5 people and make them close their books so that they cannot see the information. Write the quiz on the board and ask each group to complete it together on paper. Give them about 15 minutes to complete it.

**a. In a planned economy, private individuals and businesses usually make the economic decisions. True or False? If false, give the correct answer. (2 points)**

*Answer: False. In a planned economy, the government takes the economic decisions.*

**b. In a mixed economy, private businesses do not decide how to produce goods and services. True or false? If false, give the correct answer. (2 points)**

*Answer: False. In a mixed economy, private businesses and governments share decisions on how to produce goods and services.*

**c. In a free market economy, the government has no control over economic decisions. True or false? If false, give the correct answer. (2 points)**

*Answer: False. In a free market economy, private businesses and individuals usually make the economic decisions, but the government sometimes makes them, too.*

**d. What are the four basic economic decisions that all countries have to make? (6 points)**

1. *What (and how many) goods and services to produce.*
2. *How to produce the goods and services.*
3. *Who should receive the goods and services, and how many.*
4. *How much goods, services and labour should cost.*

After 15 minutes, get each group to exchange their answer papers with another group. Then elicit the answer to question (a) from one group. Check with the class they are correct, and confirm the answer on the board. Elicit the answer for (b) from another group., and check with the class. Continue with this pattern with (c) and (d). Ask each group to add up the marks on the sheet they are correcting, and then collect the scores to see which group received the most.

**Note: grammar and spelling are not so important, the ideas are very important.**

**On Your Own**

1. Ask different students to read aloud the different opinions, A, B & C. Then, give students 5 minutes to read them through on their own and make decisions about which person is referring to which economic system. Answers:

- A: Mixed economy
- B: Free market economy
- C: Planned economy

**Economic Freedom**

Ask students to read the text. Check understanding.

**Discussion**

2. Put students into groups of 3-5. Give them a few minutes to discuss these questions and write down their ideas. Then elicit one idea from each group in turn and check agreement with the rest of the class.

**Groupwork**

3. Put the students into groups of 3-5 people. Give them 10 minutes to brainstorm ideas for the possible dangers of a completely free market economy, and a completely planned economy.

Elicit one suggestion from each group in turn, and see whether the other groups agree. Write good suggestions on the board. Below are some suggestions to help you to prompt the class (there are many more possible ideas to add).

**Possible dangers of a free market economy:**

- *businesses are free to pay their workers very low wages;*
- *businesses are free to operate unfairly in order to destroy competition;*
- *businesses are free to exploit natural resources without limits in the search for profit;*
- *providers of key services such as education, transport and healthcare are free to exclude people who cannot pay;*

**Possible dangers of a planned economy:**

- *If the government makes bad decisions, they can affect everyone seriously. In a free market economy, many businesses are making many different economic decisions, so risk is spread widely.*
- *A lack of free competition can lead to low quality products and services, very few choices, and inadequate supply.*
- *The government has too much economic power over the people, and can easily abuse that power.*
- *Demand is very difficult to predict accurately, so a planned economy is often very inefficient, with many unnecessary goods and services produced. A free market, with many different producers, is able to be much more flexible.*
- *Competition is a way of keeping prices low. In a planned economy there is very little competition.*

**A key consideration for economic systems is the relationship between economics, freedom and rights.**

**Wealth distribution and economic freedom**

Pre-teach: **to minimise (verb):** to make as small as possible, **controversial (adj):** creates a lot of disagreement and argument.

Ask students to read through the text about '**Wealth distribution and economic freedom**'. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself. Also check that they understand the meaning of the paragraph.

Pre-teach: **sector (noun):** a part of the economy

**Discussion**

1. Prompt students with questions concerning the different resources and services in Burma. There is some information below to help you.

*Although the private sector in Burma is growing, the majority of economic activity in the country is still controlled by the military government. The private sector operates under the many restrictions, and most successful private companies have very close ties with the regime.*

**Economic Policy:** all economic policy decisions are made by the central government, with very little discussion with / participation of other groups in society.

**Education:** the formal education sector in Burma is very restricted. The government is the main provider of formal education in Burma, and all school materials are heavily censored, or function mainly as propaganda in favour of the government. Furthermore, education in Burma is not free, despite government claims, meaning that many students cannot afford to attend school. There are some private schools, but their curriculum is heavily censored, and only the wealthy elite can afford to send their children to them.

**Natural Resources:** the military, companies set up by the military, or companies very closely connected to the military, and ceasefire groups, sometimes in cooperation with foreign companies control access to the majority of natural resources.

**Production:** the private sector is increasingly involved in production in Burma, but the government still plays a major role, and only companies with close ties to the military government tend to be successful.

**Transport:** private companies and the government supply transport services. However, many private transport companies usually have close ties with the government.

**Healthcare:** the public healthcare system in Burma is very limited and, in most cases, patients must pay for their treatment. Informal healthcare and traditional medicine are also available to people, but usually require some payment. There are some private hospitals but they are only available to wealthy people.

**Communications:** the government has control over all communications networks - telephone (land and mobile), internet etc.... Some private companies do operate with the government in this sector, but under heavily restricted conditions

**Energy:** energy generation is controlled by the government. Energy supply is very unreliable to many parts of Burma. Some private companies are involved in the construction of power plants, but the government is the only energy supplier in the country.

**Agriculture:** Burmese agriculture is dominated by small family farms. Farmers are required to sell a percentage of their harvest to the government at a fixed price. The rest of their harvest they are able to sell on the open market, and to choose the price themselves. However, the government does impose pricing restrictions on the market from time to time.

**Groupwork**

2. Put the students into groups of 3-5. Check that they understand what they need to do. Give them 30 minutes or so to decide on their strategy, fill in the table, and prepare their arguments. Then give each group 3-5 minutes to present their ideas to the class. Make sure they give reasons for their decisions. Allow questions after each presentation. **Note: There are no 'right' or 'wrong' answers in this exercise. This is about ideas and opinions.**

# 15. Global Economic Institutions

**Brainstorm** 1. Put students into groups of 3-5. Get them to think about the question for a few minutes, and write some ideas down. Then elicit an idea from each group in turn.

Pre-teach: **grant (noun):** money given to support an individual or a country; **condition (noun):** a requirement connected to something given; **asset (noun):** an item of value.

Ask students to read the first paragraph about the World Bank. They should write down any words that they don't know. Elicit these words. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork** 2. Quick Quiz. Ask students to write 3 questions about the information. Give them about 10 minutes to do this. When they have finished, put them into pairs, and, without looking at their books, ask them to ask each other the questions and see how many they can answer correctly.

Pre-teach: **to liberalise (verb):** to make more free, reduce restrictions.

Ask to read the paragraph about the '**Criticisms of the World Bank**'. They should write down any words that they don't know. Elicit these words. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**On Your Own** 3. True or false. Write the following statements on the board. Ask them to decide whether they are true or false. If they answer is 'false', they must provide a correct statement. Give them 10 minutes to think and write their answers. Elicit answers from students and check agreement with the rest of the class.

**1. Conditionality means that the World Bank has to agree to poor countries' conditions when they give them money.**

*Answer: False. Conditionality means before poor countries can receive money, they must agree to the World Bank's economic and social policy conditions.*

**2. Poor member countries of the World Bank have more influence over Bank decisions than rich member countries.**

*Answer: False. Rich member countries have more influence over Bank decisions than poor member countries.*

**Discussion** 4. Put the students into groups of 3. Ask them to read the information on the Nam Theun 2 dam. Have them discuss the following questions in their groups:

**1. The Nam Theun 2 dam issue is a conflict of national and local interests. If you had the power, would you allow the project to continue, or cancel it? Why?**

**2. Do you think the World Bank is right to fund this project? Why? Why not?**

After giving them 20 minutes or so to read and discuss, ask each group to give its opinion on each question in turn. Discuss their answers in the class.

NOTE: The idea of this discussion is to get students thinking about conflicts of national and local interests, and the role of the World Bank in influencing a country's economic decisions. It is not about finding a 'right' or 'wrong' answer.

## Global Economic Institutions (cont'd)

Pre-teach: **fixed exchange rates**: a system where the exchange rates of the currencies of a group of countries are fixed so that they do not change. This is usually done to increase economic stability in a region.

Ask students to read the first three paragraphs about the IMF, including 'Criticisms'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

### Pairwork

1. True or false. Write the following statements on the board. Ask students to decide whether they are true or false. When ready, elicit answers from pairs.

**1. The IMF lends money to countries in need.**

*Answer: True.*

**2. Countries with small economies are allowed to borrow more than countries with large economies.**

*Answer: False. Countries with large economies are allowed to borrow more than countries with small economies*

**3. Countries with large economies have more control over IMF decisions than countries with small economies.**

*Answer: True.*

**4. The fund continues to lend money to Myanmar.**

*Answer: False. The IMF stopped lending money to Myanmar in 1988.*

**5. Critics of the IMF argue that its policies in many poor countries have created less poverty.**

*Answer: False. Critics of the IMF argue that its policies in many poor countries have created more poverty.*

Pre-teach: **drastic (adj)**: very severe and sudden.

Ask students to read 'The IMF and the East Asia Financial Crisis'.

### On Your Own

2. Multiple choice. Copy the following exercise on the board. Give students time to complete it. Then put them into pairs and ask them to briefly compare their answers. Elicit answers from individual students and check agreement with the class. Finally, read through the text again with the students.

**1. Which one of the countries below suffered the most in the 1997 financial crisis?**

- a. Cambodia                      b. Thailand                      c. Singapore

**2. Many people blamed the IMF for the crisis saying that**

- a. they encouraged countries to liberalise the economies too slowly.  
b. they didn't encourage countries to liberalise their economies.  
c. they encouraged countries to liberalise their economies too quickly.

**3. The IMF's solutions were criticised because**

- a. they didn't demand enough reform.  
b. they demanded drastic reform, including a huge cut in government spending, and no help for failing businesses.  
c. they demanded huge government spending and help for failing businesses.

*Answers:            1: b                      2: c                      3: b*

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## Global Economic Institutions (cont'd)

Pre-teach: **predictably (adverb)**: in a way that people can tell what is going to happen; **to comply (verb)**: to do what you are asked to do; **dispute (noun)**: argument; **to monitor (verb)**: to oversee, check; **transparent (adj)**: free from deceit, clear.

Ask students to read the text about the WTO, including the paragraph on 'Criticisms of the WTO'. Give them about 10 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

### Groupwork

1. Put students into groups of 3-5. Ask each group together to try to remember as many of the key points from the two paragraphs as they can, and write them down. They DO NOT need to remember the exact words. Give them 5-10 minutes to do this.

When you are ready, elicit one key point from each group in turn, and see how much of the key information they can remember. Write each point on the board.

Pre-teach: **tear gas**: gas that stings your eyes, used by police to break up crowds

Ask students to read the paragraphs about '**The Battle of Seattle**' and '**A fairer world**'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

### Groupwork

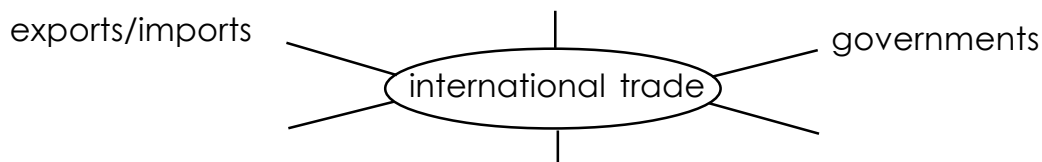
2. Put students into groups of 3-5 people. Ask them to look at the information about the World Bank, the IMF and the WTO. Give them about 15-20 minutes to discuss what kind of changes they would make to each institution and write down their ideas. Then, consider each of the institutions in turn and elicit ideas from each group.

# 16. International Trade

You might want to ask students to keep their Student's Books closed for exercises 1 & 2 on this page.

## Groupwork

1. Divide the class into groups of 3-5. Give them an example of the beginning of a mind map if they can't remember how to do it.



Give them 5 minutes to complete their mind map. Then ask each group to draw their mind map on the board and explain briefly why they have chosen these words.

Once you have finished the exercise, ask students to open their Student's Books. Ask them to read the first paragraph about international trade. Ask one student to try and explain the diagram. Then ask them to close their books again.

## Discussion

2. Why do countries trade with each other? Write the question on the board. Elicit suggestions from the class and write down good ideas on the board.

Ask students to open their books and read the paragraph about '**Supplying Needs and Wants**'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

## Pairwork

3. Put the class into pairs and give them 5 minutes to brainstorm Burma's imports and exports. Then elicit suggestions from each pair and write them on the board.

When you have finished the exercise ask students to read each paragraph about '**Price Advantage**'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

## International Trade (cont'd)

Pre-teach: *to specialise (verb): to focus on a small number of tasks.*

Ask students to read each paragraph about '**Trade Specialisation**'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

### Groupwork

1. What trade advantages and disadvantages does Burma, or their community, have? Put the class into groups of 3-5. Give them 10 minutes to think about the question and write down some ideas. Then elicit one idea from each group in turn.

#### Advantages might include:

- *Cheap labour*
- *Rich natural resources (agricultural land, gas, minerals etc.)*
- *Good geographical position - bordering China and India, the two fastest growing markets in the world*
- *Close to the Straits of Malacca, an important sea transport route*

#### Disadvantages might include:

- *Lack of economic and political freedom*
- *Bad economic policy*
- *Uncertain economic environment*
- *Sanctions placed on the country*
- *Poor infrastructure (electricity, industry, transport, etc.)*
- *Lack of skilled workers*

### Pairwork

2. Trade Commission. Put the students into pairs. Get them to decide which five goods they think that Burma should specialise in, giving reasons why. Also, ask them to think of ways to increase exports for these goods. Give them 10-15 minutes to finish the exercise. Ask each pair to present their ideas to the class for about 2 minutes, giving reasons for their choices. Does the class agree?

#### Balance of Payments (Balance of Trade)

Ask students to read the paragraph about '**Balance of Payments**'. Check understanding. Make sure they understand that it means the value of all imports to one country over a period of time (i.e. one year) compared with the value of all exports from that country.

### On Your Own

3. Draw this table on the board and ask students to work out the value of the trade surplus (+) or deficit (-) for each country (10 mins). All figures in US\$ billions.

	Value of exports	Value of imports	Surplus (+) / Deficit (-)
<b>Thailand</b>	109.2	117.8	-8.60 (deficit)
<b>China</b>	762	660	
<b>Cambodia</b>	2.7	3.2	
<b>Indonesia</b>	86.6	63.9	
<b>Korea</b>	284.4	261.2	
<b>Laos</b>	0.7	1.2	
<b>Philippines</b>	40.2	47.8	
<b>Malaysia</b>	141	114.6	

**Answers:** China: +102, Cambodia: -0.5, Indonesia: +22.7, Korea: +23.3, Laos: -0.5, Philippines: -7.6, Malaysia: +26.4.



**Trade Deficits**

Ask students to read the text about '**Trade Deficits**'. Then ask students to read through the text on their own. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

**Groupwork** 1. Put the students into groups of 3-5. Give them the following information to help them. Give them 20 minutes to prepare their ideas.

***Labour:** As labour in China is much cheaper than in the USA, it is much cheaper to produce goods which require a lot of low-skilled people in the manufacturing process. In the USA wages are much higher, so labour-intensive goods are much more expensive to produce.*

***Technology:** The USA tends to focus more on goods and services which require high technology and skilled workers, or low numbers of unskilled workers, to produce them. This is because technology and education in the USA are currently better than in China (trade advantage), but labour is more expensive (trade disadvantage). Products like soybeans, metals, wood, and cotton can be produced in large quantities using technology and small numbers of workers. Chemicals, aircraft, and industrial machines, tend to require high technology and highly skilled workers to produce them.*

*China on the other hand has huge quantities of cheap unskilled labour. Therefore, it tends to focus on goods which require many workers to produce.*

***Wealth:** America is a rich country. The average American has a lot more money than the average Chinese person. Therefore, Americans tend to consume many more goods and services per person than the Chinese.*

*China is a very fast growing market, but the majority of the population remains quite poor. Therefore, they tend to consume fewer goods and services person than Americans.*

***Production/Consumption Needs:** Due to the trade advantage of cheap labour, China is producing huge amounts of finished goods. To do this it needs raw materials, like cotton, wood, plastics, steel, etc. It is unable to supply all of these needs itself, so needs to buy from other countries.*

*The USA does not need so many raw materials, and so can sell some of its raw materials to the Chinese. However, the American people want finished goods, like TVs, toys, computers, etc. It is much cheaper to buy them from China than to produce them in the USA.*

2. Why is the USA's trade deficit with China so huge?

**Discussion**

The US economy is driven by the consumption of finished goods. Many of the goods it consumes come from China. The Chinese economy is driven by production of finished goods. It requires raw materials, some of which come from the USA. However, the value of finished goods exported from China to the USA is much greater than the value of raw materials exported from the USA to China.

**Discussion**

1. What problems do you think a large trade deficit might create for a country? Get the students to close their Student's Books before you ask them this question. See if they can think of any suggestions, and write down good ideas on the board. If they can't think of anything, prompt them: What about jobs in a country which imports so many things? What about dependence on other countries?

Ask students to read the text about '**Trade Deficits: bad or good?**' Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

**Inward investment** - money invested in the US from other countries.

**Outward investment** - money invested by the US in other countries.

**Groupwork**

2. Put students into groups of 3-5. Give them 15 minutes to draw up a list of five important goods and/or services (five things total, not ten) that Burma has difficulty producing. What strategies would they use to encourage foreign governments and companies to export these goods and services to Burma?

Ask each group to make a 2-3 minute presentation to the class, using the board to illustrate their ideas. Ask them to give reasons for their choices. See whether the class agrees with their ideas.

Ask students to read the paragraph on '**Trade Protection, Tariffs and Subsidies**'. Then ask students to read through the text on their own. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

**Discussion**

3. Elicit ideas from students about strategies that a country might use to protect its economy.

Ask a student to read aloud the paragraph about 'Import Tariffs'. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

### Discussion

1. Why do you think import tariffs might be useful for developing countries? Put students into groups of 3-5 people. Ask them to think about this question for a few minutes. Then elicit one idea from each group in turn.

Pre-teach: **to compete (verb):** to be in competition; **to dominate (verb):** to have a lot of control over; **liberalisation (noun):** making more free, removing controls.

**Import tariffs and developing countries.** Ask each student in turn to two or three sentences of the text. Then ask students to read through the text on their own. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

### Pairwork

2. Multiple choice. Put students into pairs. Write the following multiple choice exercise on the board. Give students time to complete the exercise and write down the answers in their notebooks. Put students into new pairs and get them to compare answers. Finally, elicit answers from students and check agreement with the rest of the class.

**1. Import tariffs mean that some imported goods and services:**

a) become cheaper.      b) become more expensive.      c) are not allowed to enter the country.

**2. Some people think imports tariffs are good for developing countries because:**

a) they help them to import more goods.      b) they help them to sell their goods to other countries.  
c) they help them to protect their economy.

**3. For Senegal, Uganda and Mexico, trade liberalisation has:**

a) created economic growth.      b) created economic problems.      c) stopped foreign imports.

ANSWERS:      1: b                      2: c                      3: b

### On Your Own

3. Comprehension. Give students enough time to answer the following questions in their notebooks. When they have finished, put them into pairs and ask them to compare answers. Do they agree? Finally, elicit answers from students and check agreement with the rest of the class. Below are the questions and guideline answers.

**1. Why do some people consider import tariffs good for developing countries?**

*Answer: Some people consider import tariffs good for developing countries because they help local businesses to compete successfully against foreign imports.*

**2. What do Japan, South Korea, China, Italy, Austria, Finland and France have in common?**

*Answer: All these countries have successfully used import tariffs to boost economic growth.*

**3. Why do the IMF and the WTO want import tariffs in developing countries to be reduced/ removed?**

*Answer: They say that reducing or removing import tariffs will help the economies of these countries to grow.*

**4. What happened when trade was liberalised in Senegal?**

*Answer: One third of people working in the manufacturing sector lost their jobs.*

### Groupwork

4. Put the students into groups of 3-5. Get them to decide whether they would use tariffs and why/why not. If they would, ask them to write a list of a few goods that they would apply the tariffs to. Discuss ideas in class.

## 2. Subsidies

Ask the students to read through the first paragraph. Then ask students to read through the text on their own. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class. Ask them some questions to check understanding (without letting them look at the text):

What is a subsidy?

In which economic sector are subsidies most commonly used?

What kind of products does the EU CAP subsidise?

### Discussion

1. Why do you think the EU pays so much money to its farmers? Who is the EU protecting the farmers from? Who else in the world produces sugar, milk, meat, cotton, tobacco, etc?

*The answer is that the EU is trying to protect its farmers against farmers in developing countries who can produce these products more cheaply. The EU pays its farmers a lot of money so that they can lower their prices and be competitive in the international market.*

### Subsidies and developing countries

Ask students to read aloud one sentence of this paragraph in turn.

### On Your Own

2. True or false. Give the students 5-10 minutes to read the paragraph on their own and decide on the following statements. If they think a statement is 'false', they must give a correct statement.

Then elicit answers from individual students and check agreement with the rest of the class.

1. **Developed countries use subsidies to protect the economies of developing countries.**

*Answer: False. Developed countries use subsidies to protect their own economies.*

2. **Subsidies and import tariffs in developed countries help developing countries to sell products to them.**

*Answer: False. Subsidies and tariffs in developed countries make it more difficult for developing countries to sell products to them.*

3. **Subsidies help farmers in developed countries to lower the prices of their products.**

*Answer: True.*

4. **Developing countries don't use subsidies to protect their producers.**

*Answer: False. Developing countries also use subsidies, usually to protect their producers against producers in other developing countries.*

### Discussion

3. Put students into groups of 3-5. Ask them to look at the picture and discuss the meaning of the picture.

*The picture shows that the world's 30 richest countries spend \$305 billion per year to protect their agricultural industries, often against farmers in developing countries. In return, these 30 countries give \$50.6 billion in aid to developing countries. The question is, would developing countries need this aid (or so much of it) if they were able to compete fairly with farmers in developed countries?*

Ask one student to read the last paragraph and check understanding.

**EU sugar subsidies and the developing world**

Pre-teach:

**surplus (noun):** remainder, extra

**dump (verb):** to get rid of unwanted things

Ask students to read the text. Elicit words that they don't know. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class.

**Pairwork**

1. Put the students into pairs. Give them 20 minutes to answer the questions below.

**Why is sugar so expensive in the EU?**

*EU sugar is so expensive because of high import tariffs. These tariffs prevent cheap sugar from developing countries from being sold in the EU. Sugar produced in the EU is very expensive because of the high subsidies paid to EU farmers.*

**What did the EU do with the 5 million tonnes of surplus sugar it produced each year?**

*The EU dumped this sugar on the international market at very low prices. This forced down the price of world sugar, making it more difficult for sugar producers in developing countries to survive.*

**What did EU agree to do after the WTO investigation?**

*The EU agreed to cut subsidies to its farmers by 36%, and to reduce sugar production by 13.6%.*

**How will these changes affect developing countries?**

*These changes will allow developing countries to sell their sugar more easily and for a better price.*

Then ask different pairs to get together and compare their answers (i.e. in groups of four). If their answers are different they must all agree on a correct answer. Elicit answers for each question from different groups and check agreement with the rest of the class.

NOTE: Check that students' facts, and understanding of the concepts, are correct. They do not need to answer with exactly the same vocabulary as is in this Teacher's Guide.

**Groupwork**

2. Put students into groups of 3-5. Each group will be a different Economic Strategy Committee. Give them about 30 minutes to decide which 5 goods they would decide to protect with import tariffs and subsidies, and why.

When they are ready, get each group to come to the board in turn and give a five-minute presentation about their decisions and the reasons for them. Give other students (and yourself) the opportunity to ask questions.

The goods that Burma should most sensibly protect with import tariffs and subsidies are those goods that are particularly important to the national economy. Possible examples include rice, beans, fruit, minerals, wood, fish and natural gas.

**Free Trade**

Write the words 'Free Trade' on the board. Ask students: 'What do you think 'Free Trade' means? Elicit answers and write down key words and phrases on the board.

Ask students to read the paragraph about '**Free Trade**'. Check their understanding. How close were their ideas to this definition?

**Groupwork**

1. **Fair Free Trade?** Ask students to read the text about Zadio in Mazalia. When they have finished, put them into groups of 3-5. Ask them to decide which of the following two situations they think is fairer, and why:

- a) Import tariffs are used to protect Zadio from orange producers from other countries, but consumers in Mazalia have to pay high prices for their oranges.
- b) Import tariffs are removed so that the price of oranges in Mazalia decreases a lot, but Zadio can no longer sell many oranges.

Give them about 5-10 minutes to make their decision. Then elicit an opinion from each group, and ask them why they think it is fairer.

**On Your Own**

2. Ask the students to write a short essay (about 200 words, though they can write more if they want) on free trade and trade protection. The title is:

**'Free Trade is the fairest form of international trade.'**

They have to decide whether they agree or disagree with the statement, and argue for their position. The essay should show how well they have understood the concepts about free trade and trade protection, their ability to present different arguments, and their ability to think analytically about these issues.

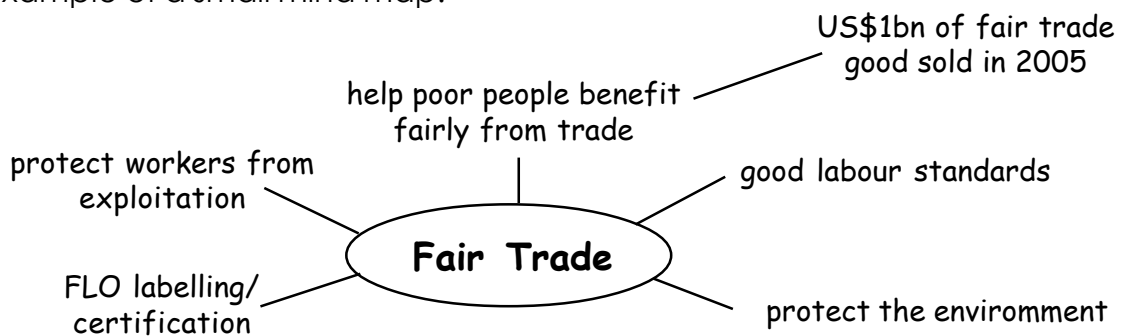
Decide which language they should write the essay in. This should NOT be an exercise in memorising text from the Student's Book, so it might be a good idea to ask them to write it in their first language.

### Fair Trade

Ask students: What do you think 'Fair Trade' means? Put them into pairs to think about this. Give them 5-10 minutes to write down their ideas. Then elicit ideas from each pair in turn and write key words and phrases on the board.

#### Pairwork

1. Memory game. Give students 5-10 minutes (more if necessary) to read the three paragraphs about Fair Trade. Then ask them to close their books. In pairs, give them 5 minutes to create a mind map about Fair Trade in their notebooks, including as many of the facts and concepts from the text as they can remember. They are NOT expected to rote learn the paragraph and do not have to use the exact words. Then write the word 'Fair Trade' on the board and draw a circle around it. Ask one student from each pair to come up in turn, draw a line from the circle, add one of their ideas and explain it to the class. When the class has no more ideas, ask them to re-read the paragraph to see if they have forgotten any key information. Here is an example of a small mind map.



#### Pairwork

2. Kanya. Ask different students to read each paragraph about Kanya aloud. Put the students into pairs. Give them 10-15 minutes to carefully read the paragraph again and write down TWO questions about the information in it on a piece of paper. Ask them to write the answers on another piece of paper. When they have finished ask each pair to swap their questions (not the answers!) with another pair. Now the pair has to write answers to the other pairs' questions. Give them about 5 minutes to do this. Then get them to check each other's answers.

#### Groupwork

3. Put the students into groups of 3-5. Ask them to develop a short presentation (less than 5 minutes) explaining why fair trade would be good for their community. All members of the group should be involved in the presentation. Key questions that they should consider include:

- Why would fair trade be useful in your community?
- What kinds of products /goods would be traded?
- Who would benefit from the fair trade?

Give the students about 20-30 minutes to discuss and prepare (more if necessary). Then ask each group to come and give their presentation (5 minutes maximum).

# 17. Trade Blocs

Pre-teach:

**integrate (verb):** join together

**customs (noun):** the agency that administers tax ('duty') placed on goods crossing borders, and searches for and tries to prevent the smuggling of untaxed or illegal goods.

Ask students to read the first paragraph about **Trade Blocs**. They should write down any words that they don't know. Elicit any words that students don't know. Ask if they can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

## Brainstorm

1. Can you name any trade blocs in the world today. Do you know anything about them? Do you know who their members are?

Ask students whether they know any of them. If they can't think of anything, prompt them with some suggestions, i.e., ASEAN, the EU, NAFTA, Mercosur.

### 1. The Association of South East Asian Nations (ASEAN)

Ask students to read the text about **ASEAN**. They should write down any words that they don't know. Elicit any words that students don't know. Ask if they can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

## Groupwork

2. Mini-Quiz. Put the students into groups of 3-5 (you need an even number of groups for this activity). Let's say Groups A, B, C and D. Ask each group to prepare a quiz of three questions about the text on ASEAN. They should write the questions on one piece of paper, and the answers on the other piece of paper. Give them about 20-25 minutes to do this.

Then ask the groups to sit opposite each other in sets of two. Group A asks their first question to Group B. Group B must try and answer the question. They are allowed to look at the text. When they have answered, Group A confirms whether they are correct or incorrect. Now Group B asks Group A their first question. Group A answers. This continues until both groups have asked and answered three questions. Groups C & D do the same.

Now, mix up the groups again, so Group A is with Group D, and Group B is with Group C. Again they ask and answer three questions, but this time they are NOT allowed to look at the text.

## Discussion

3. Elicit existing knowledge from the students about ASEAN and Burma.

Note: The students may not know anything about ASEAN and Burma. In this case, ask students whether they can imagine, or guess, why there have been problems between ASEAN, Burma and Western governments.



**ASEAN, Burma and constructive engagement**

Pre-teach:

**legitimacy (noun):** legal status, recognition

**opposition (noun):** resistance, disagreement

**sanctions (noun):** cutting of economic links to a country

**democratise (verb):** become more democratic

**Chair (noun):** position of leadership

Ask students to read the text. Give them about 5-10 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

Ask students about the cartoon. What is happening?

**On Your Own**

1. True or false. Write the statements below (a - d) on the board (but not the answers!). Ask students to decide whether they are true or false. If they think they are false they need to provide a correct statement. Give them about 15 minutes to do this. When they have finished, put them into pairs and ask them to compare their answers? Do they agree? If not, get them to decide on the correct answer. Finally, elicit answers for each statements from individual students and check agreement with the rest of the class.

**a. Constructive engagement means that ASEAN does not interfere in Burma's domestic politics.**

*Answer: True.*

**b. ASEAN agrees with the EU and the US about economic sanctions.**

*Answer: False. The EU and the US support economic sanctions but ASEAN does not.*

**c. Burma has democratised since joining ASEAN.**

*Answer: False. ASEAN has not democratised since joining ASEAN.*

**d. Burma gave up the opportunity to be ASEAN Chair in 2006.**

*Answer: True.*

Pre-teach:

**isolation (noun):** being cut off or separated from the world.

Ask students to read the last paragraph about different economic approaches to bring about change in Burma. Check understanding.

**Discussion**

2. What do you think is the best way to bring about change in Burma using economics? Elicit a free discussion with the students.

## 2. The European Union

Ask students to read the text. Give them about 5-10 minutes. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

1. Comprehension. Put students into pairs. Write the following questions (but not the answers!) on the board and ask them to copy them into their notebooks. Then give them about 15 minutes to answer them together. When they have finished, put the pairs into groups of 4, and get them to compare their answers? Do they agree?

Finally, elicit answers from individual students for each question and check with the class.

**a. How many member states are there in the EU?**

*Answer: There are 27 member states in the EU.*

**b. What areas of policy do the EU's activities cover?**

*Answer: The EU's activities cover economics, foreign affairs, defence and health.*

**c. Why did the UK, Denmark and Sweden refuse to join the euro?**

*Answer: They have refused to join the euro because they fear that they will lose control over their economies.*

**d. Why aren't Bulgarian and Romanian citizens allowed to move freely within the EU?**

*Answer: They are not allowed to move freely because Western European member states fear that, if there is no control, huge numbers of Eastern Europeans will migrate to Western Europe.*

### 3. Economic Community of West African States ECOWAS

Ask students to read the text about **ECOWAS**. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Pairwork**

1. True or false. Put the class into pairs. Write the statements below on the board (but not the answers!). Give them about 10 minutes to decide whether the following statements are true or false. If they are false, they must provide the correct statement. Finally, elicit answers for each statement from different pairs and check agreement with the rest of the class.

**a. ECOWAS is not part of the African Economic Community.**

*Answer: True.*

**b. Civil war and political problems in the region have not affected the progress of ECOWAS.**

*Answer: False. Civil war and political problems in the region have slowed the progress of ECOWAS.*

**c. ECOWAS has a single currency called the *eco*.**

*Answer: False. ECOWAS is planning to introduce the *eco* in 2009.*

**d. ECOWAS has a peacekeeping force called ECOMOG.**

*Answer: True.*

### 4. Mercosur

Ask to read the text about **Mercosur**. They should write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Groupwork**

2. Mini-Quiz. Put the students into groups of 3-5 (you need an even number of groups for this activity), let's say Groups A, B, C and D. Ask each group to prepare a quiz of two questions about the text on Mercosur. They should write the questions on one piece of paper, and the answers on the other piece of paper. Give them about 10 minutes to do this.

Then ask the groups to sit opposite each other in sets of two. Group A asks their first question to Group B. Group B must try and answer the question. They are allowed to look at the text. When they have answered, Group A confirms whether they are correct or incorrect. Now Group B asks Group A their first question. Group A answers. This continues until both groups have asked and answered two questions. Groups C & D do the same.

Now, mix up the groups again, so Group A is with Group D, and Group B is with Group C. Again they ask and answer three questions, but this time they are NOT allowed to look at the text.

# 18. Economic Globalisation

## Brainstorm

1. Ask students what they think the words 'economic globalisation' mean. Write their ideas down on the board.

Pre-teach: **unification (noun)**: joining together.

Ask students to read the first paragraph about **economic globalisation**.

## Pairwork

2. Put the students into pairs. Ask them to look at the items around them in the classroom and/or in the community (depending on what you have in the classroom and how much time you have). Is there a label on any of these things to say where they are made (e.g. 'Made in China')? If so, ask them to write the item down in their notebooks, including the information about where it was made. Then ask each pair to present their lists quickly to the class. How many different countries do the things they found come from?

Pre-teach:

**auction (noun)**: a sale of property to the person who pays the most money; **to bid (verb)**: offer a price for something; **bidder (noun)**: a person who bids in an auction.

Ask students to read the text about **eBay: an internet miracle**. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

## Pairwork

3. True or false. Write the following statements (but not the answers!) on the board. Put students into pairs. Give them about 10-15 minutes to decide whether these statements are true or false. If false, they must give the correct statement. When they have finished, elicit answers from pairs in turn and check agreement with the rest of the class.

**1. eBay helps people to buy and sell things on the internet.**

*Answer: True.*

**2. eBay makes money by selling goods.**

*Answer: False. eBay makes money by asking sellers to pay a small amount of money to place their advertisements, and also by taking a small percentage of the amount for which the item was sold.*

**3. eBay only sells toys and sports equipment.**

*Answer: False. The company sells many different things.*

**4. In 2007, almost US\$60 billion of goods were sold through eBay websites.**

*Answer: True*

**5. Today eBay only does business in the USA.**

*Answer: False. eBay operates websites in more than 30 countries.*

Pre-teach:

**isolated (verb):** separated from others.

**relative (adj):** considered in relation to something else, proportionate

**to relax (verb):** here it means 'to make less strict'

**technique (noun):** a way of doing something

**repetitive (adj):** repeated many times

**plentiful (adj):** available in large quantities

### Groupwork

1. Quiz. Put students into groups of 3-5. Give them 15 minutes to read and understand the information about 'eBay:an economic miracle', 'Air Travel', 'China' and 'Nokia'. Explain that after 15 minutes there will be a quiz, but they won't be able to look at the information in the book - only use their memories.

When the time is up, write the first question below on the board and read it to the class. Give them about 2 minutes to prepare and write down an answer in their groups. Then get each group to swap their answers. Elicit the answer from one group. Check that the class agree. Then, have each group correct the answers of the other group. Correct grammar is not important for this exercise, but meaning is very important. If a group gets the answer right they receive two points. If they get it 'half right' they get one point. Do the same process with the other questions below, keeping scores on the board to see which group gets the most points.

Here are the questions and suggested answers (students' answers can be in a different form as long as the key information is correct):

- 1. How did the internet help eBay to grow its business?**  
*The internet allowed people all over the world to easily buy and sell things from each other.*
- 2. How many passengers are now transported by air every year?**  
*About 1.6 billion passengers are now transported by air every year.*
- 3. Why has the Chinese economy grown so quickly in the past fifteen years?**  
*The Chinese economy has grown so quickly because the government has relaxed the economic laws.*
- 4. China is the world's largest consumer of which goods?**  
*China is the world's largest consumer of wood, steel, coal, meat and grain.*
- 5. Why can unskilled workers work in Nokia's factory in Dongguan?**  
*Modern production techniques mean that unskilled workers can produce high-technology products.*
- 6. What are the advantages for Nokia of establishing a factory in Dongguan?**  
*Factory land and labour are cheap and plentiful.*

### **Multinational (Transnational) Corporations**

Ask students to read the paragraphs about '**Multinational (Transnational) Corporations**'. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

The word 'multinational' means 'many countries' ('transnational' means 'across countries'). A 'corporation' is a huge company made up of a group of smaller companies.

#### **Brainstorm**

1. Problems and benefits of MNCs. Put students into pairs, and have them discuss and write down ideas for 5-10 minutes. They should make two lists: one headed 'problems' and the other 'benefits'. Then elicit ideas from each pair in turn and write them on the board. Here are some ideas to help you:

***Problems:** MNCs have huge economic power and can influence governments and world economic institutions unfairly. They can use their economic power to dominate and destroy local businesses. They can exploit natural resources in places where they are not properly protected. They can exploit labour in countries where labour rights are weak. They use clever legal and illegal strategies to avoid paying tax.*

***Benefits:** Potential benefits include the cheaper goods, employment opportunities and investment that MNCs can bring to a country. Also, the pay and conditions in factories run by MNCs in developing countries are often better than the ones run by local companies, and sometimes they are more careful about protecting the environment.*

### **Is economic globalisation good or bad?**

Ask students to read the three paragraphs about **economic globalisation**. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### **Groupwork**

2. Advantages and disadvantages of economic globalisation. Draw two columns on the board, one called 'Advantages' and one called 'Disadvantages'. Divide the students into groups of 3-5. Make half the groups 'Advantages' groups, and the other half 'Disadvantages' groups.

The 'Advantages' groups must discuss what they think are the advantages of globalisation and make a list. The 'Disadvantages' groups must do the same for disadvantages. Give them 5-10 mins to discuss and write ideas.

Then elicit one advantage from one of the 'Advantages' groups, and write it down on the board in the 'Advantages' column. Check agreement with the rest of the class. Then elicit one disadvantage from one of the 'Disadvantages' groups and write it on the board in the 'Disadvantages' column. Check agreement with the rest of the class. Continue to elicit from each group in turn until you have a good list.

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## Economic Globalisation (cont'd)

Ask students to read through the seven advantages of globalisation. Give them 10-15 minutes. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

**Groupwork** 1. Memory game. Split the class into groups of 3-5. Give each group a number of a name. In their groups, with their Student's Books closed, they must try to remember as many of the advantages of globalisation as possible. They do not need to remember the exact words, just the concepts. One student should write a list on a piece of paper (and add the group's name). Give them 5-10 minutes to think and write. Check that there is no cheating!

When the time is up, ask each group to swap their piece of paper with another group. Then ask each group in turn to read out the list that they received. Give each team one point for each correct answer. Have any of the teams managed to get seven points?

If you have time, ask whether any of the students think that they can remember all seven advantages on their own. If so, ask them to come to the front of the class and go through them.

**Coca-cola.** Ask if the students drink Coke. How often? ask students to read the paragraph about the Coca-Cola Company.

**Groupwork** 2. Do you think economic globalisation has helped your community? How?

Put students into groups of 3-5 and ask them to discuss and write down their ideas. Give them about 10 minutes. Then elicit one idea in turn from each group and check agreement with the rest of the class.

## Some disadvantages of economic globalisation

Ask students to read the paragraph about '**Who is in control?**' Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

Pre-teach:

**elite (noun):** *privileged group of people, often in positions of power and influence.*

Ask students to read the text about '**The poor feeding the rich?**' Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

Ask them to look at the picture. What do they think it means?

### Pairwork

1. Put students into pairs. Ask them to draw a graph (or two graphs) showing the statistics about consumption for the 20% of the world's population living in the world's richest and poorest countries. The graph(s) should clearly show the differences in the statistics for each group. Give them about 15 minutes to do this. When they have finished ask each group to come to the front of the class and very briefly present their graphs.



Ask students to read the paragraph '**Economic globalisation and human rights**'. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

### The Yadana Gas Pipeline

Pre-teach:

**extrajudicial (adj):** not authorised by law.

**extortion (noun):** illegally taking a person's property by force.

**violation (noun):** an action against the law.

**logging (noun):** cutting down trees.

Ask students to read through the text. Give them 5-10 minutes. They should write down any words that they don't know. Elicit any words that students don't know. Ask if they can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### On Your Own

1. Write the following comprehension questions (but NOT the answers!) on the board:

**a. What kind of things have dramatically increased since the pipeline was started?**

*Answer: Extrajudicial killings, torture, rape and extortion by pipeline security forces have dramatically increased since the pipeline was started.*

**b. What has the arrival of many soldiers to this region caused?**

*Answer: The arrival of many soldiers to this region has caused an increase in illegal hunting and logging.*

**c. What three human rights violations have villagers living near the pipeline route suffered?**

*Answer: Forced labour, forced portering and forced relocation.*

**d. What did Total pay the Burmese Army to do?**

*Total paid the Burmese Army to provide security for the pipeline.*

Give the students about 15-20 minutes to write their answers. Then put them into pairs and get them to compare answers. Do they have the same ones? If not, why not? Finally, elicit answers from individual students for each question and check agreement with the rest of the class.

Ask students whether they have any questions about the text on the Yadana Gas Pipeline.

#### Discussion

2. What do you think are the best ways of trying to stop businesses and governments benefiting from human rights abuses in other countries? Put students into group of 3-5 and get them to think about the question and write down their ideas. Then elicit one idea from each group in turn and write it on the board. Discuss whether these ideas would be effective.

Ask students to read the paragraph '**Economic globalisation and the environment**'. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

### **Soya beans and the Amazon rainforest**

Ask students to read the text. Give them about 10 minutes. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### **Pairwork**

1. Put them into pairs. Ask them to think of three comprehension questions about the text, and write down the questions and answers on two separate pieces of paper. Give them about 15 minutes to do this.

When they have finished ask each pair to swap their question papers with another pair, but keep the answer paper. Then each pair must answer the questions of the other pair. Give them about 10-15 minutes to do this.

When they have finished answering the questions, ask the sets of pairs to compare their answers, and see if they agree. If not, they must decide who has the correct answer. While this is happening, make sure that you walk around the class and check the questions and answers, and settle any disagreements.

Finally, ask the students whether anyone has any questions about the text.

#### **Discussion**

2. Do you know how economic globalisation is affecting the environment in Burma? What about multinational companies that are involved in mining, deforestation or oil and gas?

Ask the students whether they have any knowledge about this. Some examples you could let them know about are:

Daewoo International, South Korea - Investing in the Shwe Gas Fields & Pipeline.

Chevron / Texaco, US - Oil and gas exploration.

China National Petroleum Corporation - Oil and gas exploration.

Petronas, Malaysia, - Oil and gas exploration.

PTT, Thailand - Oil and gas exploration.

Ivanhoe Mining Ltd, US - Owns the Monywa Copper Mine (joint venture with SPDC).

Electricity Generating Authority of Thailand (EGAT) - Investing in five dams on the Salween River.

Jet Gold Corp, Canada - Gold mining in Shan State

Leeward Capital Corp, Canada - Amber mining

Taiga Consultant Ltd., Canada - Exploring for metals

Ask students to read the paragraph '**Economic globalisation and land rights**'. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

### Freeport Mine, West Papua, Irian Jaya

Ask students to read the text. Give them about 5-10 minutes. Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### Pairwork

1. True or false. Put the students into pairs. Ask them to decide whether the following statements are true or false. If they are false, they must provide a correct version of the statement.

**1. The Amungme's land rights have been respected by the Indonesian government.**

*Answer: False. The Amungme's land rights have been ignored.*

**2. The construction of Freeport mine involved cutting off the head of the Amungme's sacred mother.**

*Answer: True*

**3. The mine hasn't caused any environmental destruction in the area.**

*Answer: False. The mine has caused destruction of mangrove and rainforests, has polluted rivers and coral reefs, and caused erosion and flooding.*

**4. The landowners' trust agreement has solved the dispute between the Amungme and Freeport McMoran.**

*Answer: False. The rules and value of the agreement are still not agreed and violent demonstration continue.*

#### Discussion

2. What about land rights in Burma? What happens when the government, or a big company, wants to use natural resources in a region?

When Ne Win came to power in 1962 he soon introduced a system of nationalisation. This meant taking private property and making it state property. Private businesses were forced to give their property to the state. Today, land and property confiscation by government authorities is a commonly documented problem in many parts of Burma. The military regime claims ownership of all the country's natural resources, including oil and gas, minerals, teak and other woods, precious stones, and rivers. Companies run by the military manage the exploitation of the country's natural resources for the profit of the regime, often working with foreign companies. They also give permission to ceasefire groups to exploit resources in return for their loyalty. In all cases, the rights of local people are usually ignored. In many parts of the country, people live in fear of having their land or property taken by the military, or other people in the government. Recently the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) was criticised in a KHRG report for supporting the development of the Asian Highway in Burma. This project has involved forced labour and land confiscation in Thaton and Pa'an districts in Eastern Burma.

Pre-teach:

**supreme (adj):** highest, most powerful.

**territory (noun):** geographic area claimed under a particular law or authority.

**jurisdiction (noun):** the limits in which law or authority can be used.

**to override (verb):** to dominate, have priority

Ask students to read aloud the paragraph '**Economic globalisation and national sovereignty.**' Ask them to write down any words that they don't know. Elicit these words in turn. Ask if they, or other students can guess the meaning (give them some clues if necessary). If not, give them a dictionary to look it up and tell the class, or tell them yourself.

### Colombia: a victim of economic globalisation?

Pre-teach: **coup (noun):** a taking of power by force, usually by the military, **cocaine (noun):** a drug made from the coca plant, **to eradicate (verb):** to destroy, **unrestrained (adj):** without any limitation, free, **paramilitary (adj/noun):** a semi-official or auxiliary military force.

Ask students to read the text. Give them about 10 minutes. They should write down any words that they don't know. Elicit these words and ask if they, or another student, can guess the meaning. If not, give them a dictionary to look it up and tell the class, or tell them yourself.

#### On Your Own

1. Comprehension. Write the following questions on the board (but not the answers!). Give students about 20 minutes to answer them in their books. Then put students into pairs and ask them to compare answers. Do they agree? If not, ask them to decide who has the correct answer. Finally, elicit answers from individual students and check agreement with the rest of the class.

#### 1. Why are increasing numbers multinational companies coming to Colombia?

*Answer: They are coming to exploit Colombian natural resources.*

#### 2. What is 'Plan Colombia'?

*Answer: 'Plan Colombia' consists of military and economic aid which is supposed to help the Colombian government eradicate drug production and terrorist groups, and create economic growth.*

#### 3. Critics have said that 'Plan Colombia' is an excuse for what?

*Answer: Critics have said that it is an excuse for US control of the Colombian economy*

#### 4. What have multinational corporations been accused of doing in Colombia?

*Answer: Multinational corporations have been accused of using paramilitary groups to protect their interests and crush opposition.*

#### 5. What were the Coca-Cola bottling company and Drummond mining accused of?

*The Coca-Cola bottling company and Drummond mining were accused of hiring paramilitaries to kill senior labour union members.*

#### Discussion

2. Put students into groups of 3-5 and give them 5-10 minutes to discuss and write down their ideas. Elicit ideas from each group in turn and discuss.

It is possible to argue that because the military regime is illegitimate (not democratically elected), it's national sovereignty is already severely damaged. The military regime is having to deal with the rapid development of the internet and access to information, satellite TV, the regional trade bloc ASEAN, EU and US sanctions, etc.. All of these threaten the sovereignty of the regime.

# 19. Review

Decide whether the students do these exercises on their own or in pairs.

Also, decide how much time to give them, and whether or not they are allowed to look back through the Student's Book to find the answers. There are 50 marks in total. You should decide how generous you will be with marks!

1. Economic map. Make sure students understand that they have to show the different parts of production (land, labour, capital and enterprise) as well as distribution and consumption. (10 marks depending on identifying the correct stages of the economic map and creativity.)

2. True or false. (13 marks - **one** for a correct 'True' answer and **two** marks for a correct 'False' answer.)

**a. Economics is about the things that people need and want.**

*Answer: True.*

**b. Scarcity is when there is too much of a particular resource, good or service.**

*Answer: False. Scarcity is when there is not enough of a particular resource, good or service.*

**c. There are three parts of production: Capital, Labour and Enterprise.**

*Answer: False. There are four parts of production. Land, Labour, Capital and Enterprise.*

**d. GDP per person is the most accurate economic indicator of quality of life in a country.**

*Answer: False. The Human Development Indicator (HDI) is more accurate.*

**e. In proportional taxation, everyone pays the same percentage of the money they earn.**

*Answer: True.*

**f. Hyperinflation is when prices fall very fast.**

*Answer: False. Hyperinflation is when prices rise very fast.*

**g. In free trade, countries use many import tariffs and subsidies.**

*Answer: False. In free trade, countries don't use many import tariffs and subsidies.*

**h. Economic globalisation means the unification of world economies.**

*Answer: True.*

3. Fill in the blanks. (8 marks)

a. **Demand** is the number of people that want the goods and services, and the amount that they want. **Supply** is the amount of goods available.

b. A **labour union** is when a group of workers get together to obtain, improve and protect their **labour rights** and working conditions.

c. A **trade deficit** is when a country imports a lot more than it exports.

d. In **barter** goods are exchanged directly. **Money** is not used.

e. Capital is the money and **tools** needed for production.

4. Essay (19 marks). When you are marking the essay, the MOST important thing is how well they have understood the ideas, and how well they are able to present them. You should also give marks for original ideas and general creativity. Look for opportunities to GIVE marks rather than take them away. They can agree or disagree with the title they choose. The quality of their ideas and arguments is much more important than how many words they have written.

# Glossary

This glossary is in alphabetical order. The meanings of words given relate to the context of this module. The words may have other meanings in other contexts.

**activist (noun):** a person who uses direct action to try to change things.

**allocation (noun):** sharing out.

**appropriation (noun):** to take something illegally and without payment.

**asset (noun):** an item of value.

**auction (noun):** a sale of property to the person who pays the most money

**back-breaking (adj):** very difficult, physically exhausting.

**to bid (verb):** offer a price for something

**bidder (noun):** a person who bids in an auction

**boycott (noun):** a refusal to do something, or buy something, out of principle.

**byproduct (noun):** something produced in addition to the main product.

**Chair (noun):** position of leadership.

**cocaine (noun):** a drug made from the coca plant.

**to colonise (verb):** to take over, populate and rule an area of land.

**compensation (noun):** money given to someone who has suffered an injustice.

**to compete (verb):** to be in competition.

**to comply (verb):** to do what you are asked to do.

**to condemn (verb):** to say that something is wrong.

**condition (noun):** a requirement attached to something given.

**constitution (noun):** the basic principles and laws of a nation.

**to contaminate (verb):** to pollute.

**corruption (noun):** illegal use of power, or position, for personal benefit.

**to cultivate (verb):** to grow.

**coup (noun):** a taking of power by force, usually by the military.

**customs (noun):** the agency that administers tax ('duty') placed on goods crossing borders, and searches for and tries to prevent the smuggling of untaxed or illegal goods.

**debt (noun):** money that is owed.

**democratise (verb):** become more democratic.

**demonstration (noun):** a gathering of people who protest against something.

**development (noun):** advancement, improvement.

**discrimination (noun):** denying someone equal treatment on the basis of age, skin colour, nationality, religion, gender, etc.

**dispute (noun):** argument.

**domestic (adj):** home, as in country.

**to dominate (verb):** to have a lot of control over.

**drastic (adj):** very severe and sudden.

**to dump (verb):** to get rid of unwanted things.

**elite (noun):** privileged group of people, often in positions of power and influence.

**to eradicate (verb):** to get rid of, destroy.

**essential (adj):** absolutely necessary.

**to expand (verb):** to grow, get bigger.

**exploitation (noun):** to make use of someone's labour unfairly, sometimes through force.

**extortion (noun):** using authority and threats to take money from people illegally.

**extrajudicial (adj):** not authorised by law.

**fake (adj):** not real, not original, not authentic.

**to fire (verb):** to dismiss someone from their job.

**fixed exchange rates:** a system where the exchange rates of the currencies of a group of countries are fixed so that they do not change. This is usually done to increase economic stability in a region.

**formation (noun):** creation.

**to found (verb):** to start, create.

**garage (noun):** a small building (usually one room) used for storage, or in which a car is parked. Some people use this space for a 'home-office'.

**grant (noun):** money given to support an individual or a country.

**gross (adj):** total, whole.

**income (noun):** the money that people receive from their salary and other investments.

**indicator (noun):** a value/statistic which shows the health of an economy.

**inequality (noun):** not being equal.

**to inspire (verb):** to give someone hope and the desire to try to do something.

**integrate (verb):** join together.

**intensive agriculture (adj):** production of a lot of food from a small area of land using farm machinery and chemical fertilisers.

**interest (noun):** fee paid (usually every month) when you borrow money.

**to interfere (verb):** to get involved in something to try to influence it.

**to intervene (verb):** to get involved in.

**isolated (verb):** separated from others.

**isolation (noun):** being cut off or separated from others.

**jurisdiction (noun):** the limits in which law or authority can be used.

**landless (adjective):** without land.

**to lay off (verb):** when an employer tells an employee to leave their job.

**legitimacy (noun):** legal status, recognition.

**to liberalise (verb):** to make more free, reduce restrictions.

**liberalisation (noun):** making more free, removing controls.

**life expectancy (noun):** the average amount of time that someone can expect to live

**literacy (noun):** being able to read and write.

**logging (noun):** cutting down trees

**mangrove (noun):** a species of trees that lives near water, often in swamps.

**to maximise (verb):** to make as big as possible.

**to monitor (verb):** to oversee, check.

**to nationalise (verb):** when the government takes ownership of private companies.

**to negotiate (verb):** to discuss in order to reach an agreement.

**non-legitimate (adj):** not lawful.

**to obtain (verb):** to get, acquire.

**to occupy (verb):** to enter and take control of a place.

**opposition (noun):** resistance, disagreement.

**to override (verb):** to dominate, have priority

**paramilitary (noun, adj):** a semi-official or auxiliary military force.

**pension (noun):** income paid to people after they retire, by governments or from private funds.

**plentiful (adj):** available in large quantities.

**poverty (noun):** the state of being poor.

**predictably (adverb):** in a way that people can tell what is going to happen.

**product (noun):** anything that is produced.

**to protest (verb):** to argue against, object.

**publicity (noun):** information about something in the news/media.

**pus (noun):** yellow liquid that comes out of a wound or sore.

**to rank (verb):** to put in order.

**relative (adj):** considered in relation to something else, proportionate.

**to relax (verb):** to make less strict.

**repetitive (adj):** repeated many times.

**resource (noun):** store, supply.

**restriction (noun):** limitation.

**rural (adj):** countryside (opposite of 'urban').

**sanctions (noun):** cutting of economic links to a country.

**sector (noun):** a part of the economy

**to segregate (verb):** to divide.

**self-sufficient (adj):** not dependent on anyone else.

**severely (adverb):** badly.

**to shrink (verb):** to get smaller.

**slave (noun):** a person who is owned by another person, and usually used for labour.

**slum (noun):** an overcrowded, poor part of a town or city with bad housing.

**to specialise:** to focus on a small number of tasks. *lternative.*

**specialisation (noun):** focusing on a small number of tasks which one becomes very good at.

**substitute (adj):** replacement, a

**supreme (adj):** highest, most powerful.

**surplus (noun):** extra.

**to survive (verb):** to stay alive.

**technique (noun):** a way of doing something.

**tear gas:** gas that stings your eyes, used by police to break up crowds.

**territory (noun):** geographic area claimed under a particular law or authority.

**totalitarian (adj):** the state having total control.

**transparent (adj):** free from deceit, clear.

**unification (noun):** joining together.

**unique (adj):** different from all the others.

**unprecedented (adj):** something which has never happened before.

**unrestrained (adj):** without any limitation, free.

**violation (noun):** an action against the law.

**wages (noun):** salary, income, pay.