

Japan's Place in the Global Economy: Role Playing a Global Economic Summit

Overview: Students will examine data to inform an understanding of the potential comparative advantage of Japan, and how it compares to the other largest economies in the world based on GDP (The United States, China, Germany, and India). Students will use their conclusions about comparative advantages to simulate negotiations of economic policies and agreements between countries.

Ohio State Economics Content Statement: When regions and nations use comparative advantage to produce at the lowest cost and then trade with others, production, consumption and interdependence increase.

Learning Objective: I can explain how production, consumption and interdependence increase when regions and nations trade with each other as a result of using comparative advantage.

Time: Six 45 minute class periods

Materials Needed:

- Copies of the handout
- Access to CIA World Factbook pages for Japan, the United States, China, Germany, and India - <https://www.cia.gov/library/publications/the-world-factbook/>
 - Can print economic sections for each country or allow students to access the pages on the internet
- Large sheets of butcher paper or large dry erase boards

Procedure:

Steps on Day 1 & Day 2

1. Start with a “bell ringer” question on the board: *Why do people trade?*
2. Ask students to brainstorm responses and call on students to share their ideas. (Their responses could be related to trade between individuals, groups, or countries)
3. After students share their perspectives on trade, provide students with the definition of “Comparative Advantage”
 - Definition from Investopedia: the ability of any given economic actor to produce goods and services at a lower opportunity cost than other economic actors
4. Explain to students that they will begin to explore the potential comparative advantages of the five largest economies in the world
5. Pass out the handout (on page 3). Students will work in small groups of 3-5 using the CIA World Factbook
 - Students will need access to the CIA World Factbook pages– Specific concentration on Economic Indicators. You may print these pages for students or they can use the internet to access the webpages:
 - <https://www.cia.gov/the-world-factbook/>
6. Students will examine the economic indicators for the five largest economies in the world. They will choose important data points to use to fill in the chart in the handout.
7. Students will synthesize the information to draw conclusions about the economies and determine a comparative advantage of each economy
 - Students will use these data points and ideas for a “summit”
 - Encourage students to think about the comparative advantages of each economy
8. While students are working, circle around the room to answer questions
9. DAY 2 – Provide students time to complete the worksheet
10. Have students turn in their worksheets at the end of the second class period
 - Can grade worksheet for formative or summative grade and return for the next day's summit preparations

Steps on Day 3

1. Assign student groups a particular country to take on the role of during the classroom summit – The US, China, Japan, Germany, India
2. Provide a large sheet of butcher paper or large dry erase board to each group. The groups will use these to brainstorm goals for economic policy and negotiation
3. Explain to students that each group will act in the interest of their country. The goal of today's deliberations is to create a sound economy policy that will benefit their country, keeping their comparative advantage in mind.
 - Students should write the following on their butcher paper/dry erase board:

Our Country's Goals and Interests
(List at least 3)

What we want from Country #1

Country #1's interests

What we want from Country #2

Country #2's interests

What we want from Country #3

Country #3's interests

What we want from Country #4

Country #4's interests

4. Give students time to develop their objectives and write on the paper/board. Students should consider:
 - Which goods do you need? Which might you want to send to the other country?
 - Would tariffs or quotas be beneficial?
 - Would free trade be beneficial?
 - How would trade affect your country's businesses and economy?

Steps on Day 4:

1. Students will prepare for negotiations by choosing the following roles for their group members
 - President – will serve as the “face” of the country and engage with other presidents
 - Trade Ambassador – will engage in specific negotiations to reach a deal with other countries
 - Can have multiple Trade Ambassadors if groups are bigger than 3
 - Secretary of State – will sign off on any negotiations and create a country symbol
2. Students will prepare for negotiations
 - President will prepare a 2-3 minute speech to introduce their country's goals and objectives
 - Trade Ambassadors will begin to circle around the room to start “pre summit” negotiations – they can start to develop relationships with other countries
 - Secretary of State will create a “flag” of symbols to represent their country and their interests

Steps on Day 5:

1. Start a summit simulation with the teacher as a moderator:
 - Each President will open with a 2-3 minute speech and introduce their country's “flag”
 - Provide about 25 minutes for students to create deals and compromises
 - Trade Ambassadors will write down agreed terms and Secretaries of State will sign off
2. At the end of the summit, display all the agreements on the board and allow students to walk around to view
3. As an exit ticket, students will write down the agreement they think is the strongest from the day's summit

Day 6:

1. As students enter the classroom, have them review the agreements from the previous day's summit
2. Debrief the exercise with the students. Ask them to analyze their negotiations:
 - What points were the easiest upon which to reach an agreement? Why?
 - What points were the hardest upon which to reach an agreement? Why?
 - What disagreements/disputes remain? Why?

- **How did the comparative advantage of each country play into their negotiations?**
- What might be some short- or long-term consequences of the agreed upon terms?
- In what ways do you think this simulation would be similar or different to real life trade talks?

3. (Optional) Have students write responses to the questions above and collect as a summative assessment