



The Trading Game

IN THIS ACTIVITY, the participants explore how trading often benefits the powerful.

TIME REQUIRED: 60 TO 90 MINUTES
INTENDED FOR GRADES 9-12

MATERIALS NEEDED

- » three paper grocery bags, each marked with one of the following labels: “Group 1,” “Group 2,” or “Group 3”
- » 15 sheets of blank paper
- » a pad of self-stick notes
- » two pairs of scissors
- » two rulers
- » a compass
- » a protractor
- » six pencils
- » extras of any of the above supplies to introduce into the game after play has started
- » three copies of the resource titled “Diagram of Shapes,” found on pages 6-7.

Note: You will need to create three small-group bags as follows:

- » The bag for group 1 should include one sheet of blank paper, two pairs of scissors, two rulers, one compass, one protractor, and four pencils.
- » The bag for group 2 should include 10 sheets of blank paper and one pad of self-stick notes.
- » The bag for group 3 should include four sheets of blank paper and two pencils.

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Activity Steps

BEGIN BY NOTING THE FOLLOWING:

- » Trade can be expressed as selling our goods to a group of people and buying some of their goods in return. People have always traded. Can you imagine trying to grow or make everything you need? People need to buy and import goods they can't produce themselves. Trade is essential to reduce poverty, but how can it be used to serve both the poor and the rich?
- » Global trade has expanded enormously in the past 50 years, and countries like the United States have more wealth and technology than ever before. However, many poorer developing countries are not getting these benefits. The global rules that govern how countries trade often benefit rich countries at the expense of poorer ones.
- » Free trade isn't always the best way for developing countries to grow their economies and help people out of poverty. For example, when markets in poor countries are flooded with subsidized agricultural products from overseas, the prices for these goods in poor countries can drop, destroying the livelihood of farmers.
- » Countries that are now wealthy did not get that way through free trade. Instead they were able to protect their local industries to allow them to develop. Yet today's developing countries are forced to follow policies of free trade.
- » The problem is not with trade itself but with some of the inequalities and hardships created by global trade rules.
- » This activity will help us explore the issue of global trade and its impact on the poor.

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ASK FOR A VOLUNTEER to help out with the activity. Tell the volunteer that he or she will be serving as the banker for this game. The banker will keep a record of each group's wealth and will serve as the clearinghouse for any transactions that take place during the game.

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NOTE THAT you will be serving as the game leader by attempting to be impartial and intervening in disputes that might occur. You will also be keeping notes of transactions, interesting comments, and unfair practices. And, finally, you will be introducing new elements to the game.

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DIVIDE THE LARGE GROUP into three smaller groups. Provide each small group with one of the grocery bags you have prepared as well as a copy of the resource found on page 6. Tell the group with the bag labeled "Group 1" that it will be representing an industrialized country, such as the United States, Canada, or France. Tell the group with the bag labeled "Group 2" that it will be representing a newly industrialized country, such as Brazil or India. Tell the group with the bag labeled "Group 3" that it will be representing a developing country, such as Tanzania or Bangladesh.

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SHARE THE FOLLOWING game objectives with the groups:

- » The objective of each country is to make as much wealth for itself as possible by using the materials it has been given.
- » No other materials may be used.

- » The wealth is made by manufacturing paper shapes.
- » The goods you are going to manufacture are the shapes shown on the resource. Each shape has its own value, and these paper shapes can be taken to the banker in batches for checking and crediting to your country's bank account.
- » Your group may manufacture as many shapes as you like. The more shapes you make, the wealthier your country will be.
- » However, all shapes must have sharp edges and must be the exact size shown on the hand-out.
- » Again, remember that you can use only the materials you have been given.
- » Physical force is not allowed.
- » As the game leader, I will intervene in any disagreements that might occur between groups or between a group and the banker.

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BEFORE THE GAME BEGINS, answer any questions and make sure everyone understands the rules. Then invite the small groups to begin. Resist answering further questions from the players. Simply repeat the rules if necessary. Watch and record how the groups negotiate prices and determine terms of trade. Note any alliances or deals and any cheating or stealing, and plan to bring these examples to the discussion later.

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AS THE GAME PROGRESSES, consider introducing any or all of the following to stimulate the activity:

- » When the banker has collected many of a particular shape, change the market value by shouting out that the market value has dropped on that shape and risen for another. Be sure the banker registers the changes.

Note: The economies of countries can rely mostly on the export value of one product. For example, when world prices for rubber and copper dropped, the economies of Malaysia and Zambia suffered. Alternatively, market value changes may mean, for example, that the rich groups in this trading game find that their compasses are no longer as useful as they once were—that is, their technology has become outdated.

- » Increase the supply of raw materials or technology by giving one group an extra supply of any of the game items and announce to the world that a new deposit of raw material has been found.

Note: This parallels the find of oil or an important mineral, which can drastically change a country's economic prospects.

- » Using self-stick notes, send a discreet message to two of the small groups, telling them that if they stick a small square of their self-stick paper to their manufactured shapes, they will triple their values. Be sure to notify the banker.

Note: This parallels a country's having a resource for which it may not anticipate the full value. Other nations buy the resource cheaply and later make a huge profit.

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WHEN IT SEEMS as though the small groups have done all they can, end the game and invite everyone to gather back as a large group. Note that the game highlights unequal world trading situations. Debrief by inviting a discussion using the following questions:

- » What were your overall impressions of the game?
- » The game attempts to reflect real practices. What current global examples can you think of?

Share your own observations of the game, especially noting any grievances you observed. Allow for the offending group or groups to respond.

- » Why weren't resources shared more freely?
- » How would cooperation have affected trading?
- » Describe how alliances formed. What were the results?
- » What reactions were provoked when prices for shapes were increased or decreased? How does this practice parallel what happens in global trading today?

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NOTE THE FOLLOWING:

- » Just like the game we played, many of the rules dictating how trade operates are biased.
- » International trade takes place according to rules established by the World Trade Organization. The WTO has 149 members but is dominated by the wealthy nations who typically try to gain new markets for their own goods while keeping their domestic markets as closed as possible to overseas products.
- » In theory, if all countries had equal input into international trade decisions through the WTO and access to global trade, poorer countries could grow their economies. Then they would have more money to improve the lives of their own people.
- » But in practice, the world trade game is not played out on a level field. The countries are mismatched. The more powerful make the rules.
- » The WTO is made up of 149 member countries—rich and poor—that account for over 97 percent of world trade. While the WTO operates on a “one country, one vote” system, the trade rules that govern member countries are decided by consensus. This means all parties agree to the decision after negotiations.
- » Unfortunately, most of the agreements negotiated within the WTO still support the interests of rich countries and large corporations, at the expense of poorer countries. This is partly because adequate representation in decisions relies on being able to send along experienced representatives, which poorer countries often cannot afford to do.
- » One of the WTO's strengths is its power to apply penalties for unfair practices, a way to keep countries honest. Countries that breach WTO regulations must change what they are doing or they may have to pay fines or change their domestic laws. This means that disagreements are less likely to spill out into larger conflicts.

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- » The WTO has huge potential to reduce global poverty, if it can regulate trade in a way that's fair to all countries, particularly the poorest.
- » Poor countries need a rules-based multilateral organization like the WTO, where they can form coalitions and make a united front. But work must be done to change the way the WTO operates so that dealings between member countries are fairer and open to everyone.
- » Even though individuals can't represent themselves at the WTO, ordinary people can lobby their government to work on changes to the WTO.

ASK THE PARTICIPANTS to think about how fairer trade practices might impact worldwide poverty. Allow for a few responses, and then note that the following:

- » If trade rules were improved, there might be a dramatic reduction in poverty. If developing countries had the ability to trade effectively with developed nations, they would make considerable progress toward ending their own poverty.
- » Trade can be one of the most effective tools for long-term poverty reduction.

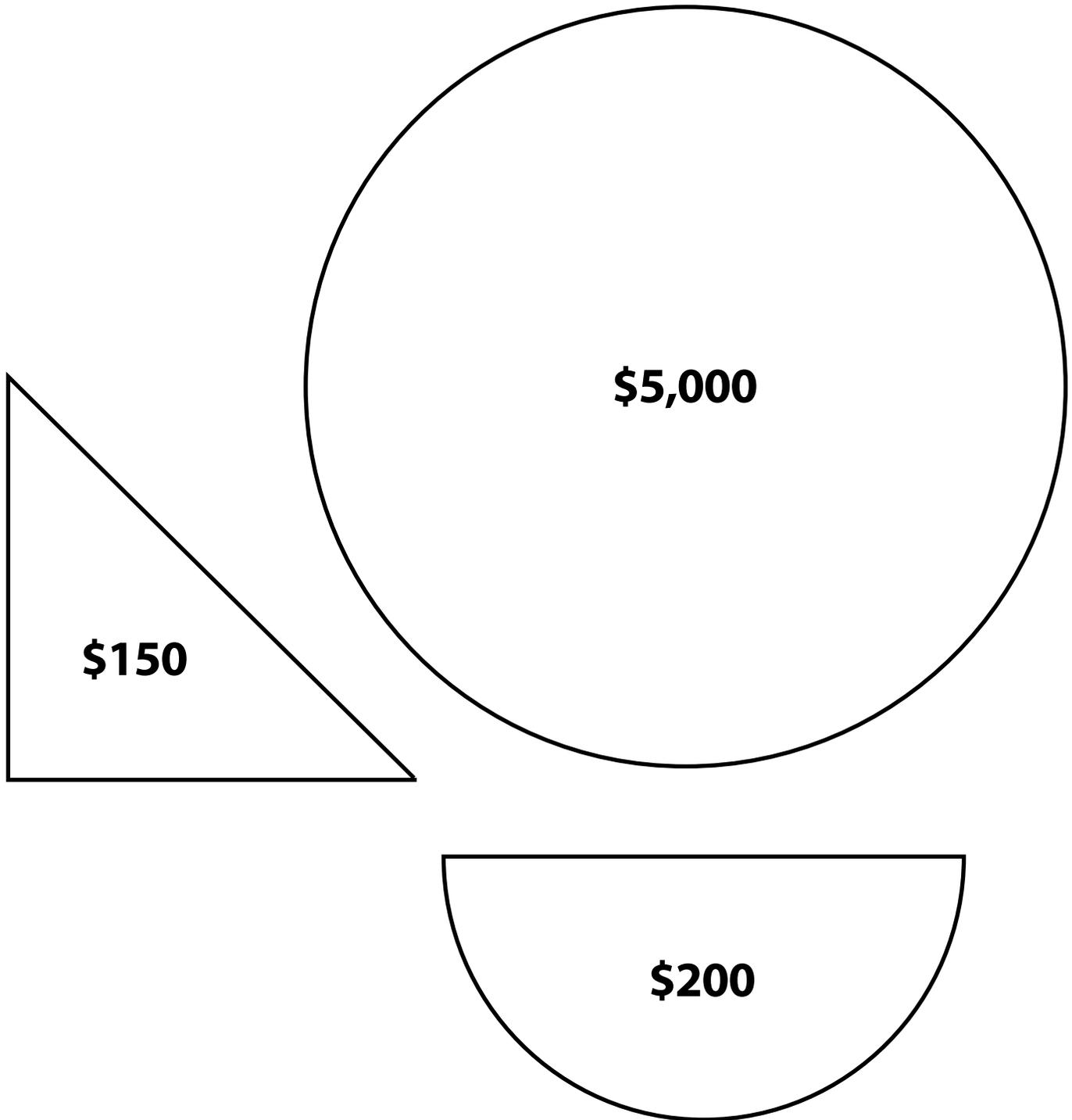
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CONCLUDE BY brainstorming with the participants how they can work toward making a difference on the issue of trade. Offer the following ideas as examples:

- » Write letters or send e-mails asking questions of companies who make ethical claims about their products. You may feel your single letter or e-mail is irrelevant, but large companies do want to listen to their customers. The more people who make the same comment or ask the same question, the more effective the message is likely to be.
- » Check and choose. You may not be able to afford, or may not have the choice, to shop ethically, but do use some of the fair-trade options available, and try to increase your awareness of where the things you consume began their journey to your home. Your supermarket will stock fair-trade goods only if enough people purchase them.
- » Organize a fundraiser, perhaps selling fair-trade products, and donate the proceeds to World Vision or to another organization that does work to address trade justice.

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Resource | Diagram of Shapes



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About World Vision

WORLD VISION IS a Christian relief, development, and advocacy organization dedicated to helping children and their families break free from poverty. Our work is motivated by our faith in Jesus Christ. We see a world where each child experiences “fullness of life” as described in John 10:10. And we know this can be achieved only by addressing the problems of poverty and injustice in a holistic way. That’s how World Vision is unique: We bring nearly sixty years of experience in three key areas needed to help children and families thrive: emergency relief, long-term development, and advocacy. And we bring *all* of our skills across many areas of expertise to each community we work in, enabling us to care for children’s physical, social, emotional, and spiritual well-being.

WORLD VISION RESOURCES educates Christians about global poverty, inspires them to social justice, and equips them with innovative resources to make a difference in the world. By developing biblically-based materials for educators and ministry leaders on the causes and consequences of global poverty, World Vision Resources supports the organizational mandate to move the church in the United States to more fully embrace its biblical responsibility to serve the poor.



*For more information about
our resources, contact:*

World Vision Resources
www.worldvision.org
wvresources@worldvision.org