



Evaluating TRADE through a 'FAIR' lens

A Social Sciences Teaching Unit
Levels 3 - 8



Cover image: Artisans from Equitable Marketing Association (EMA)

Manoshi Roy (left) is a proud mother who loves her job at EMA. In 2001, when she began, EMA helped her out with paying for her son's education. He has now graduated and earns enough money as a computer engineer that Manoshi doesn't have to work. She wouldn't consider leaving however as she says "everyone loves me here and I enjoy it".

Wanita Haldah (right) was 20 years old and a housewife when her husband died of cancer leaving her with two children. Needing income to support herself and her children, Wanita found a job at EMA and has been there ever since. Her daughter (18 yrs) is now about to graduate from high school. Her son (14 years) is also in school. Wanita says "the income I earn from EMA is enough to support myself and my children".

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Unit plan

Curriculum Levels: This unit can be used with classes from Level 3 to Level 8.

Duration: Eight Lessons (with activities that can be extended over a longer period).

Learning Area Strands:

Elements of all four Social Sciences Strands are present; however, the unit corresponds particularly strongly with the 'The Economic World' Strand.

Achievement Objectives:

The most relevant AOs will be determined by the Curriculum Level of the class being taught:

- *Level 3:*
Understand how groups make and implement rules and laws.
Understand how people make decisions about access to and use of resources.
- *Level 4:*
Understand how producers and consumers exercise their rights and meet their responsibilities.
Understand how formal and informal groups make decisions that impact on communities.
- *Level 5:*
Understand how economic decisions impact on people, communities, and nations.
- *Level 6:*
Understand how individuals, groups, and institutions work to promote social justice and human rights.
- *Level 7:*
Understand how communities and nations meet their responsibilities and exercise their rights in local, national, and global contexts.
- *Level 8*
Understand how policy changes are influenced by and impact on the rights, roles, and responsibilities of individuals and communities.
(Economics) Understand that well-functioning markets are efficient but that governments may need to intervene where markets fail to deliver efficient or equitable outcomes.

Key Competencies:

- *Participating and Contributing:* In this unit students will learn about trade, an activity involving communities and nations around the world. They will look at their own role and that of others in the trading supply chain and the effects of trade on the different roles. Students are given the chance to look at opportunities to contribute fairly to trade and to understand the importance of fairness in trade for communities around the world.
- *Relating to Others:* In this unit students will learn about how trade affects people differently depending on their situation. They will develop an understanding of how different contexts can influence what is required to be fair in trade. Students will be encouraged to recognise different points of view, share ideas and negotiate fair outcomes.

Curriculum Vision:

As per the 2010 New Zealand Curriculum Vision, this unit will help students to become:

- *Connected:* Able to relate well to others, effective users of communication tools, connected to the land and environment, members of communities, and international citizens.
- *Actively Involved:* Participants in a range of life contexts, and contributors to the social, cultural, economic and environmental well-being of New Zealand.

Specific Learning Outcomes:

This unit attempts to take students through a process where they evaluate basic aspects of global trade based on their individual values and how they interpret the word 'fair'. By the end of this unit, students will have an understanding of the following:

- That what we consider to be fair and unfair changes depending on the way we see the world
- That we are connected to people around the world through the things we consume
- That different roles within trading chains carry different levels of power
- That there are consequences associated with power or lack of power in trade
- That trade rules can be made fairer to help those who trade
- Trade when conducted fairly can increase opportunities for the poor

For the Teacher...

Unit available on CD or by download: This unit is available for downloading at www.tradeaid.org.nz. It is also available free on CD with other Social Sciences resources by calling customer services at 0508 TRADEAID or filling in the request form at www.tradeaid.org.nz

To accompany this unit: Download the following Powerpoint presentations from: www.tradeaid.org.nz, or find them on the CD if ordered from Trade Aid:

- Attachment three images for teaching Lesson Three – on Powerpoint
- The cookie game Powerpoint for teaching Lesson Two.

In addition, Trade Aid has free DVDs available: Choose to order these to complement your teaching of trade issues:

- DVD - *Environmental Justice* - 8 mins containing video footage of craftspeople carving soapstone, making drums, sewing mobiles, drying coffee etc.
- DVD - *Alternative Trade in a Conventional World* - 18 mins - provides an introduction to Trade Aid, Global trade issues, and Trade Aid trading relationships (suitable for students approximately Year 7 and up, and adults).

Trade Aid education from your local shop: If you have a Trade Aid shop in your city or town you may have access to additional education services. For Trade Aid locations visit www.tradeaid.org.nz and fill in a 'request a speaker' form online or contact the Manager of your local shop to find out what your local Trade Aid shop can do for you. Trade Aid shops can often provide time for class visits to the shop or a speaker for your class to complement your environmental justice or fair trade lessons

Lesson one: Fair or unfair

Key ideas:

- What we consider to be fair and unfair changes depending on the way we see the world
- Some things are agreed by everyone to be fair or unfair
- Something that is unfair can be made more fair by changing the rules

Activity 1: fair or unfair?

Clear all the desks away and ask all students to stand in the middle of the room. Call out the following list of questions, one by one. After reading each question, ask the students to choose which side of the room to stand on. One side of the room means 100% fair, the other 100% unfair. The space between the walls represents a spectrum from one extreme to the other, recognising that many statements do not have absolute answers.

Is it fair... (adapt these questions to suit the age of the class)

- that children are asked to stand up for adults on buses and trains?
- that people who do not have a job get paid a benefit from the government?
- to smack a child if they are naughty?
- that children in some countries have to work and cannot go to school?
- that some countries use the death penalty for their worst criminals?
- that people with the most money often have the most power and influence?
- that cigarettes kill people and cost hospitals lots of money yet are legal?
- that around the world, a child dies every 3 seconds from poverty related causes?
- to say that people who buy products produced in sweatshops are partly to blame for the exploitation of the workers?
- if the government decided to ban sweets because they are bad for your health?

Once all questions have been read, return the desks and talk about the results. How many statements had people in agreement, if any? What kind of statements caused disagreement? Why was there disagreement? Why were people standing in different places? Is this a problem that people were standing in different places? Talk about values and how people value things differently.

Activity 2: When unfair is fair

Divide the class up into small groups and give each group a bunch of post-it notes. Ask them to brainstorm together and individually on the term 'unfair'. Each person in the group should come up with at least two descriptions of things that are 'unfair' in their world, things that matter to them. These should not be definitions but situations that describe an unfair situation such as:

- *It's unfair when my younger brother is allowed to go to bed at the same time as me.*
- *It's unfair that I only get \$2 for pocket money when my friends get much more.*

The group together then completes the following 3 steps.

Step 1: The group decides where to place the post-it notes along a spectrum from unfair to really unfair. Eg. It is unfair that a child dies of poverty every three seconds might rate 'more unfair' than the issue of bedtimes. Does the whole group agree about what is fair and unfair and where they lie on the spectrum? If not group members explain their rationale for placing them in different orders. Come to a compromise for reporting purposes (just as in real life when we have to come to compromises sometimes even when we might not agree).

Step 2: The group thinks about situations when an unfair situation might actually be fair if you look at it differently. This could be from someone else's point of view - maybe by looking at it with an adult's point of view and then with a child's or by looking at the bigger picture.

- *It is fair that I only get \$2 pocket money a week because my Dad doesn't have a job right now so there is not much money to go around.*

Step 3: The group asks themselves if the unfair statements are made fair by changing the rules or clarifying the statements? If so can the group agree on what changes will make the statement fair?

- *It is fair that my younger brother gets to go to bed at the same time as me during the week because I am allowed to stay up late at weekends.*

Reporting back: Each group chooses three spokespeople. The first spokesperson sticks the post-it notes in order on the board and reads each out loud in order. Number two talks about the statements that were most tricky to place on the spectrum and which caused the most discussion. Number three chooses a few examples to tell the class about which statements could be both fair and unfair depending on the rules or the situation.

Debrief: Using the information they have discussed in the lesson, ask all students to write one key statement about fairness. Ask students to volunteer to read their statement, choosing as many to read as time allows. Use any appropriate statements to reinforce the key messages of the lesson or if appropriate leave the students to ponder the statements if they are diverse.

Activity 3: Writing about fairness

Expand the writing component in activity 2. Have students write an age appropriate length statement/essay about fairness – how important fairness is in life, and how what is fair can change based on things like values, situations and rules.

Activity 4: Debating fairness

Hold a debate using one of the statements from the lesson or a different statement of choice. Each side debates the fairness or unfairness of the statement.

Lesson two:

Trade – connecting the globe

Key ideas:

- We are connected to people around the world through the things we consume
- Different countries produce different products

Activity 1: Where do my things come from?

Ask each student to name something that gets traded, not repeating anyone's item before them, it can be anything – animal, mineral, vegetable.

Alternatives:

- Have students in groups, list A – Z down the side of a page and then give them a few minutes together to list 26 items each beginning with a different letter. Students then choose one from their list as their item to say out loud.
- Students could bring an item in with them and use it for the activity.
- Give the students a few minutes to walk around the classroom and see if they can find out where the things in the class are made choosing one to report back on (could be uniforms/ clothing, equipment, furniture etc.)

List the items on the board as students say an item out loud and then ask the students about the origin of their item. Match each item to a country it may have come from and then add to this list. Ask for names of food the students will eat for lunch and potential origins, breakfast foods, items they will play with after school or in the weekend etc. Stop when there is a good range of different items and different countries on the board.

Get students to raise their hands if they think their product might be made in only one country (e.g. an apple) or made in many different countries (e.g. Clothing is made up of buttons, zips, cotton, thread, tailoring. Chocolate is made up of beans, milk, sugar, manufacturing, packaging etc.) Look at the items on the board and for those that have multiple origins talk about where the original raw materials are likely to have come from and at what part of the process the product gets the 'made in x' label.

Hand out maps (Appendix 1) to small groups of students and ask them to find all the countries listed on the board. See which group can find all countries first. Limit the amount of time allowed and ask for volunteers to point out any countries groups may be still missing.

Write the following terms on the board and talk briefly about what they represent including the information provided alongside each term below. The terms primarily mean 'rich' and 'poor' so why have different names been used for this division over the years?

- North and South
 - These words have no emotive content because they describe location rather than labelling a way of life or lifestyle. However not all poor countries are geographically in the South and not all rich countries are geographically in the North.

- Developing and Developed
 - These words assign a judgement to the countries belonging to the groups. They represent one set of countries being behind another, trying to attain what the other set has.
- First and Third World
 - These terms are still used by the general public although they are now a little ambiguous due to the absence of a 'second world' in today's era. The term 'second world' was used to describe the communist countries before the 'fall of communism' in the Soviet States.

'North and South' are often used amongst development professionals today.

- Why do they think this is? (Think about how different values associated with different people and different cultures might affect what people mean when they use words like rich and poor, or developed and developing.)
- What does development mean?
(Could it mean different things to different countries?)

Ask the students to draw a line through their map where they think this division of countries lies. See the correct division on the map in the Appendix 2.

Where do most of the products we use originate from? The North or The South? Why is this?

Activity 2: The Cookie Game

Using the Powerpoint presentation available for download with this resource at www.tradeaid.org.nz play the cookie activity. This activity is very effective as it uses cookies instead of money to highlight the resource/wealth division between North and South and wealth divisions within countries. The activity itself only takes 10 minutes but can create interesting discussion that requires longer.

Rules:

Before starting the game you will need to know how many students are in the class and adjust the figures accordingly. The current Powerpoint is calculated for 30 students. The calculations can be done exactly or to the nearest number to avoid decimals. To play the game start with the map that divides the countries between North and South and check understanding. On the next screen now introduce how wealth is distributed between these countries. Explain each statistic that arises with each click of the mouse: first the division between North and South and then within the countries themselves. The figures are dramatic on their own but the real punch line is when you equate the wealth with the number of cookies and distribute them to the students to represent the wealth in the world. Inevitably some students will receive crumbs and some more than they feel comfortable with. Talk about the feelings that occur as the cookies are distributed and talk about fairness and why the students think the world is like it is. What are the perceptions of rich and poor and who deserves to earn what.

Lesson three:

What to trade – a choice?

Key ideas:

- There are many limitations on what countries can produce
- Poverty is both a limitation and at the heart of many other limitations
- A lack of choice, further keeps people in poverty

Activity 1: Reading texts

Hand out the stories that accompany this lesson (found in the appendices) for students to read in groups before beginning subsequent activities.

Activity 2: Poverty bound

Step 1: Remind the students of the previous lesson's content by asking each of them for names and origins of the products discussed, or any product and its common country of origin. Then write up the following four headings on the board and ask the students how these factors might play a role in limiting or determining what people can trade. Your students may be able to provide more headings or examples of limitations in trade opportunities from their own knowledge.

- Climate/ Geography
- Culture
- Poverty
- Trade rules

Step 2: (If groups have already read the stories, miss out this step) Split the class into groups and hand each group an image(s) (available for download on powerpoint) with its accompanying story (provided in appendix 3) as one example of each heading above. Each group reads the story together and reports back to the class the situation in their own words including why the situation is a limitation on trade.

Extension for older students: Ask the students what they believe the limitations to trade are and have them, in groups or individually, research examples to back them up.

Activity debrief: Talk about how poverty is related to all of these examples (resulting in a lack of power in negotiations, inability to move to a more prosperous place, inability to set up new markets or develop new products etc). Could having enough money relieve any or all of these situations? Why or why not?

Activity 3: Depending on trade

Ask the students to think about all the products that we touch, use, and eat everyday. Think about the people we are connected with through these products. Using their knowledge from the last activity, what countries have the most power to choose what to

produce, Northern or Southern? Using the following questions talk about the implications of this considering that Southern countries often rely on trade for their livelihoods?

Think about the following questions in relation to someone from a poor country:

- What does a fisherman do if his boat is destroyed in a storm?
- What does a coffee farmer do if his crop is wiped out by a hurricane?
- What does a Tibetan refugee do if no-one buys his handcrafts?
- What does a cocoa farmer do if the price of cocoa goes too low to pay labourers to pick the cocoa?
- What happens to local industry when cheaper goods from overseas come into the country in large volumes?
- What happens to a factory worker when the factory closes down?

Now think about what would happen in New Zealand if any of these events occurred?

Debrief: Think or write about the following:

- Why is having a choice a good thing?
- How can it make you more vulnerable if you do not have a choice?

Lesson four:

Power and the trading chain

Key ideas:

- Different roles within trading chains carry different levels of power
- There are consequences associated with power or lack of power
- The power to create change lies both within and outside the trading chain

Activity 1: The banana trading game

Use the following banana activity to look at how many different groups of people might be involved in a product once it is made. How does a product get to New Zealand once it is grown or manufactured?

Ask the students how many roles they think there might be to import a banana from the field to the shops in New Zealand and what they might be?

In reality there could be less or more depending on how different companies operate. For an example and for the purposes of the activity tell the students that sometimes there are 5 different roles involved in importing a banana to New Zealand.

The five roles are:

- The Banana Worker
- The Plantation Owner
- The Shipper
- The Importer/Wholesaler/Ripener
- Supermarket

Split the class into groups and assign each group a role. Each group then takes turns to demonstrate their role through role-play. Different group members choose different activities within the role to demonstrate. Each group member should change the information into 'I' statements, such as "I work 12-14 hours a day doing hard physical labour in hot conditions to select the best bananas..." etc.

Banana Worker (the Banana Caretakers!)

- 12-14 hours/day of hard physical labour in hot conditions
- Selecting the best bananas
- Washing bananas - hands in water all day
- Cutting bananas - carrying heavy loads of bananas on your back
- Applying fertilisers and pesticides - can lead to health risks such as cancer, sterility, birth deformities in offspring.
- Pesticides are also sprayed from planes over schools and homes
- You have to worry about having enough to buy food, pay medical bills or to pay to send your children to school.

- Often discouraged or prevented from joining a trade union with other workers to ensure that your employer respects your rights, pays you properly and provides you with decent working and living conditions

Plantation Owner

- **Plantation Running Costs:** expensive pesticides, fuel for pesticide spraying aeroplanes, tools and machinery
- **Cost of lawyers** in case workers sue them for work accidents
- **Waste:** European Regulations demand a perfect, blemish free fruit which takes a lot of investment, and still a considerable part of your crop does not suit the high demands. So every harvest you lose some money on these lost bananas.
- **Risk Factor:** You bear the cost if the harvest is bad, or a hurricane or pest destroys your crop.
- **Modernisation Investments.** You need funds to invest in modernisation of your plantation in order for you to stay in business.
- **Cost of Land.** The longer a certain plantation is used for banana production, the more fertilisers it will need as the soil becomes depleted of important components. Therefore you need to invest in more expensive fertilisers or more land.

Shipper

- **Ships:** big cargo ships are very expensive to buy and maintain.
- **Fuel:** One load between Latin America and Europe may take up to 5 weeks.
- **Insurance:** in case a cargo is lost or damaged, for which they will be held responsible.
- **Refrigeration.** On board, the bananas are kept in big fridges to prevent them from ripening during the voyage, which would make them arrive at their destination “spoilt”.
- **Port Fees.** These need to be paid to port authorities on either side of the voyage.

Importer/Ripener

- **Transportation:** by truck from the European port to big ripening centres, and from there to the retailers.
- **Contracts:** The importer is liable for contracts both to the producers he buys from (promising to buy x amount per week) and to the retailers (promising to provide them x amount of bananas per week). They must honour these, even if they are let down by one end of the chain.
- **Licence Fee.** Importers pay licenses for the importation of their bananas into the EU and/or UK.
- **Big Offices/Admin.** Importers “need” big, fancy office buildings for the administration and bureaucracy that their role involves.
- **Ripening gas:** Ethylene is used to ripen bananas
- **Repackaging.** After ripening the bananas must be repackaged.

Supermarkets

- **Staff:** Supermarkets require a lot of staff.
- **Running Costs:** lighting, transport, designing of staff uniforms, carrier bags...
- **Developing/buying new property** to stay competitive with other supermarkets
- **Risk.** Supermarkets must not lose their image regarding the quality of their products. If the bananas are handled badly or arrive on the shelves over-ripe, they will lose customers on the long term.

- **Image/Advertising.** To attract and keep customers, supermarkets need to invest in advertising and image building.

After role-playing the descriptions get the groups to imagine that a banana costs 60 cents. How much of this should each group get? Ask them to spend a couple of minutes discussing this, and preparing their arguments why. The groups should think about all the jobs/work that they do and resources they use in the banana chain. Ask each group to present their arguments for the amount they have decided and why. The facilitator should ensure that key points for each role are included.

Inevitably the total from all the groups will be more than 60 cents. They then need to renegotiate. Put one person from each group in a straight line so that they negotiate with the player next to them as they probably would in real life.

Now reveal the true breakdown of the price of a Latin American banana. You can either cut up a banana or give the supermarket 60 cents - they would keep their share and pass the rest to the importer, who then keeps their share and passes the rest to the shipper and so on.

Worker	2 cents
Plantation owner	10 cents
Shipper	8 cents
Importer/Wholesaler/Ripener	14 cents
Retailer	26 cents
Total	60 cents

(This breakdown is fairly accurate, but is simplified for the game. Each banana exporting country will have a slightly different breakdown. There is also a difference in the way profits are distributed from bananas exported from small farms and large plantations.)

Debrief: Talk about:

- What the group thinks about the final distribution?
- Who has the most power and why?
- Who benefits most/least? Is it a fair situation?
- Why is the distribution of income as it is?
- What could be done to improve the situation? Who has the power to do this?

Now let's add consumers into the equation:

- How does the power distribution change if you add consumers into the chain? Do consumers have more or less power than others in the chain?
- What are the tools that consumers use to exert their power? (choosing where to shop, what to buy, requesting certain items of retail managers, boycotting products etc.)

Activity 2: Field trip

Use the discussion from this lesson and have the students visit their local supermarket either in groups from school or in their own time. Look at what opportunities there are for customers to exert their power. Test how easy it is to:

- Request a new or different type of product
- Complain about the behaviour of the retailer (should the consumer choose to)
- Talk to the manager about the power they hold at their end of the trading chain and how fair they believe the situation is.

Lesson five: Trade rules

Key ideas:

- Trade happens according to rules
- These rules can give or remove power from people who trade
- Rules can be made fairer to help those who trade

Activity 1: The Trade Game – trading tables

The rules

1. Divide the class into groups. There should be a maximum of 6 students per group. Each group represents a different country.
2. All groups must draw bird's eye view rectangular tables of an area 24cm^2 using a ruler. They draw as many as possible during a single game. They must also calculate the perimeter of the rectangle.
3. Because no group will have all the resources required to draw the table, they must trade with each other in order to get the resources they need.

Resources needed

Paper/ plastic money; rulers; pencils; sheets of paper (1/2 A4 size). The sheets of paper represent 'logs' of wood.

Group resources

- Country 1: No paper, 5 rulers, 10 pencils, \$20 cash
Country 2: 2 sheets of paper, 1 ruler, 1 pencil, \$20 cash
Country 3: 8 sheets of paper, no ruler, 1 pencil, \$5 cash
Country 4: 20 sheets of paper
Country 5: (as for country 3 if 5 teams are playing)

Playing the game

- The teacher can play the part of the "World Bank", to which correctly drawn tables can be sold for \$10. The table must show the perimeter, written on the paper.
- Each group must elect one person to act as the runner – the role of the runner is to visit and trade with other countries. All other students should remain seated.
- Students can spend a little time discussing what they have and what they need before the trading starts.
- Resources can only be bought at a set rate: this is a world rate and applies to all groups. No 'deals' can be done
- Rates:
 - \$1 per log of wood
 - \$5 per pencil
 - \$10 per ruler

Closing session - Talking about fair and unfair trade

1. Each group explains their approach, the number of tables they drew, and their findings about the perimeters of rectangles: is there a formula to calculate the perimeter? (add rectangle dimensions then double)
2. Talk about any problems that the students had during the game?

3. Which countries do the students think might have been represented by each team and why? (think about resources and what the raw materials and tools represent, equality of distribution etc)
4. Was there a 'winning' and a 'losing' team. Who was successful/ who was not so successful and why?
5. Was it a 'fair' game and, if not, why?
6. How could it have been made fairer?
7. This game simulates trade issues in real life. If this is how the trade system usually works, how can that system be made fairer? (Knowing that many poor countries produce the goods that we use, what can we do to ensure a fair situation for them?)

Lesson six: Making the rules

Key ideas:

- Trade rules are created by each country that trades
- Not all trade rules are fair
- Power imbalances between trading partners can create unfair rules

First let's learn some important words: write these words on the board and read out the descriptions. Have students think to themselves and choose which word you are describing. Check their answers at the end of the five words. Add any vocabulary you feel is necessary before starting the lesson.

WTO – The World Trade Organisation

An international group of countries designed to supervise and liberalise international trade. It has 153 members, which represents more than 95% of total world trade. It deals with the rules of trade between nations at a near-global level; it is responsible for negotiating and implementing new trade agreements, and is in charge of policing member countries' adherence to all the agreements signed by the majority of the world's trading nations and ratified in their parliaments.

Tariff

This is a tax imposed on goods when they are moved across a country's border. They are imposed by the government of the country the goods are coming into. For other countries this makes it more expensive to export your goods to the countries that impose them. This tax is usually put in place for goods that are also made by people inside the country. It ensures that their own products can still remain competitive against international competition.

Subsidy

This is a form of financial assistance paid to a business or economic sector. It can be used to support businesses that might otherwise fail, or to encourage activities that would otherwise not take place.

Liberalisation or Free trade

The removal of government restrictions on trade (such as tariffs and subsidies) with the idea being to have as few rules in place as possible about trade in goods and services.

Dumping

The act of charging a lower price for a good in a foreign market than one charges for the same good in a domestic market. This is often referred to as selling at less than "fair value." Usually countries are able to do this because their government has paid a subsidy for the product so the producer has already received the full amount for its product. Only rich countries can do this because they can afford to pay subsidies to their producers. The result for the poor country can mean cheaper products but if they produce the same products in their local industry they may not be able to compete and unemployment will rise.

Activity 1: Examining trade rules

Let's look at trade rules in real life. Remind the students of the trade rules around cocoa from lesson three. First introduce the students to how trade rules come into being. How do the students think they might be created?

Trade rules come into being in several ways:

- By each country choosing their own rules for their own situations
- Between many countries who all have to agree on the same rules at the WTO
- By a small group of countries negotiating – this is called a multilateral agreement
- By two countries negotiating – this is called a bilateral agreement

New Zealand has its own trade rules that are determined as being best for New Zealanders. Who are the main countries that New Zealand has negotiated agreements with to determine a different set of trade rules, applicable only to these countries? There are many different trade agreements in place but the following are some of the recent and major ones:

- NZ is a member of the WTO so at each WTO meeting we help determine the rules that apply to us and all other members of the WTO
- NZ has agreements with groups of countries, such as the ASEAN group: Singapore, Malaysia, Indonesia, the Philippines, Thailand, Vietnam, Laos, Cambodia, Myanmar and Brunei.
- NZ has signed free trade agreements with single countries such as Singapore, Australia, China, Thailand.

Negotiation can be a fair process but it can also be a flawed process. Sometimes one country is more powerful than the other and this can skew the negotiations.

Arrange the students in small groups of two or three and hand out one of the following 4 situations, which have come from real examples and allegations. In groups, students talk about the following questions and feed their thoughts back to the class in their groups.

Questions:

- Is the situation fair or unfair? Why?
- What information might be missing from the examples? Could this unknown information change how fair or unfair the situation is?
- Do you have suggestions for making the situation fairer based on what you know?
- Are these suggestions relevant for New Zealand to keep in mind when trading with the various countries we trade with?

Extension for older students: Get the students to research any of the trade deals that New Zealand has with another country. Look at the rules that were created specifically for that trade deal and then search the internet for what commentators had to say about the deal. Look at who is responding positively or negatively to the trade deal and why this may be? Think about who they are representing in the deal (NZ business, NZ workers, the other country's workers etc.) Why does this change the way someone looks at the impact of a trade deal? Is one right and the other wrong? Do the students agree with one rather than the other? Why is a trade deal a complex situation based on what the students know about the role of power in negotiation, and the lack of choice some countries have in their production?

Situation 1: Haiti and World Trade Organisation participation

“I am from Haiti and this year I was the only representative from my country at the World Trade Organisation meetings. Even though each country has an equal number of votes (just one), we do not have equal ability to decide what is to be voted on. It is difficult for my country to have any influence because at the WTO several meetings run at the same time and being only one person, I could attend only one! Other larger countries had hundreds of negotiators, like the EU with 500! Having so many negotiators means they can attend each meeting and have their say. They know all that is going on and they have people researching information for them around the clock. The richer countries can even send someone to line up for the next meeting before the previous ones are over because it is first in first serve to meetings with limited participant numbers.”

Situation 2: Europe: 'double standards on trade'

Media article 23rd December 2008

Written by David Cronin for Terraviva Europe www.ipsterraviva.net

“Ken Ukaoho from Nigeria alleged that his country is being punished for declining to sign the free trade agreement sought by the EU during 2007. Nigeria’s stance led the EU to impose extra tariffs of 4.3 percent and 6.3 percent on Nigerian exports of cocoa butter and cocoa liquor respectively. With 95 percent of Nigeria’s cocoa exports destined for the EU, the increased taxes cost the country about five million dollars by end of March this year. Many beverage manufacturers using cocoa have relocated their production from Nigeria to Ghana. Elisabeth Tankeu, the commissioner for trade and industry in the African Union, said that these agreements are the products of a process of unequal bargaining, with the European side pressuring the ACP countries into accepting them.”

Situation 3: Dumping on poor country markets

Statement from www.maketradefair.com

Rich countries spend \$1bn every day on agricultural subsidies. The resulting surpluses are dumped on world markets, undermining the livelihoods of millions of smallholder farmers in poor countries.

When developing countries export to rich-country markets, they face tariff barriers that are four times higher than those encountered by rich countries. Those barriers cost them \$100bn a year - twice as much as they receive in aid.

Situation 4: The WTO overrides individual country’s trade rules

In October 1996, Metalclad Corporation (a U.S. waste-disposal company) won a law suit against the Mexican government. The Mexican government had to pay US\$16.7 million dollars in compensation. Why is this?

Metalclad Corporation had opened a toxic waste site in Mexico in the state of San Luis Potos that began to contaminate the local water supply. When the contamination became known the local governor ordered the facility closed especially because it was on a 600,000 acre ecological zone.

Metalclad won the right to reopen its plant once it took the government to court because it is protected under the North American Free Trade Agreement (NAFTA) with Mexico. The WTO ruled that it was a violation of the free trade agreement to refuse to let Metalclad reopen the site and continue ‘trading.’

Lesson seven: Fair trade

Key ideas:

- Trade can increase opportunities for the poor
- Changes to current trade may need to occur for this to happen
- Trade Aid uses fair trade to create opportunities for its trading partners

Activity 1: Trade for better or worse

Using the information you have learnt over the previous lessons, read the two texts out loud to the class. Place them in groups to answer the questions.

Text 1:

The long term trend shows that while the retail value of coffee sold worldwide has doubled in the past twenty years, the amount paid to farmers has not increased but has actually halved over the same period.

Discussion starter suggestions for the whole class:

- Where does coffee come from and where does it go to? I.e. who grows it and who drinks it?
- What does 'retail value' mean?
- Who is getting more money than before, who is getting less?

Try and answer the following questions after discussing it in your groups:

- Is this situation fair?
- What are some of the possible reasons that one group is getting more and one less? (remember the banana example)
- What are possible consequences of this trend continuing for the next 20 years?
- What might help this trend change to represent a fairer distribution over the next 20 years?

Text 2:

"For hundreds of years our forefathers have been producing handicrafts, both utility and decorative. The necessary knowledge and skills have been handed down from generation to generation. However, the Hindu social order relegated us to the status of untouchables or Dalits. Then Islam came to our land. Some of our forefathers converted to Islam because they believed that in this way they could obtain a more dignified place in society. But little changed: our forefathers, whether Hindu or Muslim, continued to suffer under social discrimination. This social discrimination continued for centuries and our communities were robbed of their sense of dignity and self-confidence. As children, we were made to believe that such conditions of social discrimination and the accompanying economic hardships, were our fate and that we could do nothing to change!!!

Then students and social workers came with their message for struggle through the cooperative movement. Our involvement in the cooperative movement helped us to get out of the clutches of the exploitative middle-men. But our lowly and marginalized position in Indian society did not improve.

Then the international fair trade movement came into our lives. We became producers of articles for people like you who live in distant lands. You bought our products and used them in your homes. You presented our products to your friends and relations. You supported our struggle by offering voluntary help to sell our products. You advised us on quality and design improvement. You visited our villages and homes and shared cups of tea and meals with us. You took great interest in the way we live and work. The very fact that we have friends and markets in distant lands and the fact that we collectively own and control a large organization has made high caste Hindus look upon us as dignified human beings. We do not suffer any more from social discrimination. We have recovered our self-confidence and sense of dignity. We want you to know that this is the most important way in which you have helped us. Thanks to all of you for helping us in this way.

We want you to know that we will use our sense of self-confidence and sense of dignity to support the struggles of millions of our Dalit brothers & sisters to recover their justified place in our country's social & economic structures.”

Make sure all students understand the words in the texts. For younger students consider giving out the three texts for homework for them to underline and look up definitions that they don't understand. Make a list of these on the board before beginning the lesson.

Discussion questions for groups:

- What does this letter suggest is more important than earning more income?
- Why do you think this might be so?
- What aspects are different about the international fair trade market than normal trade that helped this group increase their status?
- If you knew that a product was from an organisation such as the one in the letter would this make you more likely to buy it than a different product?
- Would you like to know more about the people who make your products?
- Is it possible for normal trade to be more like the trade this letter describes?

Activity 2: A case study – building trading relationships

Introduce Trade Aid to the students. Find out what they know about Trade Aid and how they think Trade Aid is connected to what they have been learning. Make sure you include the following information:

- Trade Aid was started by a couple from Christchurch in 1973. It was the result of a trip to India to work with Tibetan refugees who made carpets. They lived in India for 2 years with their two young children despite the fact that their parents thought they were crazy to go. They brought back carpets on their return and held an exhibition. The carpets were really popular and sold like hotcakes!
- The first Trade Aid shop was in Christchurch but now there are approximately 30 shops around New Zealand. The shops are owned by charitable trusts, which mean no one person makes a profit from the sales. Instead the profits after allowing for opening new shops in NZ are distributed amongst the trading partners Trade Aid buys from.
- Trade Aid only buys products from Southern countries and when they find a new partner they build relationships that last for years. Some of Trade Aid's relationships with partners are as old as the organisation itself – 35 years old!
- Trade Aid buys from 75 trading partners in 30 countries.
- Trade Aid visits the people they buy from to get them know them better. They talk to the people making the products learn about how the profits are being used to

help develop their communities. These communities know what the best trade rules are for them so the rules vary across the different countries. However they all agree on some of the most important rules: Children should be able to go to school and learn; workplaces should be safe and healthy; and people should be paid fairly etc (view all 10 fair trade principles on the Trade Aid website).

Questions:

Using what the students know about trade ask them to make a class list on the board of the ways that Trade Aid is doing things differently from conventional trade. What do they think of these differences?

Trade Aid uses a form of trade that has become known as fair trade and there are other organisations around the world that operate in very similar ways – do the students think the term ‘fair trade’ is correct? Does it seem fair to them? Talk about why or why not.

If more questions arise about trade that that the students can research them in lesson 8

Lesson eight: Case study – Trade Aid

Choose one of the following, depending on your time and/or access to a Trade Aid shop:

1. Visit a Trade Aid shop (www.tradeaid.org.nz/shop locations) and ask them questions about:
 - the people they trade with and why
 - the type of relationship formed through trade
 - the impact on the people of this trade

2. Request a speaker from Trade Aid to come to your school and have the students prepare questions for them. Consider collecting questions that came up throughout the lessons that the teacher could not answer. Put these questions into a box as they crop up and ask the Trade Aid speaker on their visit. (www.tradeaid.org.nz/education)

3. Using the Trade Aid website choose a producer group from the trading partners' pages and read about them. In groups act out the problems that the group faces and the solutions they find through fair trade. (www.tradeaid.org.nz)

4. Students choose a product made in a Southern country, research and produce a report about issues in the industry. Some popular products to research due to their controversy might be:
 - Chocolate – issues surrounding slave and child labour
 - Coffee – issues surrounding price
 - Cotton – issues surrounding health of workers
 - Rubber – issues surrounding slavery
 - Coca cola – issues with union participation, use of local resources
 - Clothing – sweatshops
 - Fireworks/footballs – child labour
 - Cultural/traditional crafts (jewellery in Mexico) – produced for cheap in Chinese factories
 - Burger King burgers – labour issues

Some useful websites for starting information about products/companies are:

- <http://www.ethiscore.org>
- <http://www.coopamerica.org/programs/responsible shopper/index>

Appendices

Appendix 1: World Map

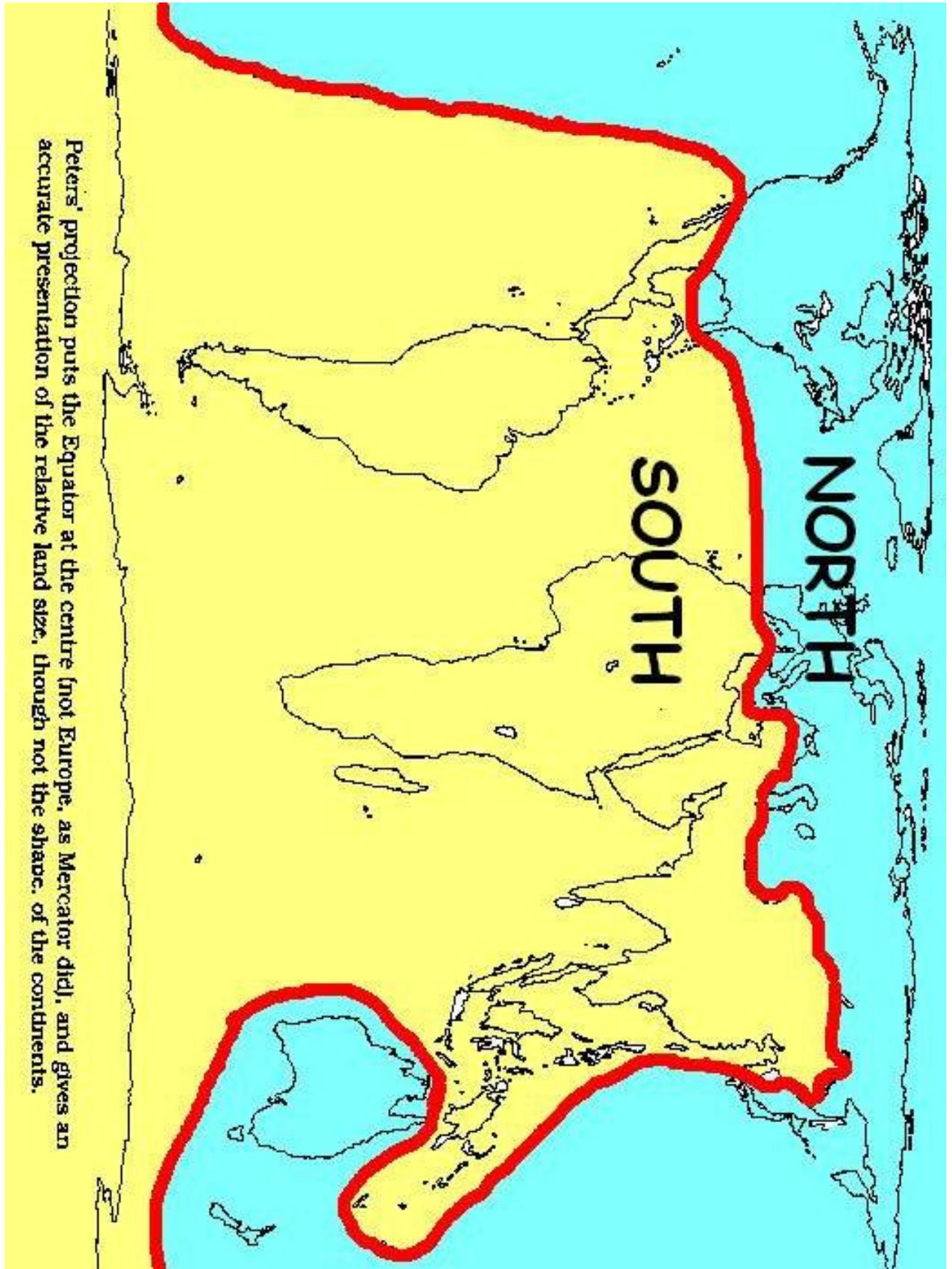
Free download of PDF World Map (with country labels):
<http://world-map.nl/download/wallpaper-large-2008>



Free download of large map without country labels (for a more difficult task):
<http://www.yoel.info/sitemap.htm>



Appendix 2: North-South World Map



From www.osdemethodology.org.uk

Also found in the accompanying activity 'the cookie game' in lesson 2, available for download in Powerpoint format at www.tradeaid.org.nz

Appendix 3: Stories and images for lesson 3

Climate/ Geography

1. Micronesia - islands and a sponge farmer



Pohnpei is a tiny island in the northern Pacific but the largest and tallest island in the Federated States of Micronesia. It is one of the world's most varied marine environments, a popular draw card for divers from around the world, and now home to the world's first commercially produced natural sea sponges.

It is here that local farmers cultivate sponges from cuttings taken from wild “seed” or broodstock and grown on underwater lines tended by farmers using mask and snorkels. The entire farming process is low-cost, sustainable and organic.

Nearly all sponges produced are sold through the souvenir trade or to local residents who use them for washing infants. Although international demand for the farmed sponges is increasing – due to declining numbers of wild sponge worldwide – Trade Aid is Pohnpei's first and only international customer as farmers work to control a sustainable supply of the slow-growing sponges.

The sponges come to Trade Aid through MERIP (Marine and Environmental Laboratory of Pohnpei), a not-for-profit organisation that provides technical advice, seeding funds and training in sustainable projects to the indigenous people of Micronesia, many of whom still live a primarily subsistence lifestyle.

Aside from sponges, MERIP is also pursuing the commercial production of hard and soft corals and giant clams for the international aquarium trade, as well as black lip pearl oysters for pearls and craftwork.

2. Ethiopia - Coffee farmers (also fits into the 'culture' category)



The Ethiopian Highlands are a rugged mass of mountains in Ethiopia located in the Horn of Africa. The Ethiopian Highlands form the largest continuous area of its altitude in the whole African continent. It is sometimes called the Roof of Africa because of its height and large area it covers.

These photos are from a region called Yirgacheffe in Ethiopia. Its elevation is about half the height of Aoraki/Mt Cook in New Zealand. The high elevation, ample rainfall and optimum temperatures are a perfect climate for growing coffee. This is probably why the first coffee was discovered here in Ethiopia in a place called Kaffa in the south west. It is the better quality Arabica coffee which grows at this altitude not Robusta coffee which grows at lower altitude and which receives a lower price.

The first coffee discovered was growing wild in Kaffa and is said to have been found by a goatherd. His goats chewed the coffee cherries and on becoming hyperactive the goatherd investigated the strange berries.

With coffee being traded earlier than 1500AD, Ethiopia is the oldest coffee exporter in the world. Ethiopians are one of the only coffee producing countries in the world who also drink the coffee they produce. They have several coffee ceremonies a day in which they drink 3 cups of coffee during each ceremony. Coffee for Ethiopians is a staple of their diets which many won't leave home without. It is intertwined with their culture and lifestyles.

When coffee prices dropped severely in 2001 many coffee farmers would have liked to have produced a different crop as they struggled to survive. However coffee trees take several years to grow and uprooting them to plant another crop means they would not be able to change their farms back to coffee easily or quickly. The high altitude is also only favourable for growing a small number of crops.

One of the problems of distant and rural locations is that farmers have very little chance to find new markets for their crops and have to work within already established trading options. In some areas of Ethiopia the only options other than farming coffee was to grow the narcotic called Chat. Chat has become highly prevalent since the coffee price crash.

The agriculture-based Ethiopian economy is highly dependent on coffee arabica as it contributes more than 60 per cent of the country's foreign exchange earnings. No other product or service in Ethiopia has earned as much. The labour intensive tree crop also provides much employment in rural areas and is the means of livelihood for over 15 million people in Ethiopia.

Culture

3. Refugees - Mrs Pemba



This is Mrs Pemba. She is a Tibetan refugee and a weaver. In this image Mrs. Pemba is sitting on a Tibetan carpet made in the Puruwala settlement in Northern India. Mrs Pemba is just one of 80,000 who crossed the Himalayas on foot in 1959 to escape brutal Chinese rule. At the time Mrs Pemba would have been a young girl travelling the long distance with her family.

This situation is one which, terrifyingly, could happen to anyone. Imagine what it would be like to suddenly find yourself in a strange country where you do not speak the language. Your parents who are highly knowledgeable and respected find themselves without status or understanding of the culture in which they now find themselves. Your family has no land and no job and the only items you own are the ones you could carry. Thousands of refugees are created each year when people find themselves suddenly forced to leave the only home they know.

On arriving in Northern India the refugees made small amounts of money working to break up stones for use in the construction of Indian buildings and roads and they lived in makeshift tents for more than ten years. In the late 1960's assistance from Holland, Scandinavia and Canada gave the refugees a few more opportunities for improving their lifestyle and their incomes.

Part of this assistance was help from advisors as part of a resettlement scheme. This led to the acquisition of a small amount of land and houses, a school and a medical centre being built. A marketing initiative to sell the exquisite carpets that embody the history and culture of the refugees was also set up. One of these advisors working in India was a few years later to become the co-founder of Trade Aid. On their return from India with a shipment of carpets from Tibetan refugees, Vi and Richard Cottrell found the carpets were popular with buyers in Christchurch. This led to the idea of opening shops to sell handcrafts from groups like these around the world.

Now in the Puruwala settlement there are around 500 people including 100-150 lamas. The land that they live on is not large or fertile, so is not productive land for creating income. The opportunities for income generation come primarily from the sale of the Tibetan carpets and if the community members do not wish to be carpet weavers they must leave the settlement and head for the far away cities in search of a job. The sale of the carpets through local and international fair trade markets helps to ensure the community can continue to survive together in a Tibetan community that reminds them of the much larger homeland that has been lost to them.

Poverty

(this could also be used as a 'gender' heading)

4. Microfinance - Bangladesh



Supported through the tough times and with opportunities open to her for creating a better future, Rumia faces a future brighter than many. This is because she is part of a cooperative of artisans who are supported by a not-for-profit organisation called Corr – The Jute Works. Bangladesh has a heritage in the production and usage of handicrafts and The Jute Works turns this into a business to earn a living. Products from The Juteworks' artisans have been sold in Trade Aid shops for more than 35 years.

But what would life for Rumia be like without access to fair trade cooperatives and markets? Would she be able to join another group of women artisans and still be able to earn a living working at home making handicrafts?

If you live in a place anywhere in the world where there are very few jobs available, then it is difficult to make money. However if you have a good skill or some good ideas you might think about setting up a business of your own. Definitely in New Zealand this is what many people do. Why might it be more difficult to get a loan to start a business in Bangladesh?

First of all, Rumia is a woman and women in Bangladesh are marginalised. This means they are not treated the same as men and they do not have the same rights. Women in Bangladesh find it almost impossible to get a loan. Men are the heads of the families and are able to decide what their wives and daughters do. This can leave women feeling less important, less valued and less confident in themselves. Women are not seen as owners of assets and not as business people.

One of the ways in which women are marginalised is through their lack of mobility. Most rural women cannot travel unaccompanied on public transport. Banks are usually located in big cities or business districts and the rural poor, especially women, have no easy access or transport to these cities.

However if a bank won't lend money to someone, there are other people who will. But these people, called money lenders, regularly exploit the poor to make a profit themselves. It is very common for people who cannot pay their debts or afford to buy seeds for the next harvest, to have no choice but to go to a money lender. Money lenders are easily accessible in the countryside yet they charge large interest rates and it doesn't take long

before the interest is larger than the loan itself. This is a dangerous cycle that keeps people in poverty.

Here in New Zealand we take access to bank accounts and our ability to save, if we choose to, for granted. However more than half the population of the world is deprived of the financial services of the conventional banks. In contrast Corr - The Jute Works, like the now famous Grameen Bank in Bangladesh, provides small loans and micro finance to artisans like Rumia. This provides women in Bangladesh the chance to pull themselves and their families out of poverty.

Trade rules

5. Bolivia – cocoa farmers



This is a photo of a cocoa farmer at El Ceibo Cooperative in Bolivia. The cocoa that this cooperative produces is made into some of the chocolate bars that are sold in Trade Aid shops in New Zealand. It is organic and delicious!

The cocoa farmers at El Ceibo are now making more money than they used to through selling their cocoa. They became a fair trade certified cooperative and have tapped into the fair trade market which is growing fast around the world. The fair trade market pays a fair wage for their product and provides support in many different areas that helps the cooperative improve the work they do.

One of the farmers said: "Before we planted more rice and bananas because the price that they paid us for the cocoa did not allow us to look after our children well enough. Now thanks to the organisation of cooperatives we have learnt how to increase the production of cocoa that we sell at a fairer price and thanks to this our children are able to eat better and they can now study."

Even though these cocoa farmers are now making more money they are not making as much money as people in New Zealand and still cannot buy some of the things that we take for granted like big houses, electricity, heating, going to University, going away on holidays etc.

The people who turn the cocoa into chocolate bars however, can afford to do these things. They live in countries like Belgium, Switzerland and New Zealand. Even if cocoa farmers could afford the expensive machinery to make chocolate, there are still something else that would prevent them exporting chocolate directly to the rich countries who eat chocolate - trade rules.

Europe in particular has very high tariffs on manufactured chocolate entering its borders, which means someone exporting chocolate bars to Europe must pay a high tax. This is because Europe is very good at making chocolate and does not want to hurt its own industry by letting in chocolate bars that might taste just as good but be cheaper because they are made in a poorer country.

This means that cocoa farmers like those from El Ceibo in Bolivia are likely to stay much poorer than those in the chocolate industry in Switzerland, where their chocolate is made. The price they get for their cocoa is low so they don't have a chance to save money to buy machinery that could turn their product into one that gets a higher price. Then even if they could save or borrow to afford the machinery, they would not be able to sell to European customers who are some of the largest consumers of chocolate in the world.