

BGGS Overview



BGGS is the *Britannica Global Geography System*, a modular electronic learning system which combines the latest pedagogical approach to geography learning with interactive multi-media materials enabling students and teachers to immerse themselves in exciting geographic investigations. BGGS is made up of the following components:

- *Geographic Inquiry into Global Issues (GIGI)* Student DataBooks
- Teacher's Guides with Overhead Transparencies in a three-ring binder
- Laminated Mini-Atlases to accompany each module
- BGGS CD-ROM with User's Manual
- 3 BGGS Videodiscs with Barcode Guides
- 3 thematic posters

This section of your Teacher's Guide will examine each component and demonstrate how the components work together to facilitate some very exciting geography learning for you and your students!

I. GIGI

Geographic Inquiry into Global Issues (GIGI) is the foundation of the BGGS. GIGI is a series of modules developed at the Center for Geographic Education at the University of Colorado at Boulder. The modules are independent of one another and can be presented in any order.

They use an inquiry approach and are organized around ten world regions:

South Asia
Southeast Asia
Japan
Former Soviet Union
East Asia
Australia/New Zealand/Pacific
North Africa/Southwest Asia
Africa-South of the Sahara
Latin America
Europe

Each GIGI module is centered around a particular question, such as "Why are people in the world hungry?" and "Is freedom of movement a basic human right?" The lead question is explored in one region of the world, then, in most modules, in a second region, before being investigated in North America.

The modules can be used in geography classes, or selected modules can be used in other courses, such as Earth Science, Global Studies, or Economics. Twelve modules constitute ample material for a full year's geography course. Each module is accompanied by sets of laminated mini-atlases which students can write on with dry-erase markers (provided by the teacher), then wipe clean to be re-used by the next class. This activity works well with cooperative groups of students.

BRITANNICA GLOBAL GEOGRAPHY SYSTEM

Each module comprises a Teacher's Guide in a three-ring binder which includes Handouts and Activity masters for duplication and Overhead Transparencies; twenty-five Student DataBooks (additional Student DataBooks available) and the Mini-Atlases all packaged in a sturdy box suitable for storage when the class moves on to the next module. Since the Student DataBooks are soft-covered three-hole punched, non-consumable books, we recommend that each student have a binder to protect them. BGGs binders are available from Britannica, or you might ask each student to obtain one at the beginning of the course to keep the books in good condition for the next group of students that will use them. As the class completes a module, you can collect the Student DataBooks, place them in their storage box, and distribute the next module's DataBook to be placed in the student's binder.

GIGI print materials are organized in a unique fashion. The Teacher's Guide explains procedures to use in presenting the material found in the GIGI Student DataBook. Miniature layouts of student pages show the teacher how many pages of student material correspond with a given Teacher's Guide page. The Teacher's Guide includes Activities and Handouts to be copied and passed out to the class and Overhead Transparencies to enhance each lesson. All of a module's Activities, Handouts, and Overheads are located behind the third tab divider in each Teacher's Guide.

The teacher needs to become familiar in advance with both Teacher and Student material in order to effectively engage the class in meaningful geographic inquiries. There is a comprehensive "Memo to the Teacher from the GIGI Staff" in each Teacher's Guide which explains in detail the

goals and principles behind the inquiry approach to geography learning.

The electronic components of the *Britannica Global Geography System* further empower students and teachers alike to engage in meaningful investigations. They are explained in detail in the following section.

II. BGGs CD-ROM

The **BGGs CD-ROM** is a resource manager and reference tool designed to help both teachers and students get maximum impact from the *Britannica Global Geography System*. This CD-ROM contains the text of the GIGI Student DataBooks in both Spanish and English, as well as Britannica's innovative geography reference program Geopedia™ all on a single disk. Here are some of the ways you and your class can use this software:

- When preparing to teach a module, you can access the GIGI Student DataBook on the CD to find which other elements of the BGGs are keyed to that lesson. For example, if you are teaching Lesson 3 in the Population and Resources module (What is overpopulation and how is it distributed?), accessing that lesson on the CD-ROM will reveal that there is one clip on the *Economic Development* videodisc called "Population/Wealth Correlation." With this information, you can plan when to reserve your department's videodisc player to preview the clip and show it to your class.

Furthermore, you will discover that there is one GIGI mini-atlas activity related to this lesson, five articles in the Geopedia database, ten entries in

Geopedia's World Data, five maps in the Geopedia Atlas, and five learning activities in the Geopedia BrainTeasers. You may want to assign each student or small group of students a research project using these extra resources to be done over the course of the module, or you can create a set of questions which the students must complete using the information found in Geopedia.

These activities can serve as a performance-based assessment of what students have learned in studying each module.

Since many schools have a limited number of computers with CD-ROM drives available, you may wish to devise a rotating schedule or sign-up system to ensure that each student has a chance to get at the BGGGS CD-ROM. If it takes 15 class periods for a class of twenty-five students to do one module, students working in pairs can each have one turn at the computer if they schedule their time at the outset of the module. Using the CD-ROM's resource managing capability, you will have a very good sense of what resources you have at your disposal and how to make the most of them.

- All GIGI lessons are indexed by word and by key topic. If your class is studying food shortages in the Hunger module, you can key in the word hunger, and immediately learn where else in the GIGI modules this word or key topic appears. You can go directly to those occurrences in the text. You will also be directed to appropriate Geopedia references and Brain Teaser activities. Figures, Maps and Tables from GIGI print modules do not appear in the CD-ROM. However, the caption describing each of them is part of the online text.

- If Spanish is the primary language of your students, GIGI lessons can be accessed and printed out in Spanish from the BGGGS CD-ROM. The BGGGS Videodiscs have a Spanish soundtrack as well.

III. BGGGS Videodiscs

More than ever before, today's students are visual learners. The GIGI modules explore issues and regions of the world with which many students are unfamiliar. With this in mind, we have produced three videodiscs, one to correspond to each of three major strands we have identified in GIGI: *Earth's Environment and Society; Economic Development; and Global Political and Cultural Change.*

These videodiscs, with English and Spanish soundtracks, can take you and your class to the parts of the world you are investigating with the wave of a barcode wand. Your class will hear how Amazon native peoples feel about the exploitation of the tropical rain forests where they live, witness the eruption of a volcano, and see first-hand the environmental disasters human beings have brought about.

The Barcode Guide which accompanies each disc enables you to access with a light pen or barcode reader, segments which pertain to the lesson being investigated. The Guide includes barcodes in both English and Spanish. Teachers can use the segments to enrich lessons, and students can make use of segments to enhance a report or group presentation.

There is a full-color poster to accompany each videodisc cluster which engages the students by asking "How do these images connect to you?" The posters can provide a colorful springboard for classroom discussion.

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**BRITANNICA GLOBAL
GEOGRAPHY SYSTEM**

GIGI

**Geographic Inquiry into
Global Issues**

Global Economy

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TEACHER'S GUIDE

Regional Case Study

Japan


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ISBN 0-7826-0993-7

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Encyclopædia Britannica Educational Corporation

This material is based upon work supported by the National Science Foundation under Grant No. ESI 9050204. The Government has certain rights in this material. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the authors, and do not necessarily reflect the views of the National Science Foundation.

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Memo to the Teacher from the GIGI Staff

You have in your hands the GIGI Teacher's Guide. Teaching with GIGI is a departure from teaching with a conventional textbook. By taking the time to study this memo—about 30 minutes—you will gain a good understanding of the kind of teaching that's needed to be successful with GIGI. We hope you have a rewarding and enjoyable experience!

Goals

The three major goals of *Geographic Inquiry into Global Issues* (GIGI) are to help you teach your students the following:

1. Responsible citizenship
2. Geographic knowledge, skills, and perspectives
3. Critical and reflective thinking

We believe you can accomplish these goals as well as others by teaching real-world issues. GIGI presents these issues with an inquiry approach, using the information, concepts, skills, and perspectives of geography.

GIGI and the Britannica Global Geography System

GIGI offers you two instructional modules for each of ten world regions (Figure 1 on pages vi and vii). There is no necessary sequence of modules; each one is independent, so you can use them in any order you wish or put together smaller clusters of modules to fit your needs. A leading question frames the issue of each module, and student inquiry proceeds through a sequence of lessons, each of which requires one or more daily periods of class time.

Color photographs at the beginning and end of each Student DataBook graphically illustrate the topic under inquiry.

Modules typically begin with a broad introduction to the global issue. Then, a major case study of three to four lessons examines the issue in a real place within the selected world region. Students also explore, usually in a single lesson, a comparative case study in a *different* region, which gives a variant of the issue and a sense of its global nature. Modules also bring the students “back home” to focus on the issue as it may appear in the United States or Canada. We do this because although North America is not one of the 10 GIGI

regions, frequent comparisons to North America throughout each module achieve additional instruction on this "home region."

Each GIGI module requires from two to three weeks of teaching time (10 to 15 class periods of 50 minutes) and contains a Student DataBook, Teacher's Guide, and Mini-Atlas. These GIGI print materials are at the heart of the Britannica Global Geography System (BGGs), which extends and enhances the inquiry approach to real-world issues with a CD-ROM and three videodiscs.

The BGGs CD-ROM puts the text of the GIGI Student DataBooks on line in both English and Spanish, then enables both teacher and students to search the text by lesson, key topic, or word to find the resources in the system that will enhance each. Geopedia™, Britannica's multimedia geography program, is provided in the CD-ROM for follow-up research. It features an atlas with more than 1,000 new maps, an encyclopedia with more than 1,200 geography-related articles, statistical information on every country from Britannica World Data Annual, a chartmaker for creating charts and graphs, a selection of video clips exploring cities and regions, and an electronic notepad allowing teachers and students to clip and edit text right on the screen.

Three videodiscs, designed to electronically transport students to the regions of the world where GIGI case studies are focused, are another part of the BGGs. The discs emphasize three major strands of the GIGI investigations: *Earth's Environment and Society*, *Economic Development*, and *Global Political and Cultural Change*. Each videodisc has two soundtracks, English and Spanish, and is accompanied by a Barcode Guide that enables teachers and students to access the segments that accompany the GIGI lesson with a wave of the barcode reader. A poster accompanies each videodisc to reinforce the connections between your students and the issue being studied.

A full explanation of the Britannica Global Geography System components and how they work together is located in the BGGs overview in the front section of this Teacher's Guide.

Geographic Inquiry into Global Issues (GIGI) Issues, Leading Questions, and Case Study Locations

South Asia	Population and Resources <i>How does population growth affect resource availability?</i> Bangladesh (Haiti)	Religious Conflict <i>Where do religious differences contribute to conflict?</i> Kashmir (Northern Ireland, United States)
Southeast Asia	Sustainable Agriculture <i>How can the world achieve sustainable agriculture?</i> Malaysia (Cameroon, Western United States)	Human Rights <i>How is freedom of movement a basic human right?</i> Cambodia (Cuba, United States)
Japan	Global Economy <i>How does the global economy affect peoples and places?</i> Japan (Colombia, United States)	Natural Hazards <i>Why do the effects of natural hazards vary from place to place?</i> Japan (Bangladesh, United States)
Former Soviet Union	Diversity and Nationalism <i>How do nations cope with cultural diversity?</i> Commonwealth of Independent States (Brazil, United States, and Canada)	Environmental Pollution <i>What are the effects of severe environmental pollution?</i> Aral Sea (Madagascar, United States)
East Asia	Population Growth <i>How is population growth to be managed?</i> China (United States)	Political Change <i>How does political change affect peoples and places?</i> Hong Kong (South Korea, Taiwan, Singapore, Canada)

Figure 1 Matrix showing GIGI modules. Geographic issues are in bold and leading questions are in italics. Major case study locations are followed by comparison examples in parentheses.

Geographic Inquiry into Global Issues (GIGI)

Issues, Leading Questions, and Case Study Locations

Australia/ New Zealand/ Pacific	<p>Global Climate Change</p> <p><i>What could happen if global warming occurs?</i></p> <p>Australia and New Zealand (Developing Countries, U.S. Gulf Coast)</p>	<p>Interdependence</p> <p><i>What are the causes and effects of global interdependence?</i></p> <p>Australia (Falkland Islands, United States)</p>
North Africa/ Southwest Asia	<p>Oil and Society</p> <p><i>How have oil riches changed nations?</i></p> <p>Saudi Arabia (Venezuela, Alaska)</p>	<p>Hunger</p> <p><i>Why are people hungry?</i></p> <p>Sudan (India, Canada)</p>
Africa—south of the Sahara	<p>Building New Nations</p> <p><i>How are nation-states built?</i></p> <p>Nigeria (South Africa, the Kurdish nation)</p>	<p>Infant and Child Mortality</p> <p><i>Why do so many children suffer from poor health?</i></p> <p>Central Africa (United States)</p>
Latin America	<p>Urban Growth</p> <p><i>What are the causes and effects of rapid urbanization and urban growth?</i></p> <p>Mexico (United States)</p>	<p>Development</p> <p><i>How does development affect peoples and places?</i></p> <p>Amazonia (Eastern Europe, U.S. Tennessee Valley)</p>
Europe	<p>Regional Integration</p> <p><i>What are the advantages of and barriers to regional integration?</i></p> <p>Europe (United States, Mexico, Canada)</p>	<p>Waste Management</p> <p><i>Why is waste management both a local and global concern?</i></p> <p>Western Europe (Japan, United States)</p>

Figure 1 (continued)

The **Student DataBook** contains the following features:

- Memo to the Student from the GIGI Staff
- An overview of the key questions and places explored in the module
- Lesson objectives
- Data presented in a variety of forms, including text, maps, graphs, tables, photographs, and cartoons
- Questions
- Glossary
- References

Students are not expected to learn the GIGI curriculum through the Student DataBook alone. Rather, they derive meaning from the DataBook when you use the Teacher's Guide to work through the curriculum with them. You may want to explain this process to students. Point out that you will be directing them to carry out various activities that are not specified in their text but are important in the sequence of learning.

Prior to teaching the first lesson, be sure students read the "Memo to the Student from the GIGI Staff" and the two-page overview, which gives the module's objectives in question form. Point out the Glossary and encourage its use as you work through the module, noting that glossary words are listed at the beginning of each lesson. So that students will know what they are expected to learn, they need to read carefully and understand the objectives listed at the beginning of each lesson.

This **Teacher's Guide** contains the following sections:

- Preparing to Teach This Module, a synopsis of the module's leading question, themes, and activities
- Module Objectives
- Number of Days Required to Teach the Module
- Suggestions for Teacher Reading
- Extension Activities and Resources

Most lessons include the following sections:

- Time Required
- Materials Needed
- Glossary Words
- Getting Started (suggested anticipatory sets)
- Procedures (for group and individual work)
- Modifications for older or younger students (in a different type face, printed in color)
- Questions and Answers (shown in tinted boxes)
- For Further Inquiry (suggestions for extensions and/or assessments)

- Masters of Overhead Transparencies and Activity masters and keys (located at the back of the Teacher's Guide)

Each module has its own accompanying **Mini-Atlas**, which provides four-color maps designed especially for use with that module. The Teacher's Guide explains how to use these maps. No additional atlases are required to teach the module, but large wall maps are highly recommended for your classroom. In addition to the maps in the Mini-Atlas, you will find numerous maps in the Student DataBook.

Intended Grade Levels

We believe GIGI enables you to probe global issues in various degrees of depth. This allows for the modules' use both over several grade levels (7–12) and over varying lengths of time at a grade level. The Teacher's Guides suggest alternatives for modifying instruction for different grade levels where appropriate. The reading level varies within each module: The Student DataBooks are approximately at grade 9 level, but some extracts from other sources are more challenging. These extracts are important because they show students that many people have contributed to the data, but younger students may need more time and help to understand them. The Teacher's Guides also include extension activities and resources that can maximize the grade-level flexibility of each module. Using the visuals included in the BGGGS videodiscs and the activities built into the CD-ROM, you can further tailor instruction to your students. Obviously, you will determine whether particular lessons suit your students' abilities. When a range of required teaching time is given for a module, for example, 10 to 12 days, the greater amount of time should be planned for younger students. If you believe a lesson might be too difficult for your students, eliminate or simplify it. Rarely will the elimination of a lesson render a module ineffective. On the other hand, try to utilize the suggested extensions if the lesson does not adequately challenge your students.

Issues-Based Geographic Inquiry

In order to foster active learning and higher-level thinking, GIGI stresses issues-based geographic inquiry. Inquiry is essentially the method of science and of good detective work: It poses questions and proposes answers about the real world and it tests its answers with real data. Students do this with GIGI. Because this approach may be different from what students are familiar with, you may wish to pre-

pare them by describing the process and its connection to the real world. Also, their reading and discussion of the “Memo to the Student from the GIGI Staff” will help them understand the inquiry approach. GIGI is based on Frances Slater’s inquiry activity planning model (1993). To reach GIGI’s goals, your students study specific global issues by pursuing answers to geographic questions (Figure 2). They answer these questions by analyzing and evaluating data, using geographic methods and skills. This “doing geography” approach leads to significant outcomes in knowledge, skills, and perspectives. The progression from questions to generalizations “is crucial as a structure for activity planning and as a strategy for developing meaning and understanding. Meaning and understanding define the process of tying little factual knots of information into bigger general knots so that geography begins to make sense, not as a heap of isolated facts but as a network of *ideas and procedures*” (Slater 1993, page 60).

In truly free inquiry, students work independently, but with GIGI posing questions and providing data, you and your students explore the issues together. This approach supports and encourages your students in learning geography.

By using issues-based inquiry, you promote the development of a critical perspective in your students. They learn the habits of critical and reflective thinking. Multiple and opposing positions are inherent

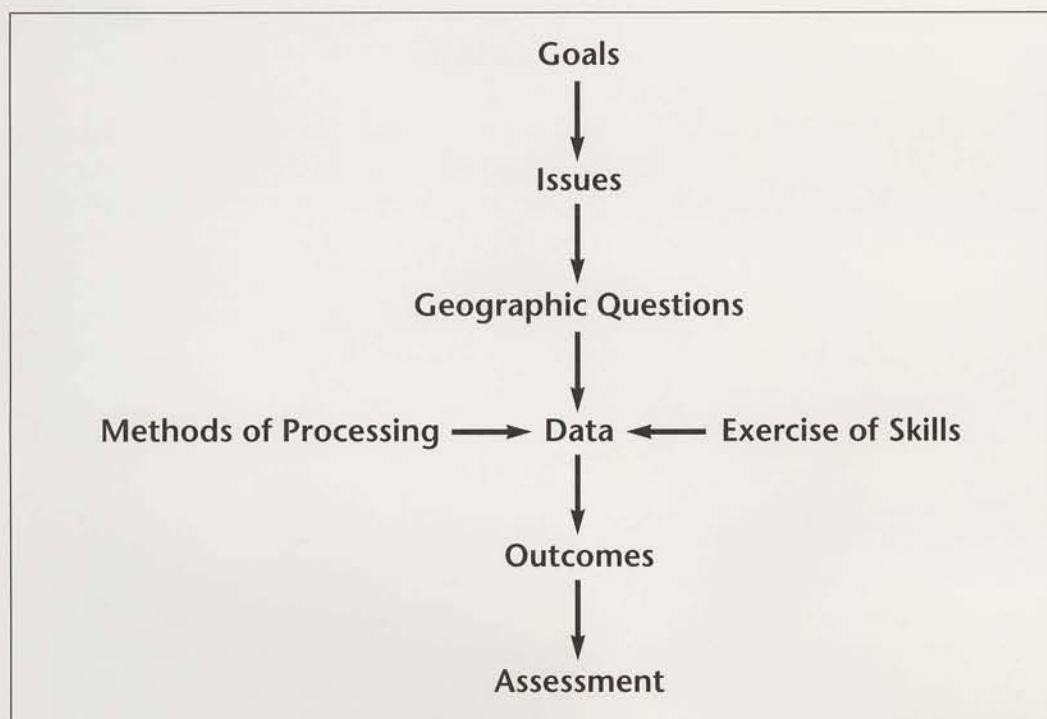


Figure 2 GIGI’s model for issues-based geographic inquiry (after Slater 1993).

in these issues. Facts can be used to support different points of view. This is the context in which the habits of the critical perspective can develop, and *interpretation* is the key activity. With GIGI you foster these habits and abilities as you help your students interpret data guided by hypotheses, propositions, arguments, or questions.

An essential element of data-based, issues-oriented inquiry is to challenge your students by giving them opportunities to

- raise new questions,
- question the quality of the data,
- seek more useful or current data,
- articulate relationships they perceive,
- explain their processes of investigation, and
- defend their positions, decisions, and solutions.

Why These Issues Were Chosen

In planning GIGI, we sought timeless issues that are truly global in scope and that are of special concern to geographers. In this way, GIGI fosters what the National Geography Standards calls “the geographically informed person” needed by modern global citizenry (Geography Education Standards Project 1994).

The major case study, chosen to give solid grounding to the issue, is focused on a region where the issue is clearly expressed. The secondary case studies, based in other regions including the United States and Canada, show the *global* scope of the issue.

It is important to stress that, although GIGI contains a wide selection of case studies in all major regions (Figure 1) as well as frequent references to the global distribution of many geographic phenomena, GIGI is not a traditional regional geography. It does not attempt to provide basic geographic information for each region, such as one finds in traditional regional geography textbooks. In teaching a GIGI module, it is important to keep the emphasis on the issue and not get distracted with extraneous regional information.

Role of Questions

Each GIGI module is divided into six to eight lessons, each titled by a question; subquestions head individual sections of the lessons. Questions guide inquiry in order to merge the process of investigation with the drawing of conclusions. Directly linking questions and answers helps achieve an intellectually satisfying understanding of a problem (Slater 1993). When students are asked to learn only conclusions without learning how they are drawn, we perpetuate the tradition of an answer-centered education bereft of higher-level thinking. Therefore, it is important that students understand they are not

always expected to answer the questions when they first appear, but rather to keep them in mind as guides when they are reading or discussing.

GIGI asks both convergent and divergent questions, trying to reach a balance between the two. Supplement the questions in GIGI by asking your students many more of the types of questions suggested by Slater (1993). These are questions that encourage

- recall,
- classification and ordering,
- the use of data to draw conclusions,
- awareness of the limitations of data or of evaluation of data, and
- awareness of the processes of reasoning used.

According to the National Geography Standards, the “geographically informed person applies a comprehensive spatial view of the world to life situations” (Geography Education Standards Project 1994). In order to foster such a view of the world, GIGI asks *geographic* questions that ask where things are and why. By asking such geographic questions and by having students learn to ask them, you will reinforce GIGI’s approach. A good question to begin with is: Where is this issue located? Then proceed to questions such as the following:

- Why does it take place there?
- How and why does this issue affect the people in this place?
- In what other places do people confront this issue?
- How and why are these places related?
- What alternatives do people have to improve their situation, and which alternatives do you recommend?

Fundamental Themes of Geography

In recent years, many geography teachers have learned that the five “fundamental themes” (Joint Committee on Geographic Education 1984) help them ask geographic questions. The theme of **Location** asks where things are and why things are located where they are. **Place** is the theme that inquires into human and physical characteristics of locations. **Human-Environment Interaction** examines how and why humans both adapt to and modify their environments as well as the consequences of these actions. **Movement** investigates not only how and why places are connected but also what is the significance of those interactions. The theme of **Region** seeks to identify and explain similarities and differences among areas and how and why these form and change. An extended explanation of the themes and their concepts, interrelationships, and applications is

given in Hill and McCormick (1989). The themes are useful because they encourage the kinds of questions required to help students develop the geographic perspective.

Importance of Local Examples

GIGI is a world geography, but it shows that issues work at various geographic scales—personal, local, regional, national, and global. Because it is sometimes difficult for younger students to identify with faraway places, success with GIGI in part depends upon the ability of both you and your students to relate the issues to examples in your local community. We strongly recommend that you refer in class to local examples of the issue being investigated. Just as important, we encourage you to have your students conduct local field studies related to this issue whenever possible. Issues having important geographic dimensions abound in every community (see the Extension Activities and Resources section at the end of this Teacher's Guide for examples). Peak educational experiences often come when students see things in the field that relate to their classroom studies. We discuss other reasons for local involvement in the next section.

Familiar people can be as important as familiar places in motivating students. The quality of personal engagement is at the crux of successful instruction. Using the BGGGS videodisc segments that accompany most GIGI lessons is a powerful way to help your students find relevance by identifying the GIGI issues with real people. Similarly, you can connect GIGI issues to everyday life at a human scale, especially at the students' own age levels, by using current newspaper accounts or magazines that address the student's perspective.

As you gain familiarity with teaching local examples, as you develop field exercises for your students, and as you learn how to put a human face on these materials, you will begin to customize the GIGI modules to fit your particular environment. Our trial teachers reported that the more they taught GIGI modules, the more comfortable they became in adapting them to fit their needs.

Fostering Optimistic and Constructive Perspectives

The seriousness and complexity of the global issues studied in GIGI can overwhelm students unless you take care to foster optimistic and constructive perspectives toward issues. "Gloom and doom" needs to be balanced with examples of success and prospects for positive change. It is important to help your students develop a

sense of personal efficacy, an attitude that their actions can make a difference in solving global problems. The maxim, “Think Globally, Act Locally,” speaks to the need to help students organize and conduct constructive actions that address local variants of the issues they are studying. As we noted earlier, student involvement in local projects enriches their educational experience. There is also good evidence that it actually produces an optimistic feeling—that their actions *can* make a difference—to help them deal with the often difficult and sometimes depressing world issues. GIGI modules often include lessons and activities to show possibilities for positive action.

Certain perspectives foster student optimism and constructive behavior. Geography students, especially, should learn to respect other peoples and lands, and they should come to cherish environmental unity and natural diversity. They should also learn to be skeptical about simplistic explanations, such as the theory that attempts to explain human characteristics and actions in terms of the physical environment alone, which geographers call “environmental determinism.” Most important, optimistic and constructive perspectives accompany the development of empathy, tolerance, and open-mindedness. These traits are fostered by avoiding sexist and racist language, discouraging ethnocentricity, and challenging stereotypes, simplistic solutions, and basic assumptions.

References to Data

Unlike most textbooks, GIGI attributes its sources of data with in-text citations and full reference lists, which is another way of encouraging the critical perspective. In the Student DataBook, material that has been extracted from original sources is indented and printed in a different typeface. Long extracts are highlighted with background color. Use of these sources helps your students learn that real people construct ideas and data and that their concepts and information are not immutable. Instead, they often change through the critiques and interpretations of various people. By using these scholarly conventions, we intend to encourage your students to appreciate the tentativeness of knowledge and to value scholarship and academic integrity.

Updating

Real data quickly become obsolete. GIGI addresses this fact by discussing historical trends of data and by stressing concepts. You should reinforce this bias for concepts and also freely acknowledge the datedness of information by explaining why it is still used (for example, the lags between research and writing and publication and

use; the lack of more recent data). Whenever possible, guide students to update materials. Britannica's Geopedia, on the BGGGS CD-ROM, contains data based on Encyclopædia Britannica's World Data Annual, which is also available in print form. Have students use these sources to supplement and update GIGI data.

Assessing Learning

Evaluation of student achievements with GIGI can be focused on two broad areas. The first is the developing ability of students to undertake geographic inquiry. The second is the acquisition of knowledge and perspectives about the module issue.

The ability of students to undertake inquiry in geography can be related to the primary questions that guide geographical study. They are noted earlier in this memo. As students work through the module, they are likely to become increasingly adept at asking and answering geographic questions. Seek to extend your students' competence in several clusters of skills that facilitate geographic inquiry. These clusters include the following:

- Identifying problems and issues. This may be done through observation, asking questions, brainstorming, reading, and in other ways.
- Inquiring into the problems and issues in many ways such as through map reading and interpretation, making surveys, and using results of surveys done by others.
- Making decisions and taking action, for example, through reviewing alternatives, establishing priorities and criteria, and communicating cooperatively with people in other ways.
- Reflecting at all stages of the process of inquiry, especially through careful consideration of diverse sources of evidence.

Students will acquire knowledge of the module issue as they make their inquiries. This knowledge can be tested and graded. Assessments may be based on the following:

- Knowledge and skills shown by work on Activities included in this Teacher's Guide and on questions in the Student DataBook.
- Observations of student participation in groups and in class discussions.

Specific assessment ideas are given at the end of some lessons in the section called For Further Inquiry. In addition, the Teacher's Guide ends with Extension Activities and Resources. Some of these extension activities can serve as authentic assessments.

Potential Uses

In addition to the flexibility offered by the free-standing nature of the modules, GIGI has a number of other characteristics that encourage widespread use. Modules can be extended and enhanced with the BGGGS CD-ROM, videodiscs, and posters. Because GIGI's issues-based approach integrates several topics (for example, population, economic, political, physical, and cultural geography) in a single module, the modules are not conducive to using an approach in which topics are taught separately. On the other hand, GIGI may be used with a world regional approach because there are modules for each of 10 world regions. A year-long world geography or global studies course will have more than enough material by using 12 modules. Five to seven modules may constitute a one-semester, issues-based geography course covering several regions. You can define clusters of modules for your own curricular purposes. We have identified three clusters for interdisciplinary studies within the Britannica Global Geography System, each comprising six or seven GIGI modules. They are *Earth's Environment and Society*, *Economic Development*, and *Global Political and Cultural Change*. BGGGS includes a videodisc and poster for each cluster. These strand packages could well be used in Social and Environmental Studies, Earth Science, Global Studies, and Area Studies classes. Activities in the modules also support math, language arts, and arts curricula.

GIGI encourages and facilitates the development of a variety of geographic skills that transfer widely into the natural and social sciences. Among these are skills of asking geographic questions and developing and testing geographic generalizations. These require other GIGI skills including examining and making a variety of maps; analyzing photographs; constructing and interpreting graphs and tables of spatial data; and collecting, interpreting, and presenting geographic information.

Finally, GIGI promotes a wide variety of linguistic, numeric, oral, creative, and social skills as well as geographic skills. In particular, GIGI emphasizes cooperative learning. We believe that one of the great strengths of the GIGI modules is that they give students practice in both group and individual problem solving. As students become more familiar with the global issues, they learn that finding solutions to world problems requires people to work together cooperatively.

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PREPARING TO TEACH THIS MODULE

Global Economy

How does the global economy affect peoples and places?

In the last part of the twentieth century, rapid advances in transportation and communication greatly increased the exchange of goods, services, and ideas across national borders and over great distances. A global economy has emerged and continues to grow. The impact of this phenomenon is not limited to economic integration. Cultures are also affected by exposure to other cultures, causing convergence towards a global popular culture. This concept, called *globalization*, is central to this module. The emergence of the global economy has brought benefits to countries like Japan that have enjoyed great growth in their national economies and great increases in their standards of living. But other countries have had their labor forces exploited and their environments damaged. The curriculum needs to examine the effects of the global economy on economies, cultures, and environments.

In economic geography, distance has traditionally been a critical factor when businesses market products. But by the end of the twentieth century, distance has become much less important. Capital and ideas move freely in the information age, constrained only by the rules of international commerce. To participate in the global economy, companies have learned to become multinational, making use of the latest in technology and communications. This module is about the challenges that countries face as they take part in the global economy.

Geography's fundamental theme of *Movement* is central to this module because goods, services, capital, and cultural features flow around the world in increasing amounts. These exchanges are not equally distributed across the surface of the earth. There are distinct *Regions* (another geographic theme) that produce and consume a large proportion of the world's production. Globalization has a pow-

erful effect on places. The theme of *Place* is explored as characteristics of places change in response to the global economy.

In Lesson 1 students learn the concept of economy and the activities associated with the global economy. The module's major case study begins with Lesson 2 as students identify the world's leading manufacturers through a cooperative learning exercise. In Lesson 3 students perform a skit to see how cultural exchange occurs. They also complete a Venn diagram to explore how the role of women has changed in Japan as a response to globalization. In Lesson 4 students end the case study by investigating the impact of the global economy on Malaysia's environment and society. Lesson 5 engages students in a creative role of depicting illegal drug trade in Colombia as an example of the global economy. Tourism is projected to be the largest global industry in the near future. Students hold a hearing to devise a way to minimize the impact of tourism on the Antarctic environment in Lesson 6.

Using the BGGGS CD-ROM can simplify lesson planning by making it easy to access the resources the system provides for each lesson. It shows exactly which Geopedia™ data and learning activities can be used in long-range and short-term assignments, and which videodisc clips will provide visual reinforcement for each GIGI lesson. The CD-ROM can also show you ways in which a lesson in one module relates to a lesson in another module. And it indicates where to find every reference in GIGI, Geopedia™, the Mini-Atlas maps, and the videodiscs to any key topic—for example, “tsunami” or “Bangladesh.” The students will also be able to use the BGGGS CD-ROM for further research and short-term or long-term range assignments. The BGGGS multimedia components and their uses are explained fully in the tabbed BGGGS section in the front of this Teacher's Guide.

The following are general modifications recommended for younger students:

- Plan for fifteen days because the activities will require more teacher explanation and support.
- Provide directions for homework assignments and monitor students' understanding and progress.
- Prior to assigning written activities requiring students to draw conclusions and summarize their findings, ask guiding questions and develop a sample outline on the chalkboard.

Module Objectives

- Recognize how countries engage in the global economy.
- Identify the key characteristics of globalization.
- Understand the ways people are affected by globalization.

- Learn why countries take part in a global economy.
- Speculate about the future of the global economy.

Number of Days Required to Teach *Global Economy*

Eleven to twelve 50-minute class periods

Suggestions for Teacher Reading

- Bagley, Bruce Michael. 1990. The society and its environment. In *Colombia: A Country Study*, edited by Dennis M. Hanratty and Sandra W. Meditz. Washington, DC: Federal Research Division, Library of Congress.
- Bloom, David E., and Adi Brender. 1993. Labor and the emerging world economy. *Population Bulletin* 48(2), October.
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- Hill, A. David, and McCormick, Regina. 1989. *Geography: A Resource Book for Secondary Schools*. Santa Barbara, CA: ABC-Clio, Inc.
- Marshall, Bruce, editor. 1991. *The Real World: Understanding the Modern World Through the New Geography*. Boston: Houghton Mifflin.
- Ohmae, Kenichi. 1987. *Beyond National Borders*. Homewood, Illinois: Dow Jones-Irwin.
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What is the emerging global economy?



Time Required

Two to three 50-minute class periods



Materials Needed

Large world map, if available
Colored push pins or strips of paper
Copies of Activity 1 for each team of four students

module. Also make sure students are aware that there is a Glossary in the back of their DataBooks.

- Have students identify the countries in which various items found in the classroom were made or assembled. Two or three students can stand by a world map, if one is available, and signify these countries with color-coded pins as each one is named. Alternatively, attach strips

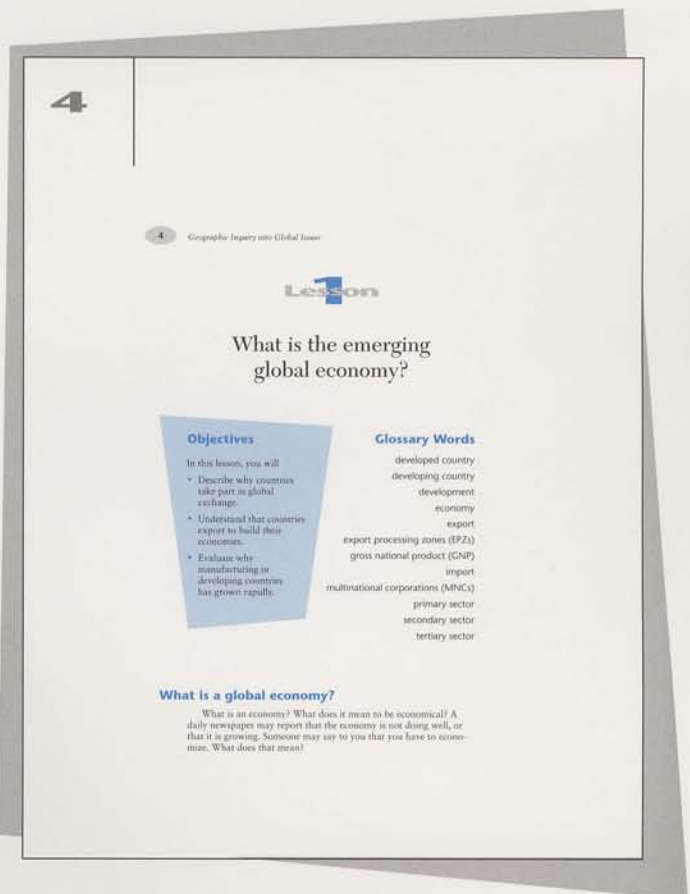


Glossary Words

developed country
developing country
development
economy
export
export processing zones (EPZs)
gross national product (GNP)
import
multinational corporations (MNCs)
primary sector
secondary sector
tertiary sector

Getting Started

- Have students read the Memo to the Student on page 1 and the overview on pages 2–3 in the Student DataBook prior to beginning the



of colored paper to these map areas for heightened visibility. Color-code the pins or paper strips according to the following categories: Clothing, electronics, school supplies (including any display items on the walls), cars (their families' or just those parked in the school lot), and furniture. You may wish to add other categories as appropriate.

If a world map is not available, you can either sketch one on the chalkboard or list the countries under broad regional titles.

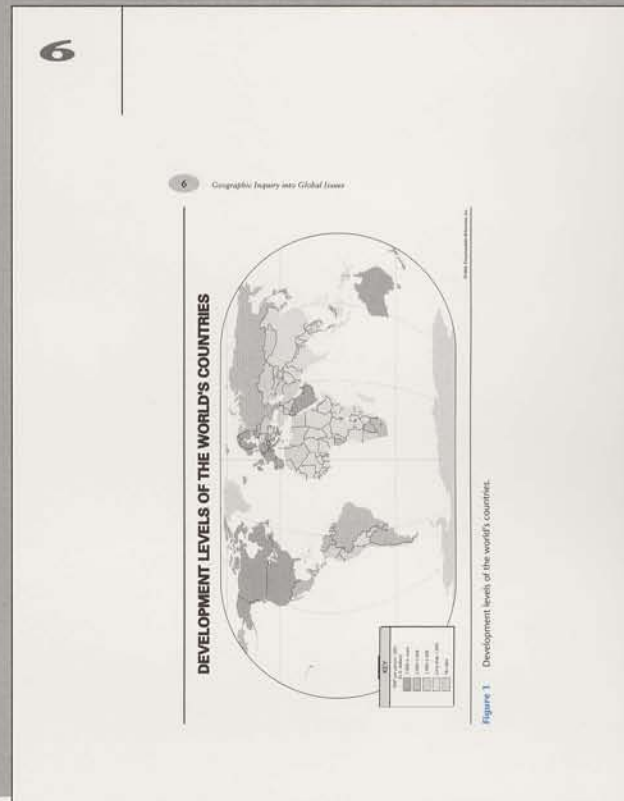
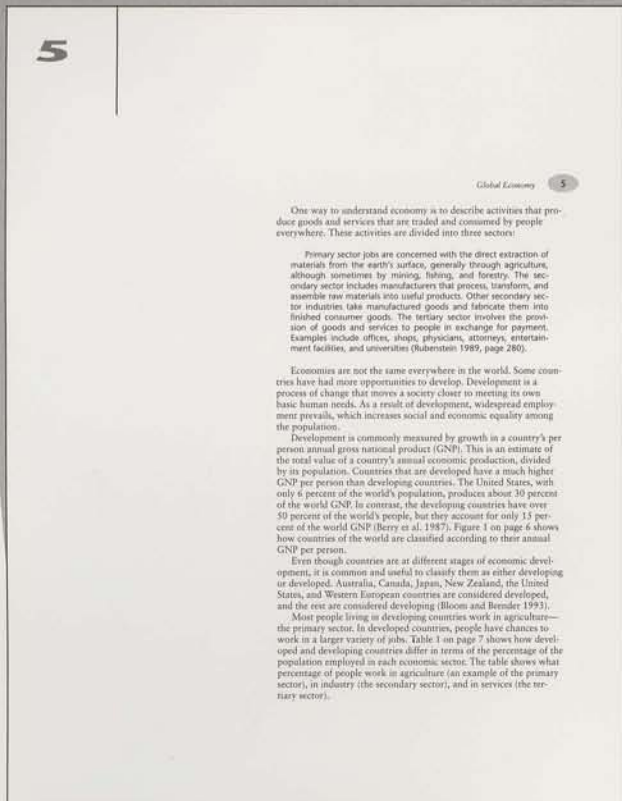
The point is to raise awareness that products come from many different places. Have students examine the world map and make some generalizations about the main countries that supply clothing, electronics, and other items to the United States.

After this exercise, have the students consider the following question: If you had surveyed a classroom in the United States in the 1920s, would there have been as many different countries represented as there are today? Most likely, the answer would be no. Students may guess that in the past, countries produced what they needed, and only rarely sold products to people in faraway countries.

Procedures

What is a global economy? (pages 4-9)

- A. Have the class brainstorm what they think comprises an economy. The media often use the term *economy*, but students may not fully understand the components involved. They can begin with the Glossary or a dictionary definition. On a personal level, economy is the management of personal resources using some rules in an attempt to minimize waste. The concept can be expanded to include the local area, with examples of local food production, small markets, and even the small local banks. Students can then list some kinds of activities that comprise a national and even an international economy.
- B. Have students work in pairs to read this section through Table 1 on page 7 and to write their answers to Questions 1 and 2. Hold a short discussion about Questions 3 and 4 to be sure students understand important differences between life in developed and developing economies.



Questions and Answers for page 7

- How would you describe the distribution of the world's wealth according to Figure 1?
 - There are very few countries that have highly developed economies. Students can see that most of the world produces very little of the world's total economy. The main point of this question is for students to see that the world's wealth is not evenly distributed.
- What do you think Figure 1 would look like if you plotted economic activity such as the primary sector reported in Table 1 instead of GNP?
 - The map would have strong similarities to the original GNP map. The small number of developed countries have only 7 percent of their populations working in agriculture, so that group would show sharp contrast to developing countries that employ 61 percent in agriculture. Some distinctions would be lost, especially the differences in the moderate GNP countries.
- What kinds of jobs are most commonly found in developed countries, such as Japan or the United States?
 - Most people living in developed countries work in the tertiary (services) sector, although a healthy proportion also work in manufacturing.

continued

7

Global Economy 7

Table 1 A comparison of economic activity in developed and developing countries, 1991

	Percentage working in agriculture	Percentage working in industry	Percentage working in services	Total population (billions, 1994)
Developed countries	7	26	67	1.2
Developing countries	61	14	25	4.4

Source: Bloom and Brander 1993; Population Reference Bureau 1994.

- How would you describe the distribution of the world's wealth according to Figure 1?
- What do you think Figure 1 would look like if you plotted economic activity such as the primary sector reported in Table 1 instead of GNP?
- What kinds of jobs are most commonly found in developed countries, such as Japan or the United States?
- How do you think developed countries are able to feed their populations, at such a small percentage of people work in agriculture?

Differences between countries stimulate trade. Japan, for example, has a very small amount of energy resources, but its large population and highly developed economy uses a great deal of energy. So Japanese companies buy energy in the form of oil from companies in countries such as nearby Malaysia. Japanese companies also buy food from Australian companies. Nearly every country participates in trade with other countries, creating a giant, global economy. Increasingly, the world's countries are linked by this global economy. But trade is not limited to getting necessities like energy, food, and clothing. Businesses in countries also trade to earn a profit. In the past, it was hard to earn a profit when conducting business in

8

Geographic Inquiry into Global Issues 8

other countries because shipping was expensive and slow, and communications were very limited. Today, the global economy is growing dramatically, as improvements in communication and transportation make it easier for countries to trade goods and services. Political changes have also allowed more businesses to participate in international trade. Recent political changes have meant that countries such as China and Russia have opened their doors to the free-market system of world trade (World Economic Survey 1991). Figure 2 below shows the dramatic change in the amount of manufactured goods exported worldwide over a 21-year period. The value of raw materials and services is not included in the table.

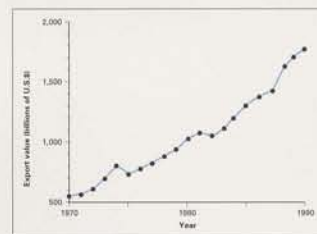


Figure 2 The value of exported manufactured goods worldwide, 1970-1990.

Source: World Economic Survey 1991.

4. How do you think developed countries are able to feed their population, if such a small percentage of people work in agriculture?
- Students can speculate on this. Some will know that developed countries are more efficient at farming—they use machines to help grow large amounts of food. Pesticides and fertilizers are also heavily used to increase crop yield. Students might also say (correctly) that many developed countries obtain large amounts of food through trade with other countries.

C. Have student pairs read the remainder of this section, study Figure 2 on page 8, and answer

Questions 5–7 on page 9. Select a few pairs of students to report their answers.

9

Global Economy 9

Multinational corporations (MNCs) link different countries. These are firms that conduct operations in more than one country. MNCs look for countries that have cheaper labor, and those that have technology and capital. MNCs account for much of the world's inventions, international trade agreements, flows of money between countries, and industrial growth. These very large businesses maintain economic activity in more than one country and use the differences between countries to their advantage. MNCs are able to shift investments, resources, and operations at a global scale (Dickson 1992). The actions of MNCs result in the economic integration of the world into a global economy.

5. What is the total value of manufactured exports from 1970 to 1990?

6. Why do you think there is a trend in manufactured exports to a great extent of the world's economies, activity?

7. What kinds of things do you think would stop the trend shown in Figure 2, continuing into the future?

Why has manufacturing grown?

The process of globalization includes movement of working people between countries. It also includes the transfer of money and special equipment from one country to another. Trade between companies in different countries in the form of imports and exports is a third activity of the global economy (Bloom and Brander 1993).

Some countries have become attractive places for companies to set up manufacturing (a secondary economic activity). This is because the GNP per person in such countries is low, and that usually means that labor costs are also low. Table 2 on page 10 reports the average GNP per person in three developing countries, and compares the GNP per person in developed economies found in countries such

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Geographic Inquiry into Global Issues

in Japan, the United States, and Germany. GNP per person is used here as an approximation of the wages earned in those regions. Manufacturers try to keep labor costs low, so they choose countries that have low GNP per person.

Sometimes the cost of labor is so low that it even pays to ship raw materials to a country, hire people to make the product, and then export the finished product to the other countries. This late twentieth-century arrangement is an example of globalization. Countries set up what are called Export Processing Zones (EPZs) in which they offer land, buildings, power, tax breaks, and lower safety and environmental standards in order to attract manufacturers. This arrangement gives many people jobs, but the long-range benefits of operating an EPZ for the local economy is still unknown (Marshall 1991).

Table 2 Comparison of GNP per person between selected countries having EPZs and those in developed economies, 1994

Country	GNP per person
Egypt	610
India	310
Mexico	3,470
Developed economies	16,610

Source: Population Reference Bureau 1994.

Figure 3 on page 11 shows the changing importance of the secondary sector to economies in developing countries in these world regions. Developing countries are becoming part of the global economy because they are the locations chosen by multinational corporations to manufacture products for export.

Although the role of manufacturing in developing countries is changing in response to globalization, primary-products exports is still a very important source of income. Even though the percentage of a country's exports in primary products may drop, it is possible that the value of the primary products will increase. For example, in Argentina, food exports were valued at \$5.2 billion (U.S.) in 1980. By 1992, exports in food from Argentina rose to \$7.5 billion, even though the primary sector shrank from 85 percent to 64 percent of Argentina's exports (*International Trade 1993 Statistics* 1993; World Bank 1993).

Questions and Answers for page 9

5. What is the trend in the value of manufactured exports from 1970 to 1990?
 - With only a few minor corrections, the value of exports has grown strongly between 1970 and 1990. Students can emphasize the steep and steady nature of the trend.
6. Why do you think seeing a trend in manufactured exports is a good indicator of the world's economic activity?
 - People buy manufactured goods when they have adequate incomes; when incomes are low, the demand for manufactured goods is low. Thus, trends in manufactured exports are related to the size of the global economy, which is a measure of the world's wealth.
7. What kinds of things do you think would keep the trend shown in Figure 2 continuing into the future?
 - Students can speculate that better communications, more efficient shipping, and more trade agreements would promote even more global trade and international investment. Increasing wealth is probably the most important ingredient for expansion of exports. As countries get richer, they can afford to buy more goods and services.

- D. Form teams of four students and distribute **Activity 1** to each team. The teams' goal is to make a locational decision for the production of automobiles. Their ultimate choice of location must be supported with a rationale from an economic perspective. In other words, their choices must minimize the cost of production, using labor (managers/engineers and production labor), materials, capital, and distribution (shipping and sales).

Activity 1 gives students the costs of each of the facets of producing automobiles. When the cost given for a country is high, it means that the company must pay a great deal to maintain an operation in that country. For example, materials may not be available in that country and they would have to be imported. When the cost is low, the country is able to operate without borrowing or incurring heavy debt.

For younger students, you can give them more clues. Tell them that the headquar-

ters is located in Country B, and it adds \$1,600 to the cost of the car. For older students, you can make it more sophisticated by adding a cost for political stability and see if they come up with new location decisions. You could ask them to look at a world map and suggest the names of real countries that may be represented in the activity. Country A is the United States. Country B is Japan. Country C is Brazil (an ideal assembly country for some components). Country D is South Korea or Malaysia. The figures provided in the Activity reflect the relative differences in the economies of these countries.

The *Key for Activity 1* has all of the calculations. You can close the exercise by asking students to find out where components of various cars are made and to report their findings to the class.

Questions and Answers for page 11

8. What generalizations can you make about the economic activities shown in Figure 3?
 - In all of the regions, the primary sector has shrunk while the secondary (manufacturing) sector has grown.
9. In which region has the secondary sector shown the most dramatic growth?
 - East Asia and the Pacific have grown dramatically, but Latin America has the largest percentage change over the time period.
10. What information found in Table 2 would help explain why companies would set up manufacturing activities in developing countries?
 - People living in developing countries earn much less money than those in developed countries, so the lower cost of labor is a strong magnet for manufacturing businesses.

Why has manufacturing grown? (pages 9–12)

- E. This section looks at how cheap-labor countries are typically used as sites for manufacturing and product assembly. Have students work in pairs to study Table 2 and Figure 3 on pages 10 and 11 to see how developing countries have attracted industrial companies with low wages (using GNP as a substitute for wages earned), resulting in the growth of the secondary sector in developing economies. Have student pairs work through Questions 8–10 on page 11 to be sure they understand the growth of the secondary sector in developing countries.

11

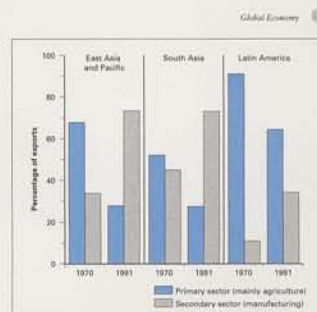


Figure 3 Primary and secondary exports in three developing regions. (Japan is not included in East Asia.)

Source: World Bank 1993.

8. What generalizations can you make about the economic activities shown in Figure 3?
9. In which region has the secondary sector shown the most dramatic growth?
10. What information found in Table 2 would help explain why companies would set up manufacturing activities in developing countries?

Questions and Answers for page 12

11. How would you describe the changes that took place between 1950 and 1989 that encouraged the growth of manufacturing?
- Technological changes brought about improvements in communication and transportation, making it profitable to trade manufactured goods internationally. Cooperation between governments also dropped many financial obstacles to trade, which resulted in trade being more profitable.
12. Based on trends in communication and technology today, what would you expect to happen to the size of the global economy? Why?
- It would be reasonable to expect continuing growth in the global economy as the entire world is brought into the information age. The cost of moving goods, services, and money will probably continue to drop, making it more attractive for businesses to participate in a global economy.
13. Why do you think countries trade?
- Students can speculate that countries gain from mutually beneficial resource-sharing. Businesses in countries trade internationally for profit. International trade also meets a demand for products that may not otherwise be available.

- F. Have the class read the remaining text and study Table 3 on page 12. Hold a class discussion on Questions 11–13 and ask students to list countries that they think have leading roles in the global economy. The point is to get the class to mention Japan and other countries, such as the United States, Great Britain, Germany, and several others. The next lesson explores how Japan came to be a leader in the global economy and how it functions in that role.

12

12 *Geographic Inquiry into Global Issues*

Global manufacturing increased because several important changes took place over a 50-year period. Table 3 below marks these changes.

Table 3 Changing conditions stimulating the growth of manufacturing, 1950–1989

1950	1989
High shipping costs	Low shipping costs
Poor communication	Sophisticated global communications
Government restrictions on trade	Trade agreements among many countries
Local labor only	Labor supply cheap and mobile
Hard to move money and equipment	Easy to move money and equipment
Global economy was 8 percent of world total	Global economy was 15 percent of world total

Source: Bacon and Bender, 1993.

11. How would you describe the changes that took place between 1950 and 1989 that encouraged the growth of manufacturing?

12. Based on trends in communication and technology today, what would you expect to happen to the size of the global economy? Why?

13. Why do you think countries trade?

- G. Over the next three weeks, have students bring in newspaper and magazine clippings and photos for a class bulletin board. Place at the top of the bulletin board a banner that reads “How are you a part of the global economy?” and consider centering a photo of the class, the school, or the local shopping center on the board. Alternatively, you can place a map of your state or town in the center. Have students add a caption to their contributions that explains the connection to the banner. You can have the class brainstorm themes for the bulletin board. Themes may include: economic connections, cultural connections or change, and the environmental impact of globalization. If you teach more than one section of the same course, you can display each section’s bulletin board for students to draw comparisons or to compete for prizes.

For Further Inquiry

- Have students contact a few local businesses and ask them about their international connections. They may be surprised to learn that even very small businesses engage in some form of international trade.
- Students may be aware that supermarkets in North America import fresh fruits and vegeta-

bles from other parts of the world in the winter when the harvesting season is over. Have them create a poster, using a world map with your town or city highlighted. Sources of produce found in stores in the winter can be plotted by drawing lines connecting those countries with your town or city.

- Have students read the following articles and do the learning activities, which are in *Revisiting the Americas*, 1992, edited by Tom Martinson and Susan Brooker-Gross. Published by the National Council for Geographic Education, Indiana, PA.

- a. Barney Warf. “United States Regions and the Global Economy,” 54–59.

James F. Marran. Prisms of Promise—Selected Regions of the United States: A learning activity to accompany “United States Regions and the Global Economy,” 60–64.

- b. James M. Rubenstein. “What Is an ‘American’ Car? Global Interdependency in the Automotive Industry,” 65–70.

Fred Willman. The Automobile Worksheet: A learning activity to accompany “What Is an ‘American’ Car?,” 71–74.

What is Japan's role in the global economy?



Time Required

One 50-minute class period



Materials Needed

Activity 2 for each group of students
Colored pencils or pens
Mini-Atlas map 1



Glossary Words

export

import

value-added products

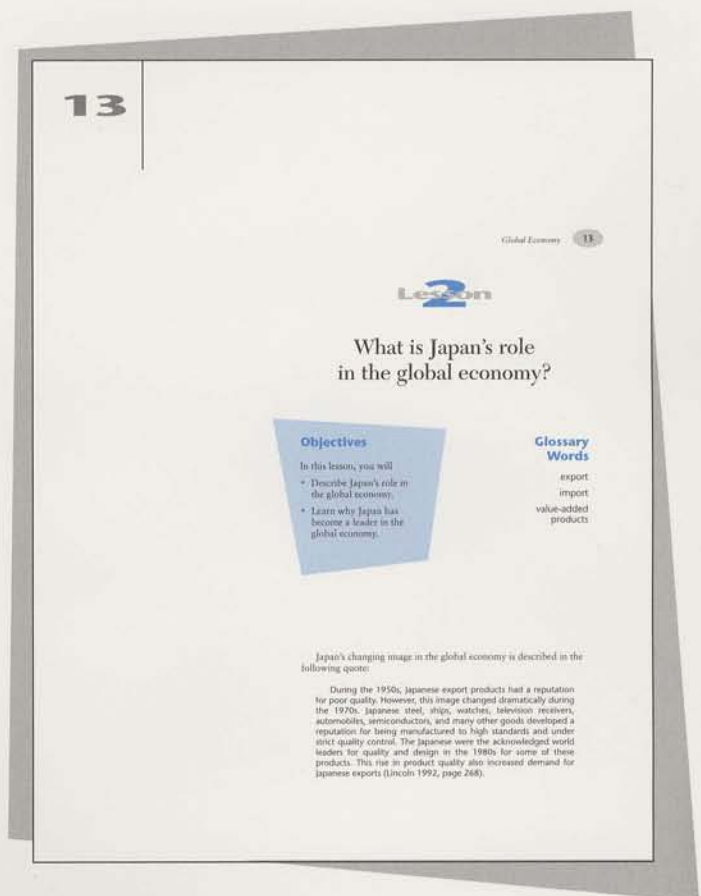
Getting Started

Have students read the opening quote in the Student DataBook, and then list corporations that have origins in Japan. Some of the giants include Nikon, Yamaha, Toyota, Mitsubishi, Kawasaki, Nissan, JVC, Canon, YKK (zippers), Minolta, TDK, Honda, and Sharp Electronics. Spend a few minutes reviewing the concept of multinational corporations as a feature of the globalization process. This lesson focuses on Japan's rise to global importance through trade, manufacturing, technology, and foreign investments.

Procedures

Why does Japan participate in the global economy? (pages 14–15)

- Have students read this section, which sets the stage for a cooperative learning exercise in Procedure B.



What does Japan trade? (pages 15–16)

How did Japan emerge as a major global manufacturer? (pages 16–17)

What does Japan do with its trade surplus? (pages 18–19)

B. Divide the class into six cooperative learning groups. Have each group study one of the

three sections to become experts in either trade, manufacturing, or overseas investments. Groups also can answer the questions in their section. Have the manufacturing group look over **Activity 2** and prepare to show it to a new group of students later. The trade group of experts works on Questions 1 and 2 on page 16.

14

14 Geographic Inquiry into Global Issues

Why does Japan participate in the global economy?

Even before Japan participated in a world economy, it had to meet its own basic needs. The country is stretched out over 2,000 miles on four main islands, and includes more than 3,000 small islands. Since over 75 percent of the land is mountainous, Japan is only marginally suited to grow food. There is a great variety of climates, ranging from mild and humid (similar to Florida's climate), to cold, snowy winters in Northern Japan (Dolan and Worden 1992). Japan is a densely populated country. After subtracting rugged land and other uninhabitable areas, Japan has an average of 3,949 people living on each square mile, compared to 139 people per square mile in the United States (Dolan and Worden 1992). It is not surprising, then, to see that Japan has had to import to meet the needs of its population.

[Japan] has been highly dependent on imports for a variety of critical raw materials. . . . The country imported, for example, 50 percent of its caloric intake of food and about 30 percent of the total value of food consumed in the 1980s. It also depended on imports for about 85 percent of its total energy needs (including all of its petroleum and 89 percent of its coal) and nearly all of its iron, copper, and lead ore and nickel (Lincoln 1992, page 270).

Japanese companies engage in the global economy to meet basic needs and to prosper. All of the activities to meet these goals are tied closely to each other, but they tend to fall in one of three categories.



Most of Japan's densely populated landscape is not suitable for agriculture.

15

Global Economy 15

The first is trade. Japan exchanges with other countries through imports and exports. The second is manufacturing: Businessmen in Japan set up factories to combine raw materials into products, which are then sold for more money than what the raw materials cost. The third activity is overseas investments. Japanese companies take profits from trade and manufacturing and set up businesses in other countries, or they invest in businesses that are already operating in other countries.

What does Japan trade?

Over a 30-year period, Japan has changed how much it has imported and exported. Examining these changes helps reveal the dynamic nature of Japan's economy. Figure 4 shows the total value of imports and exports for Japan between 1960 and 1992.

The difference between what a country imports and exports is called its trade balance. When Japan imports goods, it is spending money for those goods, and when it exports goods, it is being paid for those goods. If Japan exports more than it imports, it has a trade surplus.

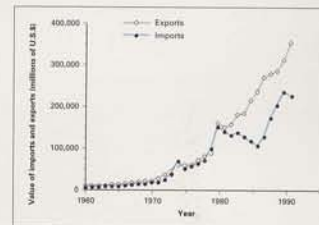


Figure 4 Imports and exports in Japan, 1960–1992.

Sources: Dolan and Worden 1992, *Dictionary of Trade Statistics Yearbook 1991*; International Trade 1993 Statistics 1993.

Questions and Answers for page 16

1. Using Figure 4, in what year did Japan begin to show a significant trade surplus? How well does this year match the change in perception of Japanese products discussed by Lincoln at the beginning of this lesson?
 - Japan's trade surplus became significant in 1982. Students can note that this is approximately when world perception of Japanese products changed, so the increased demand for products makes sense.
2. Since Japan has little in the way of natural resources, how do you think it is able to sell exports for a higher price than the cost of the raw materials it imports?
 - This question is included to get students thinking about the value that is added to raw materials in the manufacturing and marketing steps of trade. Students may rightly point out that Japan's greatest resource is its people.



- C. The manufacturing group can spend their time reviewing the material and preparing to show other students in the class how to complete Activity 2. The full class will complete Activity 2 in Procedure E later on in this lesson. For now, you can meet with the manufacturing groups to review the directions. Have them use **Mini-Atlas map 1** to help locate the countries listed in Table 4 on page 17. To help see the global distribution of the world's leading manufacturers, you can explain that the data in Table 4 can be represented on a choropleth (area-value) map, in which shades of color represent different values.

The first task for students is to divide the countries in Table 4 into five numerical classes. To do this, have students study Table 4 for natural breaks in the numbers given for value-added by manufacturing. Try to fairly represent the spread of the data in assigning classes.

Some older students will disagree on where to place the breakpoints. You may need to provide the breakpoints to younger students.

Questions and Answers for page 17

3. What regions in the world have the strongest concentration of major manufacturers?
 - Students can include North America, Western Europe, East Asia, and the former USSR as the largest global manufacturing centers.

4. How would you describe the relationship between the level of development of countries shown in Figure 1 and the value of manufacturing of countries shown in Table 4?
 - GNP per person (the level of development) is a good predictor of manufacturing, or vice versa. There are notable exceptions, especially from oil-producing countries where the GNP is high, but since oil is a raw material, it is not included in manufacturing calculations.

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Global Economy 17

Table 4 Value of manufactured goods from the world's top 20 manufacturing countries, 1992

Country	Manufacturing value added (billions of U.S. \$)
United States	1,032,243
Japan	591,938
Former USSR	516,741
China	456,434
Germany	374,178
France	174,286
United Kingdom	152,214
Italy	93,512
Canada	79,077
Brazil	74,082
Spain	48,795
India	38,311
South Korea	36,644
Mexico	33,849
Taiwan	33,812
Switzerland	33,092
Sweden	31,107
Netherlands	30,564
Romania	28,810
Poland	24,972

Source: Danks 1992.

3. What regions in the world have the strongest concentration of major manufacturers?
4. How would you describe the relationship between the level of development of countries shown in Figure 1 on page 6 and the value of manufacturing of countries shown in Table 4 above?

The second step is to color in the countries on the map based on the numerical classes. To help visualize the largest manufacturers, have students use a progression of darker colors for each increasing class. In other words, color the United States darkest, then color Japan, the former USSR, China, and the former West Germany a little lighter, and so on. Note that all countries not appearing in Table 4 have less than \$20,000 million and thus are given the lightest shade or left white on the map.

Complete the legend by coloring the box and recording the range of values for each class. The *Key for Activity 2* shows one way that the map can be drawn, using breakpoints shown in the legend.

After completing the choropleth map, have the manufacturing group review Questions 3 and 4 on page 17.

- D. The third set of experts will look at overseas investments. Have this group read the text and answer Questions 5 and 6 on page 19 for a short class discussion.

Questions and Answers for page 19

5. How would you describe the trend in overseas investments shown in Figure 5 compared to the trade balance shown in Figure 4?
- The trade surplus in the early 1980s marks the same time that Japan began to rapidly increase its overseas investments. Students can argue that Japanese companies channeled trade profits into business operations in other countries as a way to increase their profits.
6. What conditions in the world suggest that the trend in overseas investments shown in Figure 5 will continue?
- Students can point out that improved communication and transportation will make it easier to invest overseas. This question gives students a chance to tie in objectives from Lesson 1 by connecting it to trends in Japan's business activities.

18

18 Geographic Inquiry into Global Issues

What does Japan do with its trade surplus?

A third major measure of Japan's involvement in the global economy is its overseas direct investments. An investment is a business exchange in which money is placed with a company. The company uses that money to earn a profit. The profit is then shared with all of the investors. Large businesses in Japan have taken their own profits from trade and manufacturing and invested them in businesses all over the world in order to make additional profits. Figure 5 below shows the trend of overseas investments made by Japanese companies between 1965 and 1988.

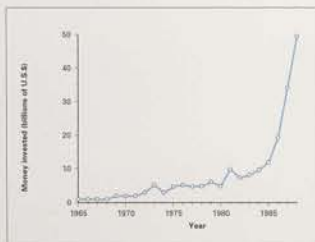


Figure 5 Overseas investments made by Japanese companies, 1965-1988.

Source: Dickert 1992

19

Global Economy 19

1. How would you describe the trend in overseas investments shown in Figure 5 compared to the trade balance shown in Figure 4?
2. What conditions in the world suggest that the trend in overseas investments shown in Figure 5 will continue?



Bilingual signs on a grain elevator and office building in Louisiana.

- E. Have students form new groups comprising one expert from trade, one from manufacturing, and one from overseas investments. Have each new group meet to share their newly acquired expertise. The bulk of the time, however, can be spent having each new group complete Activity 2 with the help of the manufacturing expert.
- F. Regroup the entire class to review the six questions and to share the results of the mapping exercise in Activity 2.

For Further Inquiry

Students can write an essay on the role of Japan in the global economy. Their essay needs to show how the functions of trade, manufacturing, and overseas investments are tied together. Their essays can include a diagram that shows this interrelationship.

How is the global economy changing Japan's culture?



Time Required

Two 50-minute class periods



Materials Needed

Two decks of cards
Six baseball-type hats
Activity 3 for each group of students



Glossary Words

cultural diffusion

economy

global consumerism

popular culture

traditional culture

Getting Started

Note: The day before this lesson, you can meet with students who will take part in a skit explained in Procedure A.

Ask students to read the Glossary definitions for *traditional culture* and *popular culture*. Have them cite examples of how our popular culture has changed. They can do this by asking their parents how the culture they grew up with has changed in their lifetimes. Students can make a list of examples and compare and contrast them with similar examples from today's culture. Alternatively, they can identify some new products they use themselves:

Where were those products made? How does it change the way they use their free time? Another way to look at cultural change is to have students describe how much popular music has changed in their lifetimes. Lead students to question whether changes in music, products, clothing fashions, and activities can reflect deeper changes in underlying values and ideas of a culture's foundation. Global trade, communication, and business practices are triggering cultural change.

20

20 Geographic Inquiry into Global Issues

How is the global economy changing Japan's culture?

Objectives

In this lesson, you will

- Describe cultural changes in Japan resulting from globalization.
- Identify the changes in women's roles in Japanese society.

Glossary Words

cultural diffusion
economy
global consumerism
popular culture
traditional culture

How does global consumerism affect Japan's culture?

In the previous lesson, you saw that Japan's economy has grown as a result of participating in the global economy. With that growth, it was logical that Japan would go through a radical change in its society (Lee 1991). The Japanese consume products and services from around the world and enjoy great improvements in their standard of living as a result. Along with the improvements, they have seen changes to their culture.

For example, 99 percent of all Japanese homes in 1993 had a color television. The average workweek had dropped from 44 hours in 1988 to 40 hours. A quarter million robots worked in factories. The life expectancy for Japanese people has risen so that they live four years longer than people in the United States. But Japan is now

Procedures

How does global consumerism affect Japan's culture? (pages 20–25)

- A. Set up a skit that will introduce the concept of cultural change. Choose six students to perform the skit. Meet privately with one group (Group A) and give them two decks of cards. Tell them that when the skit begins, they will play a card game they know with one deck and keep the second deck for trading later. Meet with the other group (Group B) and tell them to wear a baseball hat or some other hat that has a sun visor. Have them each carry an extra hat in the skit. Have both groups begin the skit on opposite sides at the front of class.

In the first interaction, Group B approaches Group A and asks them what they are doing, whether they can play, etc. Group A then briefly explains the card game and gives the second deck of cards to Group B.

21

Global Economy 21

more crowded than before. Despite economic improvements, Japanese homes are half the average home size in the United States, and only half of them are hooked up to a sewer system (King 1993). In 1993, Japan experienced a recession, resulting in poverty and homelessness (Radin 1994).

Every culture has its own unique practices. For example, the Japanese eat a great deal of raw fish and rice. They remove their footwear when entering a home. These customs are part of Japanese traditional culture.

When one culture comes in contact with another, both cultures often change as people learn new ways of doing things and goods or technology are traded (Clawson and Rice 1972). The global exchange of goods and ideas has increased the amount of cultural change in the world (Figure 6 below). Cars, tennis shoes, popular music, sports, television, and personal computers are now found in great quantities in the world's developed countries, and are found increasingly in developing countries too.

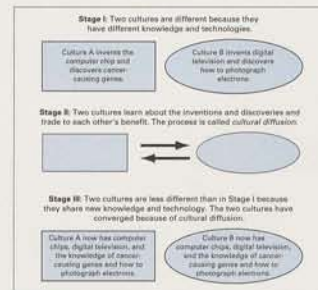


Figure 6 Example of cultural convergence through cultural diffusion.

22

22 Geographic Inquiry into Global Issues



McDonald's restaurants are a common sight in Japan.

Customs and ideas from around the world define what is called popular culture (Shelley and Clarke 1994). Globalization brings Japan into contact with many other cultures, so its citizens are learning new ways of doing things. Here are some changes in Japan that have come from exposure to influences from the United States:

In 1992 Japanese people [waited] in lines for hamburgers, fried chicken, doughnuts, pizza, hot dogs, and pancakes. Kentucky Fried Chicken came to Japan in 1970 and today has approximately 1,000 outlets throughout the country. In 1971, the first McDonald's restaurant opened in Tokyo's famous Ginza district. As of 1992, there [were] over 860 McDonald's outlets throughout Japan (Paris, Johnson, and Neis 1993, page 32).

The first Japanese McDonald's was opened on the Ginza in 1971. At the time the idea of eating while walking was a disturbing innovation. Our mothers had always said, "Sit down and finish eating!" But in the 1970s, the Japanese began to see people walking down the street with food in their hands—and their mouths.

It was the first of a series of culture shocks, but this particular shock is over today. Young couples stroll down the street arm-in-arm eating ice cream and nobody notices. The generation that would still hesitate to do this now is a small minority.

Other things have changed. In 1977, sneakers were only worn during gym or recess at school. Adults wore leather shoes, and "exercise shoes," as they were then known, were not acceptable street wear. Today, people of every generation wear whatever shoes they prefer. The degree of tolerance of different expressions of individuality and of diverse styles has grown tremendously. . . .

23

Global Economy 23

Even toilet paper has changed. It was not long ago that the Japanese used single sheets of crinkly rice paper taken from shallow bowl-shaped baskets hung in toilets. Before that, they used old newspapers cut into squares. Both have been replaced by soft toilet paper on rolls of exactly the same type used in the United States (Ohmae 1987, pages 79–80).

Of course, Japanese culture has also influenced the United States. Japanese restaurants are common in U.S. cities, and sushi bars (places serving the Japanese seaweed and rice delicacy called sushi) have become popular, especially on the West Coast. Also popular in the United States is a Japanese form of entertainment called karaoke. Customers in restaurants and bars entertain themselves and other customers by singing with a microphone to recorded music. U.S. citizens are accustomed to using Japanese televisions, VCRs, cars, and many other products. The Japanese are famous for industrial and business innovations that have spread to other countries. For example, their method of organizing industrial production with "quality circles"—teams of workers who make production-line decisions without consulting management—has become widely accepted by U.S. businesses.

Does the fact that Japanese people eat fast food from the United States, or wear tennis shoes in public, mean that their traditional culture is being lost to Western popular culture? There is no agreement on this issue. One argument suggests that people in Japan, the United States, and Western Europe, the wealthiest economies in the world, are coming together culturally because they manufacture and consume the same products (Ohmae 1987).

In a study about teenagers, an argument is made that Japanese culture is changing, but not necessarily toward a Western or a global culture.

In Japan, the [teenage girl] does things her parents never did, such as eating on the street or on subway trains (ice cream, hamburgers, crepes, slices of pizza [with sweet corn and squid], soft drinks) . . . Today's girls talk like boys, and most teens, ignoring the politeness levels built into correct Japanese, use the latest slang . . . They are defined by media and marketing, and the dedication of specific music, goods, clothing, technologies, and behavior (White 1993, page 29).

Fashion may be a good example of how Japanese culture may appear to be the same as a global popular culture. Japanese teenagers wear the same fashions seen in New York and London. In Japan, teenagers wear the same fashions in order to blend in and be part of the crowd. In the United States, teenagers also wear fashions to

Then Group A asks Group B why they are wearing the hats. Group B answers that it protects them from the dangerous rays of the sun. The members of Group B give a hat to each member of Group A.

Both groups return to their corners, wearing hats and playing cards.

Ask the class what happened. The concepts of interaction and diffusion can be discussed. Have the students read the text up to and including Figure 6 on page 21. You can then discuss the concept of cultural change. Ask students to suggest examples of cultural

exchange between Japan and the United States. Does cultural contact always produce cross-cultural acceptance of culture traits and thus culture change?

- B. Have students complete this section concerning cultural change in Japan. You can ask the class to critique the generalizations in the right column of Table 5 on page 24 or add more generalizations about culture in the United States compared to the statements about Japanese culture on the left column. Then have them answer Questions 1 and 2 on page 25.

24 *Geographic Inquiry into Global Issues*

belong to a group, but clothing is also used to make an individual statement and draw attention to the individual.

Even though the life of a teenager in Japan may appear to be the same as life in the United States, there is a strong cultural difference. For example, in the United States, teenagers may have conflicts with their parents about their activities and may want freedom their parents do not wish to grant. In Japan, teenagers dress like their counterparts in the United States, but they want to be dependent on their parents.

The argument continues that Japanese society has always been inward rather than outward looking. There is no major cultural change taking place just because Japanese teenagers experiment with practices from other cultures (White 1993).

In spite of similar uses of products in Japan and the United States, there are differences that remain in the attitudes and values held in each society. Table 5 below compares a selected list of these differences.

Japan's culture may be described as transitional, changing away from its traditional attitudes and values. In traditional Japanese society, "people pursued knowledge, character, sensibility, and above all, morality." By 1990, however, "people pursue achievement and consumerism" (Lee 1991, page 48).

Table 5 Generalized differences between traditional Japanese and U.S. attitudes and values

Japan	United States
Society is more important than individuals.	Individuals are as important as groups or society as a whole.
Others are placed before self.	Individuality is respected.
People try not to stand out.	Assertiveness is valued.
Age, experience, and higher status are respected.	Competency, skill, and performance are respected.
Being cooperative and supportive of your group is important.	Personal freedom is important.
People know their place.	People aspire to higher social position.
People are reserved.	Opinions are expressed openly.

Source: Felix, Johnson, and Weiss 1993, page 14.

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How has the role of Japanese women changed?

Although the argument of whether Japan's culture is merging into a global popular culture may never be settled, some changes are easy to see and report. One such change is the role of women in Japanese society. Traditionally, the ideal Japanese woman was described as a "good wife, [and a] wise mother" (Dolan and Worden 1992, page 120). The traditional role of women, however, has given way to new roles in dramatic ways. The following passages describe the traditional role of women in Japanese society.

They were the weaker sex, expected to be weak and benign. . . . She was dependent throughout her life. She belonged to her father as a daughter, to her husband after marriage, and to her son in widowhood. . . . As a wife, a woman was expected to care for her husband's parents, and promote the welfare of the family (Lee 1991, pages 20-21).

Men, too, made decisions, and provided for the basic unit of society, the family. Women often contributed their labors on behalf of the family, but it was widely understood that a married woman's work plans were subject to her husband's approval. . . . Women answered to man, and man, to society (Phan 1976, page 305).

In modern Japanese society, marriages are less often arranged for young people by parents or others, so women find themselves in families with a more or less equal power relationship with their husbands (Lee 1991). Japanese families have gotten much smaller. From 1940 to 1972, the average number of children in Japanese families went from five to two (Smith 1978). With more free time, women could enter the workforce and consider priorities in life other than maintaining the household.

Questions and Answers for page 25

1. Do you think Japanese culture will change as a result of being part of the global economy? Explain.
 - It is likely that the Japanese will continue to use products from other parts of the world, but it is not clear how the globalization process will change the cultural values and traditions that are expressly Japanese. It would be fair to say that traditions tied to older ways of life will be lost, and this in turn may mean that Japan will shift gradually towards a global popular culture. But some folk traditions have great staying power, so it would also be fair to say that Japanese culture will retain some elements of culture that are unique.
2. Why would it be easy, on first glance, to say that Japanese culture is becoming a global popular culture?
 - Students can argue that superficially, Japanese people act and dress more and more like people in Europe and North America and use many of the same products. But the similarities do not extend very well when values and attitudes are examined.

How has the role of Japanese women changed? (pages 25–28)

- C. Have students read the text up to the descriptions of modern Japanese women on pages 26–27. Hold a brief discussion about traditional roles of women in Japanese society. Then divide the class into groups of three or four students. Provide each group with a copy of the blank Venn diagram in Activity 3. Have groups use the data in the three descriptions to complete the Venn diagram and to see how the different beliefs of Japanese women are related. Caution students that although all women's beliefs do not fit neatly into these three highly generalized groups, the descriptions will help students get some sense of cultural change in Japan.
- D. When groups have completed the Venn diagram in Activity 3, have some groups display their diagrams on the chalkboard and ask other groups to comment on them. The *Key for Activity 3* suggests one form of the Venn diagram. Close the lesson by having students answer Questions 3 and 4 on page 28.

26

26 Geographic Inquiry into Global Issues

In one study, 100 women were interviewed about their attitudes about life for a woman in Japan (Pharr 1976). The author found that three distinct groups could be identified. These groups are described below and on page 27. The author of the study cautioned that women are not fixed in these groups. Instead, women consider each of these perspectives and may move into one group gradually as Japanese society changes.

Beliefs Held by the Traditional Modern Woman

Women in this group (20 percent of Japanese women) believe that men are superior to women. They believe that it is good to get an education, even to the college level, but only as a stepping stone to becoming a wife and mother. Traditional modern women take temporary jobs to help attract a man. These women's lives are carefully planned: Their main goal is to be responsible for raising children, being a proper wife, and respecting the decisions of the husband or son. But with shrinking family sizes and modern appliances, the traditional modern woman spends a lot of time with very little to do (Pharr 1976).

Beliefs Held by the New Woman

This group of women (60 percent of Japanese women) are typically educated at four-year universities. In addition to being wives and mothers, the new women believe they can also pursue goals outside the home. They accept their role as homemakers, but they want to get an education and maintain a career too. This group also believes that men are superior to women and that only men should make important decisions. Life is not as planned out among the new women; they are interested in experimenting with the unknown future. These women do not want arranged marriages, and instead seek men who understand their point of view (Pharr 1976).

Beliefs Held by the Radical Egalitarian

The term given to this group of women (20 percent of Japanese women) means that they believe that men and women are equal and should make decisions by reaching agreement. That

Questions and Answers for page 28

3. Which of these three groups do you think will claim the largest number of woman followers in Japan's future? Why?
 - Students already know that 60 percent of the female population shared the beliefs of the new woman in 1976. Some may argue that the women's movement is an international phenomenon, so they would predict that the radical egalitarians will eventually dominate the three groups. Others may argue that the traditional modern woman may see an upsurge in followers as a "pulling-back" effect from what is perceived as an accelerating modern life style that does not respect past values. This question is included to stimulate class discussion about the pace of cultural change.
4. What kinds of groups would you form to represent the beliefs of women in U.S. society?
 - This question gives the students a chance to brainstorm labels and to generalize from what they know about their own culture. A wide range of labels can be expected.

27

Global Economy 27

belief is a large radical shift from the other two groups. This group believes that women can freely choose between career, family, or any combination of the two. Radical egalitarians plan their lives with great care. In family life, both men and women can have equal responsibility of caring for the home and children. These women believe that the traditional role of women, whereby the men possess the women and make all important decisions, is not fair. Radical egalitarians are usually highly educated and speak frankly and directly, using language that was once the exclusive domain of Japanese men. They are opposed to arranged marriages, and marriages based on family background, status, and educational training (Phan 1976).

The role of women has also changed in the workplace. Since 1948, women "were guaranteed the right to choose spouses and occupations, to inherit and own property in their own names, to initiate divorce, and to retain custody of their children" (Dolan and Warden 1992, page 120).

By 1987, nearly half of all women over 15 years of age were in the Japanese workforce. This strong shift out of household work was an important change in the role of women in Japanese society. Two-thirds of the female workforce was married, indicating that women held career work while raising children and managing the household (Dolan and Warden 1992).



Today's Japanese women may not fit a traditional role.

28

Geographic Inquiry into Global Issues 28

1. Which of these three groups do you think will claim the largest number of woman followers in Japan's future? Why?
2. What kinds of groups would you form to represent the beliefs of women in U.S. society?

Japan is changing as it continues to take part in the global economy. Japanese multinational companies continue to buy materials from other countries and either consume them directly or use them to produce finished goods for sale around the world. Japan's economic activities have changed other countries too. The next lesson examines how Japan's economic needs affect Malaysia's environment and its people.

For Further Inquiry

- Have students use the model in Figure 6 to build other examples of culture change caused by cultural diffusion.
- Write an essay comparing and contrasting the attitudes of Japanese women to those expressed by women in the United States.
- To further explore cultural change, have students read and report on *The 100th Monkey* by Ken Kesey.
- Students can clip images of women that are engaged in activities that portray the three groups of modern Japanese women. The images need not be of Japanese women. Students can then construct a bulletin board Venn diagram and affix the images in the appropriate areas.

Lesson 4

How does Japan's trade affect other countries?



Time Required

Two 50-minute class periods



Materials Needed

Mini-Atlas map 2
Copies of Activity 4 for each group of students



Glossary Words

developing country
indigenous
multinational corporations (MNCs)
value-added products

Getting Started

This lesson shifts the focus of the module to one consequence of Japan's role in the global economy, namely deforestation. Forestry policy in Malaysia reacts to international demand for timber. To get students thinking along these lines, pose the following two questions for students to consider as they work through the lesson. (You can write these on the chalkboard and leave them up throughout the lesson.)

1. How has Malaysia's forest industry responded to global demand for timber?
2. How has harvesting timber from forests affected indigenous people?

As will be seen as the lesson unfolds, the first question relates to the situation on West Malaysia; the second question pertains to East Malaysia.

29

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Lesson 4

How does Japan's trade affect other countries?

Objectives

In this lesson, you will

- Examine the impact of Japan's timber trade on the environment in Malaysia.
- Describe the political and economic factors that control forestry policy in Malaysia.
- Evaluate the impact of forest practices on indigenous Malaysians.

Glossary Words

developing country
indigenous
multinational corporations (MNC)
value-added products

How do Japanese multinational corporations operate in other countries?

Multinational corporations were first discussed in Lesson 1. Japan is home to many large multinational corporations. These businesses commonly have their headquarters in one country and production facilities in other countries. Decisions about how much volume to produce, the selling price, and the costs of production are made at the headquarters. Also, product research and development and financing are commonly directed from the headquarters.

Procedures

How do Japanese multinational corporations operate in other countries? (pages 29–30)

- A. Have students read this section in the Student DataBook. There is an important point to bring out in a short class discussion. Students may be assuming that Japanese multinational corporations and Japan as a country and a people are one and the same. This is not so. Multinational corporations strive to acquire wealth through trade, regardless of where their operations are located. It is true that all multinationals are headquartered and have origins in one country, but that distinction is becoming

less and less important as the global economy evolves. Ask the students to distinguish between a country and a business. This short discussion will help students understand that the operations of the Japanese multinationals (as opposed to the country of Japan) are causing the degradation of the Malaysian rain forest, as described in the remainder of the lesson.

What are the trends in forest usage in Malaysia? (pages 31–33)

- B. Have students examine Tables 6 and 7 on page 32 and read the text in this section. Help them locate places mentioned in the text on Mini-Atlas map 2. Then discuss Questions 1 and 2.

30

30 Geographic Inquiry into Global Issues



Japan must import lumber for building material.

But some multinational companies are starting to set up free-standing businesses with all functions of business at each of the world's major market centers. In that arrangement, each business center can become more competitive by responding quickly to local market demands.

Multinational companies emerged from companies that started business in the primary sector of a country's domestic economy.

When agricultural production and primary commodities were local by nature and constituted the bulk of countries' exports, trade balances were a reasonably accurate measure of respective economic strength. Mines and farms were on the country's team and wherever exported the most was the richest. But no longer. Today, the flow of goods across national borders is of much less relevance. Lines on a map mean little to a corporation. When a firm is considering where to build a plant, it bases its decisions for the most part on the economic merits of the location, wherever it may be. And it is more likely to break up production, making components in several locations, or farm out the production of some components to foreign suppliers (Ohmar 1987, page 24).

It is true that all multinationals are headquartered and have origins in one country, but that distinction, as noted by Ohmar, is becoming less and less important. Multinational corporations strive to acquire wealth regardless of where their operations are located. In their far-flung operations, Japanese multinationals, like other multinationals, may have both positive and negative impacts in many places around the globe. An example of the impact of Japanese multinational corporate activity is found in Malaysia. Raw materials in the form of logs and sawn wood are cut and shipped to Japan to make plywood for building homes and other structures.

31

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What are the trends in forest usage in Malaysia?

Japanese multinational corporations buy a great deal of timber from Malaysia, but it is not clear how long that can continue. Trees in tropical areas take a long time to grow back. In the meantime, the soil washes away in the tropical rains. This is what a report had to say about the future of the timber industry in Malaysia:

Forestry is a sensitive issue in southeast Asia and is becoming more so. Uncontrolled logging, particularly clearfelling (cutting all trees in an area), has been responsible for massive environmental damage. Awareness of the wider implications of deforestation, as well as concern about the infringement of the rights of local people in timber-cutting areas, has increased. . . . Logging is a particularly hot political potato in east Malaysia, where the UN's International Tropical Timber Organization has advised Sarawak's (in East Malaysia) forestry authorities to cut annual timber exports by 30 percent (Forsley 1991, page 17).

Another report showed that even Japanese companies were preparing to change the type of forestry business they conduct in Malaysia:

Japan's supply of tropical logs could be cut drastically this decade if Malaysia, as planned, slices its log exports in half by 1995 and replaces them with sawnwood products (boards sawn from trees). The recently announced move by Kuala Lumpur (Malaysia's capital city) dovetails with Japanese efforts to reduce levels of imported tropical timber, but whether this will help stem deforestation in Malaysia is another matter. . . .

Sabah and Sarawak (in East Malaysia) supplied 90 percent of Japan's tropical timber and 35 percent of Japan's total log imports last year. Japan is the two states' biggest customer, accounting for 10.3 million cubic meters, or 60 percent, of their log exports. . . . The reduction is necessary to promote higher value-added timber-processing industries and to preserve the rain forests—the theory that increased exports of sawnwood will generate increased profits, in turn, reducing the need to export tropical logs. . . .

Japanese imports of tropical timber have remained steady at 11.13 million cubic meters in recent years despite export bans in the Philippines, Indonesia, Thailand, and peninsular Malaysia. Demand for wood is on the rise, thanks to Japan's construction boom. A government forecast predicted that national demand would reach 100 million cubic meters by 1994; a figure that was surpassed by the end of 1987 (do Kosano 1991, pages 37–38).

Questions and Answers for page 33

1. What would be a simple way to describe, in words, the numerical changes in timber production and export shown in Table 6?
 - The simplest description is that both production and exports of timber more than doubled between 1971 and 1983.
2. Table 7 shows signs that the deforestation trend in Malaysia may be reversing. Speculate about what factors might contribute to the decline in forest removal since 1978.
 - Students might say that pressure from environmentalist and/or decreased profits on wood might have reduced the cutting. In 1993, environmentalists and international bans on some tree species influenced some timber companies in East Malaysia to diversify in other kinds of businesses, in anticipation of declining revenues from timber. Students can also speculate on other future scenarios. As students read the ensuing material, they can keep in mind this question and keep track of factors contributing to this decline, which suggests that logging practices may be unsustainable.

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Table 6 Malaysia's production and exports of timber products, 1971 and 1983 (thousands of cubic meters of wood)

	1971	1983
Production	19,823	40,830
Exports	10,148	21,900

Source: Range 1985

Table 7 Amount of tropical forest logged for commercial use in Malaysia

Year	Acres
1978	146,490
1982	87,200
1983	64,747

Source: Kusan 1987

It is not clear if East Malaysia will be able to continue harvesting timber to meet the world's demand. In the following account, some of the businesses that harvest Malaysian timber are starting to put their profits into other business ventures that are unrelated to logging.

Pressure from environmental activists and [Sarawak's] declining timber reserves may eventually force many to abandon logging altogether. . . . Sabah and Sarawak currently are two of the world's biggest exporters of tropical hardwoods. Sabah's timber firms, especially, are reeling from bans on log exports imposed by federal and state authorities over the last two years. . . .

There is a widespread feeling in the state that logging profits will inevitably decline as its remaining forest reserves come under the axe.

For the moment, however, a more than two-fold jump in prices for tropical hardwood over the last 12 months is bringing Sarawak timber tycoons huge profits (Tsunzuka 1993, pages 51-52).

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1. "What would be a simple way to describe, in words, the numerical changes in timber production and exports shown in Table 6?"
2. "Table 7" shows signs that the deforestation trend in Malaysia may be reversing. Speculate about what factors might contribute to the decline in forest removal since 1978.

What are the forest policies in West and East Malaysia?

Consider the following questions as you read this section:

3. For what reasons are forests being cleared in Malaysia?
4. What policies and economic factors caused forest prices to fall?

CONVERSION OF FOREST TO AGRICULTURE IN WEST MALAYSIA

1. THE HISTORY OF THE CONVERSION PROGRAM

On the Malay Peninsula, most forest clearance has been for agriculture, mainly to produce palm oil and rubber exports. Though logging methods have been wasteful and destructive, forest conversion in West Malaysia has generated much wealth, both for foreign investors and for many Malaysians. This fact needs to be remembered when looking at the environmental changes that have occurred.

The Malaysian forest conversion program is based on two goals: (1) to create a hard middle class from the poor, and (2) to increase the national wealth. Part of

What are the forest policies in West and East Malaysia? (pages 33–38)

- C. Two readings comprise the core of this lesson. The first deals with the conversion of forest to agriculture in West Malaysia; the second describes the harvesting of timber for export in East Malaysia. Divide the students into groups and set up a “jigsaw” activity.

First, divide the class into expert groups. Assign all students a number from 1 to 5, which will give you five groups of five to seven students each (depending on your class size). Each group takes responsibility for reading a portion of the material (there are five subsections, two in the first reading and three in the second, that form convenient breaks). In these groups, have students discuss their assigned subsection with an eye toward understanding how it addresses the topics posed in the lesson objectives and in the two questions on the chalkboard from Getting Started. These expert groups will then consider Questions 3 and 4 on page 33 in the Student DataBook.

Distribute Mini-Atlas Map 2, showing population distributions in Malaysia, to help

students see more clearly a pattern between population distribution and the deforestation shown in Figure 7 on page 34.

Next, redivide the class into teaching groups of five students each. In these groups there should be at least one representative from each of the expert groups. (Two representatives will be needed in some groups if your class size is not exactly divisible by five.) The experts from each subsection will then have the responsibility for teaching their material to the other group members. Breaking into teaching groups assures that every student will have the same information. The teaching groups will then reconsider Questions 3 and 4 and reach a consensus on their answers. Each group will need to assign a recorder to keep track of their decisions and a reporter to present the group’s answers to the rest of the class.

Finally, bring the class together as a whole. Have the reporters from each group describe their answers to Questions 3 and 4. Suggested answers follow:

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the program involves relocating rural people into the newly converted areas. The government then encourages these farmers to grow cash crops, such as rubber and oil palm trees for palm oil.

In the 1950s, before the forest-conversion program began, about 73 percent of the Malay Peninsula was forested. By 1956, the amount of forested area was down to 64 percent. Forest coverage was reduced to 59 percent by 1974 and to 51 percent by 1982. The total area under agricultural land use was only 21 percent of the peninsula in 1956, but 39 percent in 1982. By the time the conversion program reaches its planned limits in the mid-1990s, only 39 percent of the peninsula will remain under forest. Around 45 percent of the total land area will be under agriculture. The spatial pattern of conversion is shown in Figure 7 below.

CHANGES IN FOREST COVER IN WEST MALAYSIA, 1962 TO 1982

Figure 7 Changes in forest cover in West Malaysia, 1962–1982.

Source: Brundage et al. 1990.

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II. ENVIRONMENTAL CONSEQUENCES OF CLEARANCE

Pressure to find new land for agriculture has created some seriously degraded areas so be chosen for development. As forests have been converted to grass-pastures for the global market, even some land proposed for national parks has been haggled. But the soils are usually too poor to support most any kind of agriculture.

Removing the forest vegetation cover makes the soil prone to erosion from the heavy rains. Erosion becomes a serious problem in many ways. The eroded soil is washed into streams, raising the level of the streambed. This process is called silting. During the rainy season, the shallow river can no longer handle the higher streamflow, and severe floods can occur. In the dry season, there may not be enough water in the streams to flow through the silt deposits. This has led to water shortages in some communities.

It seems probable that conditions will worsen. More steep lands have been planned for conversion. By 1974, there was 10 times as much steep land planned in rubber and oil palm than there was in 1960. Added to this is the growing effect of urbanization and highway construction now cutting deeply into the remaining forest. For instance, around Kuala Lumpur, with a 1991 population of 1.1 million, heavy construction machinery is preparing large areas for urban development in places that once were forests (Malaysia Yearbook of Statistics 1992).

Source: Brundage et al. 1990, pages 500–508.

Forested land being converted by agricultural use.

Questions and Answers for page 33

3. For what reasons are forests being cleared in Malaysia?
- Forests are being cleared in West Malaysia to provide more land for commercial agriculture. Forests are being replaced by tree crops such as rubber and oil palm. Also, urban growth in West Malaysia is encroaching on the forests. Forests are being cleared in East Malaysia to meet international demand for timber products.
4. What political and economic factors control forestry policy in Malaysia?
- Political factors define the difference between West and East Malaysian policies. East Malaysia's governments have grown dependent on the income from timber and have not, as a result, banned log exports. Economic factors dictate forestry policy because industry and governments seek the highest income in as short a time as possible. This creates the "gold rush" conditions described in the reading: fast and complete cutting with little regard for the future of the resource.

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THE GREAT TIMBER BOOM IN EAST MALAYSIA

I. TIMBER INDUSTRY PRACTICES

Until the 1960s, hardwoods from midlatitude areas dominated the world timber trade. Tropical hardwoods were less than 5 percent of the total commercial wood production. The rapid growth of Japan's construction industry created commercial demand for wood from Southeast Asia's forests. Also, new machines made it easier to increase the cutting of these forests. In these changed circumstances, Malaysia became an important source of timber to international customers like Japan.

By 1973, tropical hardwoods supplied about 60 percent of world industrial wood production. Japan, and later Korea and Taiwan, demanded hardwood logs for their national timber-processing industries. Japan alone imported half the world's production of logs between 1970 and 1985. East Malaysia supplied about 40 percent of Japan's log imports by 1981.

Malaysian government and industry planners knew exactly how much timber was available when the timber boom began. Surveys of the forest reserves have taken place only during the boom and have often been done hastily. Estimates made in the 1950s were relied upon only too readily. Most of the modern statistics are outdated.

In both Malaysia and Indonesia, timber development was put in the hands of private enterprises. Large multinational corporations, primarily from Japan and China, found smaller companies to do the actual logging. Timber companies are licensed to operate for only 20 years, so they have no financial reason to conserve the forests.

II. GOVERNMENT FORESTRY POLICIES

The Malaysian National Forestry Policy planned for sensible cutting rates and for expansion of local wood-processing industries. Under the policy, the harvest allows for the recovery of the forests so that the timber industry can continue in the future. But in fact, during the late 1970s, the actual annual harvest was as much as five times greater than the permitted harvest.

Southeast Asian countries realized that the timber was disappearing fast. They tried to conserve this resource by reducing the timber supply. But in Malaysia, forestry policies were planned by the individual states, not by the national government. West Malaysia—but not the states of Sabah and Sarawak—exported exports of certain species of logs in 1972, and banned all log exports completely in 1985. Sabah and Sarawak, however, continued to permit log exports. Timber royalties became the main revenue source for state governments in East Malaysia.

Besides conservation, there is another reason the governments of Southeast Asian countries wanted to stop exports of raw logs. These developing countries wanted to build for themselves a timber processing industry, such as saw-milling and manufacturing veneer and plywood. The advantage of processing timber

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City trees are destroyed for every cleared acre.

locally rather than exporting raw logs to clear. It permits export of a higher-value product, and it generates much greater employment. These results suggest that a sustainable, managed forestry might be best for these developing countries.

Under present methods, however, the growth of wood-processing industries is not as favorable. Some processing factories get their wood supply from trucking operators. The truckers buy timber where they can, some of it from illegal operators in protected forests. Much of this cutting is from immature trees.

III. THE IMPACT ON THE TIMBER RESOURCE

At first, timber development was limited to land close to the rivers. Small-scale operations used crews to pull logs downstream to larger-scale operations. Later, road building made possible a great extension inland from the rivers. Some roads go as far as 40 miles into the forest from suitable water. In this way the area of forest open to logging has increased greatly.

Logging is often criticized for its wastefulness. The contractor is likely to take only the largest trees, and only 5 percent of the trees may be harvested. Under the best conditions, however, the rate of cutting may be as high as 47 percent of the area. But many more trees are killed or damaged. Falling trees smash saplings; skidding logs crush or damage other trees; machinery damages stumps, as well as compacting the ground. Burn ground is readily eroded. It takes the loss of 30 trees to cut and collect 20.

Estimates of the timber resources have declined through time. Many areas of Borneo have been found to contain no marketable timber. Large multinational companies withdrew from parts of Borneo during the early 1980s because of doubts over the future of the resource.

Yet the kinds of wood called "resources" have changed as markets opened for different species. Also, timber on very steep slopes can now be harvested using tractors and winches. It is expected that the definition of what a commercial "resource" is will expand.

Source: Brookfield et al. 1996, pages 100-101.

D. Close this part of the lesson with a discussion about Figure 8 on page 38, the Indonesian political cartoon. Ask: Who is the eater? What is he eating? Where is he eating? Why is he drawn to look as he does? Is this a fair portrayal? [The cartoon shows a Japanese person dining on trees from Malaysia and Indonesia (the islands of Sumatra and Borneo are clear). It is not a flattering portrait, because the Southeast Asian cartoonist perceived the Japanese as exploiters and destroyers of the forest. Whether students think this is fair may depend on how they themselves perceive the deforestation issue. The Japanese are certainly the largest market for Southeast Asian timber, but the governments on Borneo have been encouraging high levels of cutting. Remind students, however, that Southeast Asia was occupied by Japan during World War II, so

there may be some residual feelings of resentment showing up in the political cartoon.]

You can have students draw their own political cartoons to express their feelings about the impact of the global economy on the forests of Malaysia. The material in the next section provides a different angle on the issue that might spark stronger emotions among students.

How does deforestation in Malaysia affect forest-dwelling peoples? (pages 38–41)

E. The material in this section presents a wholly different aspect of the deforestation issue: the effect of Malaysia's international timber trade on indigenous peoples of East Malaysia. You can tell the class that most people in East Malaysia are subsistence farmers and hunter-

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Figure 8 A Southeast Asian view of deforestation—1987 political cartoon from the Indonesian newspaper Kompas.

Reprinted by permission.

How does deforestation in Malaysia affect forest-dwelling peoples?

The timber industry in Malaysia skyrocketed in the 1970s and 1980s. Over 2,200 acres of tropical hardwoods were being harvested per hour, mostly for export to Japan. The wood is used for, among other things, plywood forms used in the concrete construction industry. The financial return for this timber is very good because the firms are only used two or three times and then discarded. Japan gets 90 percent of its wood from Malaysia, and with the expansion of the Japanese construction industry, the demand was very high (Ryan 1991).

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Plywood vs. the Penan in Sarawak?

A report [prepared in 1990] for the International Tropical Timber Organization, a 48-nation trade group, estimates that at the present rate of cutting, Sarawak will be logged out in 11 years. Environmentalists predict the collapse of the state's timber industry in as little as five years. . . . An exasperated translator for the Penan (a forest tribe of Sarawak) explains, "when we say this is our land, our garden, our graveyard, our village, they say we have no rights to it. We have lived here for thousands of years!"

While most Sarawak natives live on foods collected from the forest and crops grown in small clearings, 1,000 or so Penan still depend entirely on the forest. Often forced by the government into squalid resettlement camps, these hunter-gatherers have been hindered not by the encroaching loggers. They have great difficulty making the adjustment to life away from the forest.

The plight of the Penan has drawn attention to Sarawak, and resulted in a public relations problem for the Malaysian government. While criticism of the state's timber trade is nearly universal, in Sarawak the industry is practically omnipotent. Half the timber concessions are owned by the family and friends of Abdul Taib Mahmud, Sarawak's current chief minister, and his uncle, Abdul Rahman Yakub, the past minister.

The state government, which completely controls forest policy, earns half of its revenue from timber exports. Anyone who opposes logging, according to Taib, is a "number-one traitor" (Ryan 1991, pages 8–9).

The following excerpts from the writings of the geographer Harold Brookfield summarizes the conflict over resources use in Malaysia. What values are in conflict in the debate over how best to use the forest lands of Malaysia? Who should decide what should be done?

Value conflict over resource use in Malaysia

[T]he attitudes of rural people toward their own land and its produce have changed as the profit motive has taken hold. With large profits obtainable from sale, less care is taken, and the investments required to use conventional practices appear less attractive because they are less rewarding. . . . Resources are now being viewed as a means of short-term gain, with the costs [passed on] to others or to later generations.

Important questions of the social ownership of resources are involved. Forest-dwelling people regard the forests as their own, but the state has claimed a superior right. . . . But in claiming

gatherers. Many of these tribal peoples have relied on the forests for their existence, and they are now threatened.

Break the class into small groups and have them read the excerpt "Plywood vs. the Penan in Sarawak?" on page 39. Student groups can complete **Activity 4** (see *Key for Activity 4*). In doing this Activity, have students draw their information from the text in this entire section. Then have students (either in groups or as a whole) read the excerpt about values and resources called "Value conflict over resource use in Malaysia." Lead the discussion about who should control resources.

If this material is too advanced for younger students, you can lead them through these readings.

The last section, "What can you do?" provides suggestions of places to contact. If interest is high, have students write for further information or to express their opinions on the issue.

- F. Close this lesson by having students describe the connections among Japan's demand for wood, its MNCs, and the environments and peoples of East Malaysia. Ask for speculation about the future of these connections.

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rights on behalf of all the people, the state has treated the forest as a source of revenue and as a place in which it can pursue particular policies for population redistribution and economic growth. Such an approach has been aided by a dearth of real scientific knowledge about the all-important regrowth and recovery of forest resources.

There are those who regard the forests as the property of all the people in the world, arguing that overriding interests . . . should prevail over national and private interest. Again, too much is supposed and too little proven, and ideological fervor cannot take the place of sound argument as to why equatorial countries should forego profit from the use of their own resources. This is not to say that the worldwide conservationist movement fails to have any impact. It is to say, however, that the impact is peripheral and indirect. Ultimately the most effective force for change must be in successful political pressure for conservation within Indonesia and Malaysia, where informed and aware groups of citizens are growing steadily in number and influence.

The role of the state has undergone great change through time. Colonial administrations seldom inhibited capitalist entrepreneurs when large profits were to be made, but sometimes did show serious concern both for conservation goals and for the rights of indigenous tribal people. Postindependence governments have given such weight to . . . rapid economic development that they have tended to disregard such [concerns]. Only now are some members of a new generation of decision makers again prepared to take a longer-term view. . . . The strong contemporary governments of Malaysia and Indonesia, however, have embraced growth objectives and have, at least until now, shown a greater tendency to discourage environmental criticism of their resource-frontier policies (Brookfield et al. 1990, pages 506-507).



Clearing land for development.

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What can you do?

You can write to one of the following for further information and/or to express a position on this issue:

Endangered People's Project
P.O. Box 1516
Station A
Vancouver, BC V6C 2P7, Canada

National Wildlife Federation, International Program
1400 16th Street NW
Washington, DC 20036

Salahut Alam (Friends of the Earth, Malaysia)
43 Salween Road
10050 Penang, Malaysia

Rainforest Action Network
301 Broadway, Suite A
San Francisco, CA 94133
(415) 398-4404

Malaysian Embassy
Washington, DC (or local consulate near your area)

Mitsubishi Corp. (major corporation doing logging business in Malaysia)
c/o Mr. Makihara, Chief Executive Officer
223 Madison Ave.
New York, NY 10022

For Further Inquiry

- Have students write essays on the relationships among Japanese MNCs, Japan's consumption of wood, and the environment and peoples of East Malaysia. Essays might address alternatives that can change these relationships.
- Contacting various rain forest protection interests can give deeper insight into Malaysia's problems. Some environmental science texts and teaching units also feature Sarawak as a

target of special concern. Your science department may have more data to supplement this module. Contacting the Malaysian Embassy directly might be interesting to determine the official government position.

- A letter to one of the groups mentioned at the lesson's end is an excellent follow-up. The letters should demonstrate concepts learned in the lessons.

How has the drug trade changed Colombia?



Time Required

One 50-minute class period



Materials Needed

Poster paper
Mini-Atlas map 3



Glossary Words

coca
cocaine
crack
indigenous
multinational corporations (MNCs)

Getting Started

- Invite an agent of the United States Drug Enforcement Agency to speak to the class about the illegal drug trade and the efforts to control it.
- Students may know a good deal about the health risks of cocaine use from drug-education classes, and you may wish to reinforce that knowledge. Tell students that this lesson deals with another aspect—the geography of cocaine. Ask them to suggest what that means to them, especially as it relates to the subject of this module, the global economy.

Procedures


What is Colombia's role in the trade of illegal drugs to the United States? (pages 43–46)

What is the importance of the drug trade to Colombia? (pages 46–48)

- A. Hand out Mini-Atlas map 3 and ask students to use it to locate places mentioned in this lesson. Especially, they should note how

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How has the drug trade changed Colombia?

Objectives

In this lesson, you will

- Examine the international drug trade as an example of the global economy.
- Identify how the drug trade has affected Colombia.
- Understand why people engage in the illegal drug trade.

Glossary Words

coca
cocaine
crack
indigenous
multinational corporations (MNCs)

From the leaves of a South American shrub (coca) comes a substance (cocaine) with immense power to stimulate pleasure, to generate wealth—and sometimes to kill. . . . [Cocaine was outlawed in the United States in 1914. As an illicit drug . . . it fuels a multibillion-dollar industry with staggering impact on both supplier nations and their chief customer, the United States (White 1989, page 3).

Colombia is located on both the Caribbean and the Pacific and between Bolivia/Peru and the United States. Have students read the text

prior to Question 1 and answer Question 1 on page 45. Tell the class that the information they put in their answers will be used later.

Question and Answer for page 45

1. How well do you think the cocaine industry fits the definition of being a multinational corporation? What are the similarities and the differences?
 - The major similarity is that raw materials are purchased from one area, manufacturing takes place in another, and marketing is done around the world. The major difference is that laws are bypassed. Taxes are not paid on profits, no permits are granted, and operations exist despite being outlawed in market locations.

- B. Divide the class into groups of three. Their task is to read the remainder of the lesson and to create a large cartoon on poster paper. The idea of drawing a cartoon is to characterize the global nature of illicit cocaine trade centered in Colombia. Their answers to Questions 2–5 on page 48 can be included in their cartoon, or

you can have them attach their answers. Cartoons can be enhanced to resemble a montage, if groups want to attach news clippings or magazine photos. A complete cartoon includes the names of the group members, a caption, and a key to any symbols they want to use.

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The illegal cocaine trade is an unusual example of participation in the global economy. In 1983 alone, people in the United States spent \$35 billion on cocaine, with over 75 percent of it coming from Colombia (Hudson 1985). Although the United States is the biggest market by far, huge amounts of cocaine also go to Europe. Worldwide, the cocaine trade grew by 40 percent between 1989 and 1993 (Guillermo 1993).

It is forbidden by U.S. law (as well as the laws of 125 nations) to produce or possess cocaine, except for prescribed medical uses. Despite this fact, at least 6 million U.S. citizens purchase or steal cocaine to sniff, smoke, or inject for pleasure, but often it brings misery and sometimes even death (White 1989).

What is Colombia's role in the trade of illegal drugs to the United States?

Colombia's location gives it a big advantage in the South American drug trade. It has both Caribbean and Pacific coastlines for shipping illegal drugs. It is also between the countries where the raw material for cocaine—coca—is grown (Figure 9 on page 44) and the United States, the largest market for cocaine. As one Colombian said, "You buy the raw stuff in the south. Refine it here, and smuggle it, by air and by sea, to the big market up north" (White 1989, page 13).



The economy of Bogotá, Colombia, has been boosted by drug trafficking.

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Figure 9 Principal coca-growing regions of South America.

The kingdom of cocaine

Unlike Peru or Bolivia, Colombia has neither land suitable for coca farming nor a history of coca use in its indigenous culture. Only about 1 percent of the coca leaf is grown in Colombia. Coca leaf is grown and stomped into paste mainly in Peru and Bolivia.

where Indians have grown and chewed coca leaves for centuries. All the Colombians do to process the paste and export it to the United States, to Canada, and increasingly to Europe. Colombia's advantages are its proximity to its major market and the [business] spirit of its people. . . . The Colombian cocaine industry . . . is the Third World's first truly successful multinational. It is the most profitable business in the world. . . . The peasants [who grow the coca] are paid about 1 percent of the product's street value. The processors sell the base to the Colombians, who turn it into cocaine and crack in jungle laboratories. . . . The cocaine is usually formed into bricks and wrapped, marked with the organization's color or brand, and shipped or flown to the United States (Rosenberg 1989, pages 27-28).

1. How well do you think the cocaine industry fits the definition of being a multinational corporation? What are the advantages and the difficulties?

It is reasonable to ask why cocaine traders are allowed to operate in Colombia. While Peru and Bolivia produce most of the coca crop, the cocaine trade is dominated by a few powerful groups of Colombians, often referred to as *cartels* because they have almost total control over cocaine production and smuggling. The Medellín and Cali cartels—named for the Colombian cities in which they are headquartered—protect their profits by using their enormous wealth to buy people's loyalty and influence as well as to intimidate and murder. These cartels have been implicated in the assassination of more than 30 judges, an attorney general, a presidential candidate, and hundreds of other Colombian public servants and citizens (White 1989).

Officially, cocaine production and sale is illegal in Colombia. However, the supreme court in Colombia legalized possession of cocaine in May of 1994, in an attempt to have "partial control over the drug trade, to lower prices and reduce its profitability" (Associated Press 1994, page 8A). The following short news stories may help explain why drug traders have remained in business in Colombia.

Earlier this year, prosecutor-general Gustavo de Greiff drew criticism from Washington by negotiating lenient sentences with drug traffickers and advocating legalization of the entire drug trade (Associated Press 1994, page 8A).

Relying on paid assassins, locally known as *sicarios*, Colombia's drug lords not only fought among themselves but also launched a systematic campaign of murder and intimidation against Colombia's government authorities. . . . Along with their enormous economic power, the drug lords reached out for a larger quota of political power. . . . Several. . . bought interests in local radio stations and newspapers. . . . Others. . . [handed] out cash to the poor, [built] low-income housing in the slums. . . . A number contributed to political campaigns (Bagley 1990, page 130).

[The father of Colombia's three most successful cocaine smugglers, Fabio Ochoa Restrepo's] popularity is one of the many signs of how comfortable Colombia has become with a drug-kissed economy.

In Cali, home to the nation's biggest drug cartel, a multimillion-dollar construction boom, financed from mysterious sources, is transforming the skyline of the formerly workaday provincial capital.

In Bogotá, now shunned by tourists because of the violence and urban congestion, 33 construction projects now under way are doubling the city's hotel capacity. . . .

After. . . probes for illicit enrichment, prosecutors decided not to lodge any charges against [Ochoa]. Police officers who stop by [Ochoa's restaurant] for free drinks and sodas respectfully greet him as Don Fabio (Brooke 1994, page 23A).

The impact of the cocaine industry has some prominent leaders worried. In an interview with the news media in 1993, Colombia's prosecutor-general Gustavo de Greiff argued strongly that the cocaine trade has corrupted every level of Colombian society and suggested that the same are able to reach consumers in spite of attempts to stop the flow (Guillenoprieto 1993).

What is the importance of the drug trade to Colombia?

Legal activities are difficult to measure because they tend to operate in secret to survive. For that reason, it is not possible to get a precise figure for the drug trade's value to Colombia. The drug trade involves people in a wide variety of jobs. In one estimate, "for every 100 cocaine exporters, there were 122,000 coca farmers, 74,000

paste processors, 7,400 paste transporters, and 1,333 refiners" (Garrin 1989, page 72). Farmers growing food crops or even coffee can make only a small fraction of the amount of money they can make growing coca. On only one acre of land, a farmer can grow 1,500 pounds of coca leaves in one year, valued at \$1,500 (Marshall 1991). That income is more than the national average GNP per person of \$1,290 in Colombia in 1994 (Population Reference Bureau 1994).

Another way to gauge the role of the drug trade is to look for indirect evidence. For example, people in the drug business have made a great deal of money, and they spend a lot of money to support their luxurious living arrangements. Eventually, that money shows up in the economy of the country.

Cocaine sales channel a great deal of money from the users. To get an idea of how much cocaine is worth, Table 8 on page 47 shows the change in its price as one pound is traced from the farm to the city streets where it is sold for use.

Table 8 The value of one pound of cocaine from farm to market, 1991

Description	Price (U.S.\$)
Coca leaves from a farm in South America	1
Coca paste in processing factory in Colombia	400
Cocaine powder in Colombia before exporting it	5,000
Switzerland city street value	45,000
United Kingdom city street value	60,000
Detroit city street value	70,000
Netherlands city street value	160,000
Japan city street value	385,000

Source: Marshall 1991, pages 118-119.

Despite large-scale efforts of governments (including the United States, Bolivia, Peru, and Colombia) to eliminate coca where it is grown, to punish cocaine producers and smugglers, to seize drug shipments, and to capture both big drug merchants and small-time street dealers, the worldwide flow of drugs continues. The drug trade is yet another part of globalization in that demand in one part of the world is supplied from another part of the world.

2. What would it be difficult for a Colombian politician to say about trafficking?

3. How can drug trading operations in Colombia make their best fit being carried on the down?

4. Who do you think benefits in cocaine versus so much more if you could control the world?

5. Why is the Colombian government in a dilemma to prevent against the United States demands that Colombia eliminate the cocaine industry?

Questions and Answers for page 48

2. Why would it be difficult for a Colombian politician to stop drug trafficking?
 - There is no single answer to this question, but students can point out that the drug traders have influenced decision makers with money and violence (assassinations). Many people have jobs that are directly and indirectly tied to the drug business. Construction projects have also added to the physical improvements in the country. Some traders have become very wealthy. It would also be difficult for a politician to tell a lot of voters who work in the industry that they will have to give up their jobs or stop large projects financed by drug money.
3. Why can drug traders operate in Colombia with little fear of being arrested or shut down?
 - Students can argue that the drug dealers are well-armed. They also can say that even after being arrested for crimes, drug dealers have been released without being punished. There is a great deal of evidence of corruption, bribery, and political power wielded by the drug traders.
4. Why do you think the price of cocaine varies so much when it is sold in cities around the world?
 - This question calls for speculation, but the main reason has to do with the difficulty of getting the drug into the country, and the punishment if caught. Japan is very tough on drug-related crimes.
5. Why is the Colombian government in a difficult position when the United States demands that Colombia eliminate the cocaine industry?
 - This question draws from the whole lesson. Students can point out that many people in Colombia benefit from drug money, either through full-time work, or through charity from wealthy drug traders. Some of the people receiving benefits work in the government, so it would be a conflict of interest to eliminate the industry. Drug money is financing improvements in Colombia, and that makes politicians look good, so it is unlikely that they will work hard to end drug trafficking.

For Further Inquiry

- Have students conduct a library search to find out the strategies used by the United States Drug Enforcement Agency to limit the amount of illegal drugs entering the country.
- Have students conduct a debate on the following topic: It is acceptable for the U.S. government to conduct secret operations on foreign soil to limit the production of cocaine.
- You may wish to conduct the following learning activity that accompanies the article by

Gerlach in the Suggested Teacher Reading section of this Teacher's Guide: Sarah W. Bednarz, Robert S. Bednarz, and Frederick H. Walk. *Eradicating Coca: A learning activity to accompany "The Drug Industry in the Americas: The Andean Cocaine Connection."* In *Revisiting the Americas: Teaching and Learning the Geography of the Western Hemisphere*. 1992. Edited by Tom Martinson and Susan Brooker-Gross, 92–108. Indiana, PA: National Council for Geographic Education.

How do U.S. tourists affect the world's landscapes?



Time Required

Two 50-minute class periods



Materials Needed

Mini-Atlas map 4



Glossary Words

ecotourism

multinational corporations (MNCs)

51. Then put their ideas for Question 2 on the chalkboard and have the class rank them with scores for practicality. This will allow for a rich discussion of some of the challenges that developing countries face when they want to promote economic development, but must also face negative consequences.

Getting Started

Ask students if it is possible to have no impact on a place they might visit on a vacation trip. Many students will respond that the impact includes food and fuel consumption, which generates trash and other waste. Others may say that their impact is financial by spending money, or cultural, by exchanging ideas or influence with local people. This lesson looks at ecotourism—a relatively new industry—as an example of globalization that has a cultural and physical impact on places.

Procedures

How does tourism affect people in developing countries? (pages 49–51)

- A. Have students work in pairs to read this segment and answer Questions 1 and 2 on page

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Global Economy 49

How do U.S. tourists affect the world's landscapes?

Objectives

In this lesson, you will...

- Consider the nature of world tourism as an example of the global economy.
- Evaluate the impact of tourism on people and places.

Glossary Words

ecotourism
multinational corporations (MNCs)

How does tourism affect people in developing countries?

One result of globalization is that people with money can travel around the world easily. Tourism is a truly global enterprise, and is predicted to be the largest industry by value by the year 2000. In 1987, international travel generated \$150 billion in business. By the early 1990s, visits to foreign countries totalled over 400 million a year, up from under 100 million visits in 1960. Over 70 percent of all tourists come from 20 of the world's developed countries, with a large part coming from the United States (Marshall 1991).

Questions and Answers for page 51

1. How would you prevent or solve the kinds of problems that occur because of tourism?
 - There is no single, correct set of answers, but encourage students to think broadly. Students can argue for financial rules to provide more income to local people. Dealing with waste is much trickier, but many recycling efforts may hold hope for tourist destinations. Cultural impact is also very complex, but some students can suggest that support be given to any businesses that strive to preserve cultural traditions.
2. How would you increase the benefits that ecotourism brings to developing countries?
 - This question is included to promote creative problem-solving skills. Their responses can be judged for practicality.

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50 Geographic Inquiry into Global Issues



Tourism in Belize

Until the 1980s, much international tourism was predictable. Typically, people arrived in countries and were taken to luxury hotels where they were surrounded with the comforts of similar luxury hotels found at home. They stayed in this luxury oasis, sheltered from any blights found in the local community. Local people put on a show of their native culture, but the tourists usually only got a surface taste of local customs, and rarely ventured outside of predetermined places to visit (Higgins and Munn 1993).

In the 1980s, and growing rapidly by the mid-1990s, a new form of tourism, called ecotourism, emerged with great success. The tour operators ran small businesses, and local people usually owned the enterprise. Ecotourist operators claimed to be "dedicated to conserving environments and sustaining the well-being of local people through responsible travel" (Quammen 1992, page 30).

One destination of ecotour businesses is the small Caribbean country of Belize. People in Belize hoped that ecotourism would be a way to earn a living without doing environmental or cultural damage. Even though the ecotour operators claim to be beneficial to local people, the reality of the impact of this form of tourism is less clear.

On the surface, Belize would seem to have high-brow appeal to these new middle-class travelers anxious to distance themselves ... from the standard tourist. ... Despite some promising results, much ecotourism merely [repeats] the problems characteristic of traditional mass-tourism—foreign-exchange leakage, foreign ownership, and environmental degradation (Higgins and Munn 1993, pages 8-9).

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Global Economy 51

Foreign-exchange leakage is the loss of money when tourists from other countries spend their money in multinational businesses. Foreign ownership of hotels and other tourist businesses means that local people profit little from tourism, except for low-paying jobs. Environmental degradation includes things like waste, pollution, and congestion. In addition to those problems, developing countries like Belize have seen a rise in crime rates due to wealthy tourists becoming prey to criminals, and now have large numbers of people trained to be waiters and porters, dependent on tourism for low-paying jobs (Wilkinson 1992). Local people see rich tourists spend in two weeks what the average person in Belize earns in one year (Boo 1992). And as an example of cultural diffusion, young people have left behind the traditions of their cultural heritage to get the wealth they see in the tourists (Urry 1990).

There are advantages of ecotourism over the more popular forms of tourism. Besides bringing money to local guides and businesses, ecotourists claim to be sensitive to local cultures. But they have been criticized for making museum-like displays of local lore and for portraying local people as authentic and backward (Lea 1988).

Good or bad, tourism brings change. One kind of impact is cross-cultural contact. When people of different cultures meet, they exchange ideas and practices. The amount of contact time and whether or not there is a language barrier can greatly affect the amount of cross-cultural contact (Lea 1988).

Another kind of impact is trade in the artwork and other cultural traditions such as dance and music from local cultures. Authentic art is expensive and it can provide a great deal of money to local artists. Unfortunately, the high prices attract businesses that market phony imitations of the local art. Misunderstandings can also lead to bizarre incidents. In Papua New Guinea in 1972, a group of warriors competed in a tourist festival, but did not win first place, so they attacked the tourists with bows and arrows (Lea 1988).

1. How would you prevent or solve the kinds of problems that occur because of tourism?
2. How would you increase the benefits that ecotourism brings to developing countries?

How does tourism affect Antarctica? (pages 52–55)

B. Divide the class into two teams. Have both teams read the text and prepare outline answers to Questions 3–5 on page 55. Tell one group that they are tour operators who have many employees that depend on Antarctic tourism for their livelihoods. The other group represents the Antarctic Treaty Consultative Party (ATCP), which has a responsibility to find fair solutions to Antarctic problems. Conduct a short hearing in which members from the ATCP question tour operators on ways to reduce the negative impact of tourism while keeping tourism a profitable venture. Both teams can consult *Mini-Atlas map 4* to include references to specific tourist destinations in Antarctica and cities near Antarctica from which to base their operations.

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52 Geographic Inquiry into Global Issues

How does tourism affect Antarctica?

Antarctica is one of the seven continents. It occupies almost 10 percent of Earth's surface. The international community does not recognize Antarctica as belonging to any one country, although Argentina, Australia, Chile, Ecuador, Great Britain, France, New Zealand, and Norway all claim some territory (Hall 1992). Many countries agreed in 1961 to the Antarctic Treaty that was designed to manage the continent's resources and protect sites for scientific research. Since 1961, additional agreements have been reached to protect the plant and animal life of Antarctica and to coordinate scientific research (Beck 1990). Fascination with the extreme environment of Antarctica has also attracted tourism to the continent in increasing numbers. Figure 10 below shows the number of people who have gone on registered tours to Antarctica. The number of actual visitors fluctuates greatly because the ships sometimes are not able to reach Antarctica through the sea ice. A majority of tourists to Antarctica are U.S. citizens (Beck 1990).

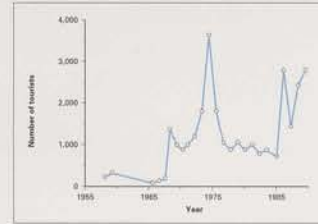


Figure 10 The number of tourists visiting Antarctica between 1958 and 1989.

Source: Manheim 1990.

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Global Economy 53

Tourism in Antarctica includes the activities of commercial tour operators, private recreational trips, and holiday trips taken by scientists who work in Antarctica (Hall 1992).

As recently as 1990, and repeated again in 1994 (Early Gomez 1994), calls were made to regulate tourism before it causes damage to the Antarctic environment.

The growing volume of tourism in Antarctica has disrupted national scientific programs through either tourist's physical presence or the need to offer emergency services, and has created substantial legal problems concerning insurance, jurisdiction, and liability. Nevertheless, the most prominent issue surrounding tourism in Antarctica is the potential impact of tourism on the Antarctic environment (Hall 1992, page 4).

Antarctica has benefited from tourism, however. One of the benefits of tourist activities is that people who visit the continent gain an appreciation for Antarctica and tend to make decisions that support its responsible care. Tourists usually visit the scientific research stations there, and support the merits of expensive research that is supported by tax money. Tourism also brings financial rewards for tour operators (Beck 1990). Countries that have claimed territory in Antarctica (such as Australia) have set up tourist facilities on the frozen continent as a strategy for supporting their claim to the land. In some cases, tourist flights have delivered goods and equipment to research stations that otherwise would have been too expensive to ship (Hall 1992).

Tourism also helps cities that support travel to Antarctica. In South America, Punta Arenas and Puerto Williams in Chile and Ushuaia in Argentina are bases for cruise ships to the Antarctic Peninsula closest to South America. Other base cities include Hobart (Tasmania in Australia) and Christchurch (South Island of New Zealand). These cities support flights to research stations in Antarctica and cruises to Macquarie and Snake Islands (Hall 1992).

Tourism has had a direct effect on the natural landscape of Antarctica. Life is only found in 2 percent of the land area and the coastal area of Antarctica. These small sites tend to be the places where tourists visit to see the penguins, seals, whales, dolphins, and migrating birds. Tours come in the Antarctic summer months (December–February), when the wildlife is raising young before the return of winter (Manheim 1990). Table 9 on page 54 reports a selection of incidents of impact on the Antarctic environment.

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54 Geographic Inquiry into Global Issues

Table 9 Selected incidents of damage to the Antarctic environment as a result of tourism, 1956–1990

1956–1962	The population of Adelle penguins declined by 50 percent after tourist helicopters landed in breeding zone at Cape Royds.
1979	An New Zealand DC-10 crashed into Mount Erebus, killing 257 people; wreckage and fuel likely to remain indefinitely.
1982	Tourists forced elephant seals and penguins into photographs; nests were disturbed and eggs taken; people trampled fragile vegetation and collected samples of rare plants.
1988	Two ships reportedly dumped garbage, including plastic, overboard.
	Argentine ship Bahía Paraiso ran aground near Anvers Island, spilling 180,000 gallons of diesel fuel within a mile of an important wildlife breeding site; damage later detected to ocean birds and fish life.
1988	To ship, six vessels, have sunk.
1990	Tourists illegally started a stampede of king penguins on Macquarie Island, resulting in the death of 6,000 penguins.

Source: Beck 1990; Manheim 1990, and Hall 1992.



Tourists with Adelle penguins, Antarctica.

Questions and Answers for page 55

3. What do you think is the single greatest advantage to continuing tourism in Antarctica? Why?
 - Students can argue that raised awareness and empathy are the strongest positive effects of tourism, but you can accept any answer as long as the student provides an appropriate rationale.
4. What steps would you employ to minimize the kinds of negative effects listed in Table 9?
 - A simple answer, though impractical, would be to ban tourism. Creative solutions are welcomed for this question. Limiting access, licensing, observing, hiring some kind of police, and education are all strategies commonly suggested.
5. How would you use modern global communications to minimize the problems associated with tourism in Antarctica?
 - This question is included to tie tourism to globalization. All modern communication can help bring the problems and wonders of Antarctica to a global audience, raising awareness about the unique conditions in the southern continent, and the nature of its problems.

How are you part of the global economy? (page 55)

- C. Have students read the brief text in this section and spend a few minutes looking over the bulletin board exercise that was started in the first lesson. Hold a short class discussion on the future of the global economy and the process of globalization. The following questions can get the discussion started: What do you think is meant by the term *shrinking world*? What is the future of small traditional cultures? Will MNCs gain more power? Why?

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Global Economy 55

3. What do you think is the single greatest advantage to continuing tourism in Antarctica? Why?

4. What steps would you employ to minimize the kinds of negative effects listed in Table 9?

5. How would you use modern global communications to minimize the problems associated with tourism in Antarctica?

How are you part of the global economy?

It may not seem to you that you are connected to many parts of the world, but just as you identified the countries that made the products in the classroom in Lesson 1, you can easily find examples that connect you to other places. For example, perhaps you are lucky enough to have traveled to other countries, or someone you know has brought you an artifact from a foreign place. In addition, the music you listen to may be performed by groups from many other places.

Another way to look at globalization is to sample the various foods in ethnic restaurants around your community. Many of the foods you eat come from all over the world. You may wish to survey the local food markets to learn more about these foods and others that have become common in the United States.

The news media also bring many parts of the world into your life. Newspapers run stories on trade issues, cultural exchange, international relations, and problems tied to the global economy. News and other programs on television also tie you to the rest of the world.

Do your increasing linkages around the world also mean that you have greater responsibilities to the many peoples and places with whom you are connected? Are you to some extent responsible to the workers in other lands who produce the food you eat and the clothes you wear? And are you responsible for the environmental destruction that accompanies the production of products you use? Thinking about such questions is yet another aspect of globalization.

For Further Inquiry

- Have students write an editorial that either supports or rejects tourism as a sustainable economic activity for developing countries.

You can ask older students to write the editorial from the other point of view of their original position, to force them to look at both sides of the issue. Younger students can write an outline and the first paragraph of an editorial.

- Have students bring in a telephone directory and plot the nationality of restaurants on a world map. An alternative is to survey family and friends about their travel destinations.

- Have students read the following article on Antarctica and do the learning activity, which are in *Revisiting the Americas*, 1992, edited by Tom Martinson and Susan Brooker-Gross. Published by the National Council for Geographic Education, Indiana, PA.

Jack Child. "The Far South of the New World: South American Antarctica and the Southern Islands," 137–141.

Kay Sandmeier. The Development of Antarctica: A learning activity to accompany "The Far South of the New World," 142–147.

Extension Activities and Resources

1. Related GIGI Modules

- *Interdependence* uses Australia as its major case study to examine how and why that country is linked to other countries. As in this module, these linkages affect both Australia as well as other countries.
- The influence of the global economy can be seen in many world issues. Most other modules—but especially *Human Rights, Diversity and Nationalism, Environmental Pollution, Political Change, Oil and Society, Hunger, Building New Nations, Urban Growth, Development, and Regional Integration*—contain examples of the workings of the global economy and of globalization.
- *Natural Hazards* also uses Japan for its major case study. More lessons about Malaysia can be found in *Sustainable Agriculture*.

2. Britannica Global Geography System (BGGGS)

BGGGS provides myriad extension activities to enhance each GIGI module. For a complete description of the BGGGS CD-ROM and videodiscs and how they work with the GIGI print modules, please read the BGGGS Overview in the tabbed section at the beginning of this Teacher's Guide.

3. Related Videos

- EBEC offers the following video about the issues and regions explored in this module: "Japan: Economic World Power."
For information, or to place an order, call toll-free, 1-800-554-9862.
- Other related videos include: "A Global Market," (*Spaceship Earth* series, South Carolina Educational Television); and "Why Does Trade Occur?" [Japan] and "Why Is the World Shrinking?" [Australia] (*Global Geography* series, Agency for Instructional Technology).

4. Additional Activity

Students can go through local department stores and make a list of the origins of many products. They can discover regions that are producing clothing, high-technology equipment, or housewares. Ask them to organize their lists into charts that show patterns between the kinds of products and the regions in which they are produced.

5. Writing

Have students write a report that compares the advantages and problems of having a universal trade agreement (such as GATT) or regional agreements (such as NAFTA).

6. Debate

Structure a formal debate about the impact of multinational corporations. The central issue could be the following: "Multinational corporations strengthen the world and improve the quality of life for everyone by operating in all parts of the world." Have students take either the view supporting this statement or an opposing view, that multinational corporations exploit labor, reap large profits from developing countries, and cause environmental damage.

7. Outside Experts

- Representatives of international trade organizations can be invited to speak to the class about global trade.
- Invite a public relations representative from a large multinational corporation to speak about the world economy.

8. Japan Resources

There are many materials available to help students understand how Japan participates in and is affected by the global economy.

Embassy of Japan
2520 Massachusetts Avenue, NW
Washington, DC 20008
202-939-6700

The Asia Society
Education and Communication Department
725 Park Avenue
New York, NY 10021
212-288-6400

Institute for Education on Japan
Jackson Bailey, Director
Earlham College
Richmond, IN 47374
317-983-1324

GIGI

Global Economy

Lesson 1

Automobile Production Simulation

Directions: You are the owners of a car company. The “map” on page 2 of this Activity shows the costs for making a car in four different countries. Costs include engineering, production labor, materials, and capital (the funds to run your company). Shipping costs \$1 per mile to ship anything between countries.

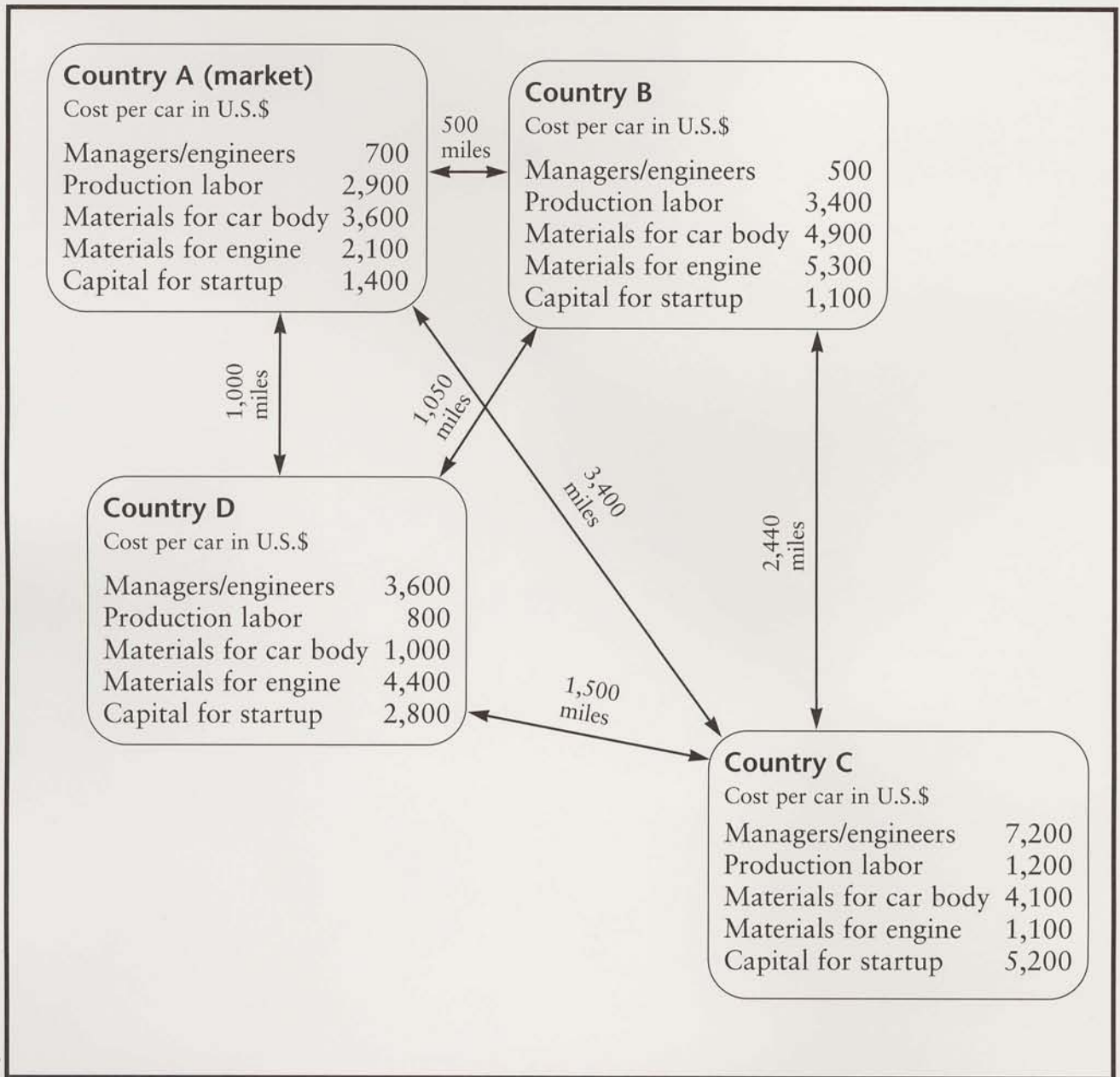
Your goal is to sell your car for \$10,000, to make it affordable for young people. You need to keep your total costs as low as possible and to make a profit to stay in business.

The buyers for your car are in Country A, which is also where you live.

Task 1. Decide in which country to locate your headquarters, keeping your cost for managers/engineers and capital as low as possible. (Use the Group Worksheet included in this Activity to help you make your calculations for these tasks.)

Task 2. Find a location for two factories: one where the car’s body is made (parts such as the chassis and the seats); and the other factory where the engine is built. This time, your goal is to minimize the cost of production labor and the materials for each factory (materials include the cost of shipping to get things to the factory).

Task 3. Choose where your car will be assembled for shipment to the market in Country A. Here your goal is to keep shipping costs to a minimum. Draw your own arrows to show the direction of trade between your car-body factory, engine factory, final assembly factory, and buyers (in Country A). Use the Group Worksheet to help make calculations.



Group Worksheet

Task 1 Calculations

Add the costs of managers/engineers and capital in each country to choose the least expensive country in which to locate the company headquarters. You will need the cost to add in later for the car's total cost.

Task 2 Calculations

Add production labor and materials to determine where you can build your engine factory. Then add the costs for the car body to locate a host country for your car-body plant. You will also need these costs to add in later for the car's total cost.

Task 3 Calculations

For this decision, you have to add the cost of shipping the engine and the body to a final assembly factory. Then you have to add the cost of shipping the car to the market in Country A. To calculate shipping, choose the closest distance between each country you are shipping from and multiply by \$1 per mile.

For example, the distance between Country D and Country C is 1,500 miles, so it would cost \$1,500 to ship an engine from Country D to Country C. To decide where to locate your final assembly factory, you'll have to try different combinations of shipping costs.

Calculating the Total Cost of the Car

Choice for Final Assembly: Country A

- Cost of shipping the body: _____
- Cost of the body: _____
- Cost of shipping the engine: _____
- Cost of the engine: _____
- Cost of shipping the final car to the market in Country A: _____
- Cost of company headquarters: _____
- Total cost: _____

Repeat this formula for each country that you are considering for the location of the final assembly factory.

Automobile Production Simulation

Task 1 Calculations

Company Headquarters

- Country A: \$2,100
- Country B: \$1,600 is the least expensive location**
- Country C: \$12,400
- Country D: \$6,400

Task 2 Calculations

Engine Factory

- Country A: \$5,000
- Country B: \$8,700
- Country C: \$2,300 is the least expensive location**
- Country D: \$5,200

Car-Body Factory

- Country A: \$6,500
- Country B: \$8,300
- Country C: \$5,300
- Country D: \$1,800 is the least expensive location**

Task 3 Calculations

- Country C: \$2,300 for the engine
- Country D: \$1,800 for the car body

Distances

- Between Countries A and B: 500 miles
- Between Countries A and C: 3,400 miles
- Between Countries A and D: 1,000 miles
- Between Countries B and C: 2,440 miles
- Between Countries B and D: 1,050 miles
- Between Countries C and D: 1,500 miles

Choice for Final Assembly: Country A

Cost of shipping the body:	<u>[\$1,000]</u>
Cost of the body:	<u>[\$1,800]</u>
Cost of shipping the engine:	<u>[\$3,400]</u>
Cost of the engine:	<u>[\$2,300]</u>
Cost of shipping the final car to the market in Country A:	<u>[\$0]</u>
Cost of company headquarters:	<u>[\$1,600]</u>
Total cost:	<u>[\$10,100]</u>

Choice for Final Assembly: Country B

Cost of shipping the body:	<u>[\$1,050]</u>
Cost of the body:	<u>[\$1,800]</u>
Cost of shipping the engine:	<u>[\$2,440]</u>
Cost of the engine:	<u>[\$2,300]</u>
Cost of shipping the final car to the market in Country A:	<u>[\$500]</u>
Cost of company headquarters:	<u>[\$1,600]</u>
Total cost:	<u>[\$9,690]</u>

Choice for Final Assembly: Country C

Cost of shipping the body:	<u>[\$1,500]</u>
Cost of the body:	<u>[\$1,800]</u>
Cost of shipping the engine:	<u>[\$0]</u>
Cost of the engine:	<u>[\$2,300]</u>
Cost of shipping the final car to the market in Country A:	<u>[\$3,400]</u>
Cost of company headquarters:	<u>[\$1,600]</u>
Total cost:	<u>[\$10,600]</u>

Choice for Final Assembly: Country D

Cost of shipping the body:	<u>[\$0]</u>
Cost of the body:	<u>[\$1,800]</u>
Cost of shipping the engine:	<u>[\$1,500]</u>
Cost of the engine:	<u>[\$2,300]</u>
Cost of shipping the final car to the market in Country A:	<u>[\$1,000]</u>
Cost of company headquarters:	<u>[\$1,600]</u>
Total cost:	<u>[\$8,200]</u>

Conclusion: The following locations make the most economical sense for a most-profitable automobile company:

- The headquarters are located in Country B.
- The engine is made in Country C.
- The car body is made in Country D.
- The car is assembled in Country D.

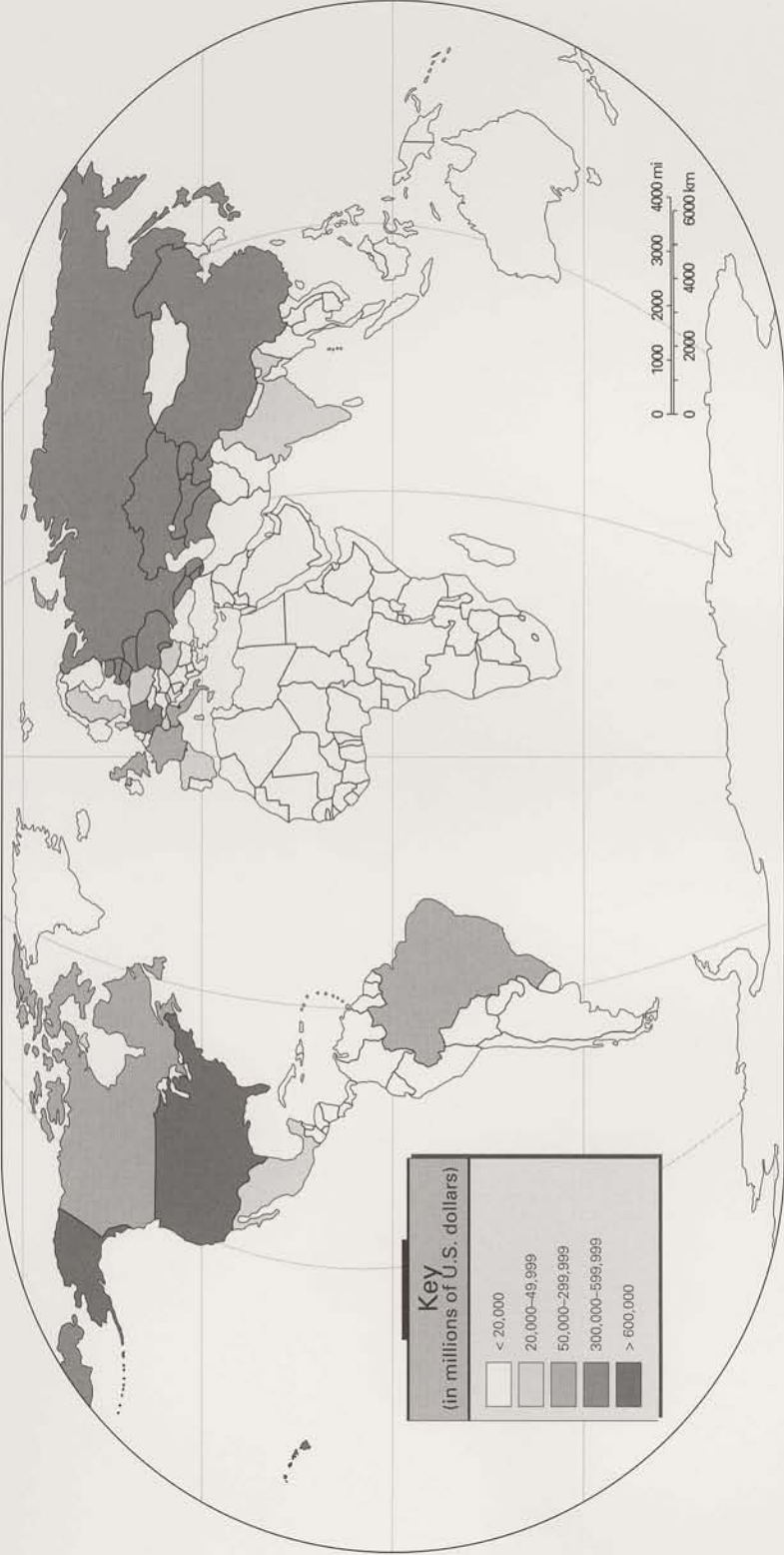
Value of Manufactured Goods

ACTIVITY 2
VALUE OF MANUFACTURED GOODS



Value of Manufactured Goods

**KEY TO ACTIVITY 2
VALUE OF MANUFACTURED GOODS**




Activity 3 ●●●

GIGI

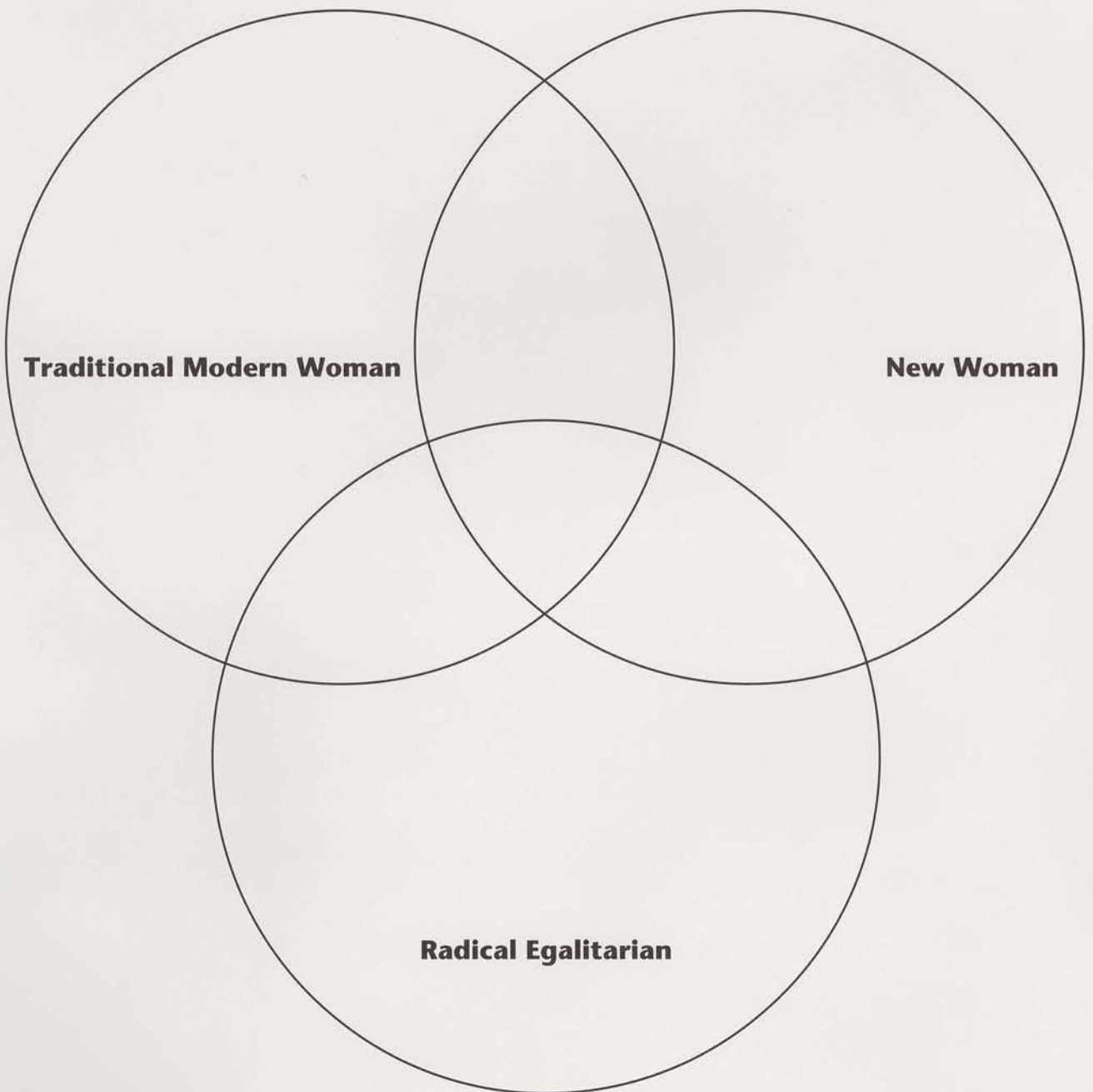
Global Economy

Lesson 3

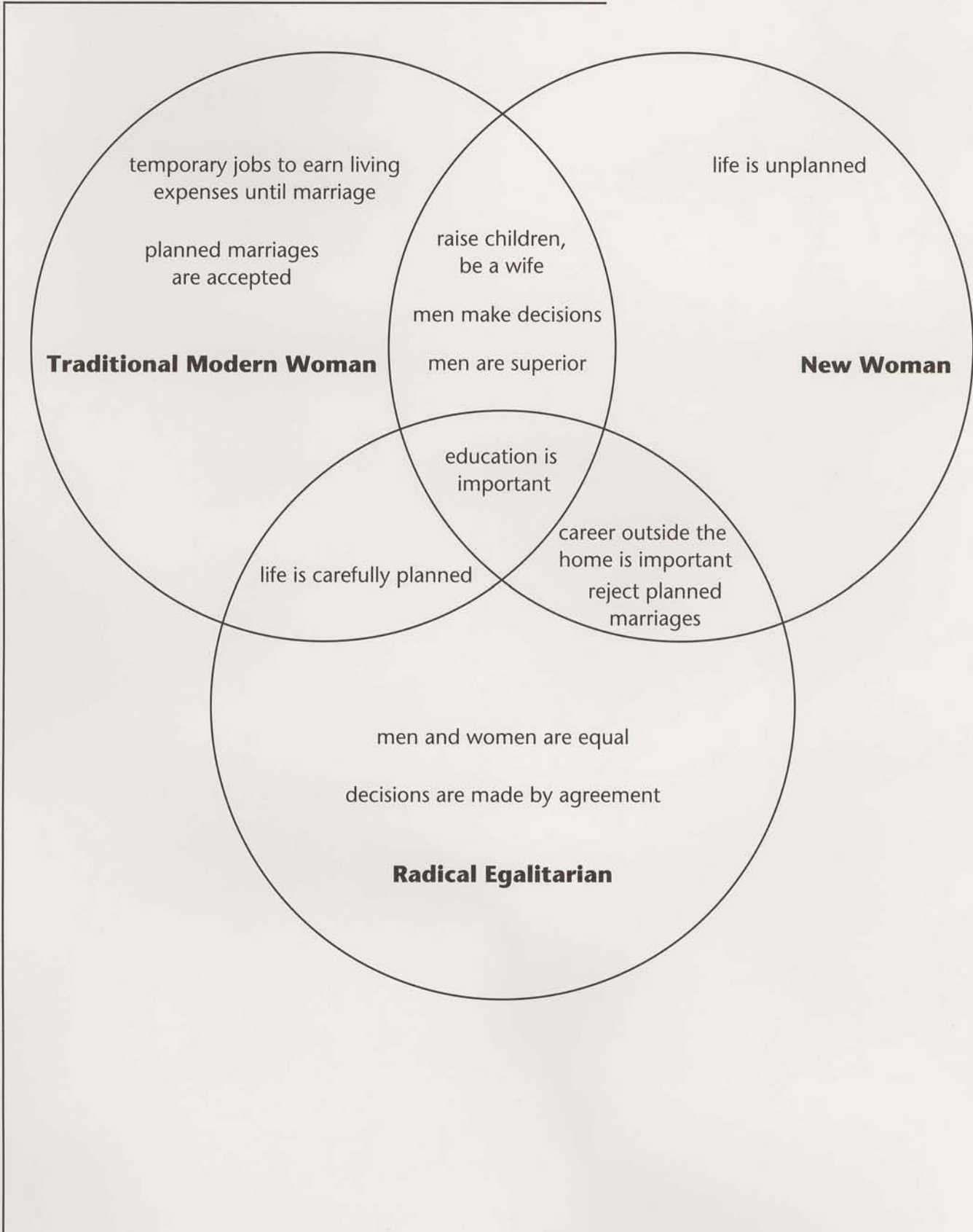
 Names _____

Different Beliefs Held by Women in Japanese Society, 1976

Directions: Examine the descriptions of beliefs held by women in Japanese society on pages 26–27 in the Student DataBook, and make a list of the beliefs held by each of the three groups. Then place those beliefs in the diagram below. If two groups hold the same belief, place it in the area where the two circles overlap. If all three groups hold the same belief, place it in the center where all three circles overlap.



**Different Beliefs Held by
Women in Japanese Society, 1976**



**BRITANNICA GLOBAL
GEOGRAPHY SYSTEM**

GIGI

**Geographic Inquiry into
Global Issues**

Global Economy

Program Developers

A. David Hill, James M. Dunn, and Phil Klein

Regional Case Study

Japan


ENCYCLOPAEDIA BRITANNICA
EDUCATIONAL CORPORATION
310 South Michigan Avenue Chicago, Illinois 60604

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ISBN 0-7826-0973-2

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Acknowledgments

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This material is based upon work supported by the National Science Foundation under Grant No. ESI 9050204. The Government has certain rights in this material. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the authors, and do not necessarily reflect the views of the National Science Foundation.

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GIGI National Field Trial Locations

Anchorage, AK
Juneau, AK
Birmingham, AL
Grove Hill, AL
Ventura, CA
Arvada, CO
Boulder, CO
Colorado Springs, CO
Lakewood, CO
Westminster, CO
Wilmington, DE
Nokomis, FL
Lithonia, GA
Marietta, GA
Beckemeyer, IL
Red Bud, IL
Lafayette, IN
La Porte, IN
Merrillville, IN
Mishawaka, IN
Eldorado, KS
Morgantown, KY
Lowell, MA
South Hamilton, MA
Westborough, MA
Annapolis, MD
Baltimore, MD
Pasadena, MD
Detroit, MI
Mt. Pleasant, MI
Rochester Hills, MI
South Haven, MI
St. Joseph, MI
Jefferson City, MO

Raymondville, MO
St. Louis, MO
McComb, MS
Boone, NC
Charlotte, NC
Oxford, NE
Franklin Lakes, NJ
Lakewood, NJ
Salem, OH
Pawnee, OK
Milwaukie, OR
Portland, OR
Armagh, PA
Mercersburg, PA
Spring Mills, PA
State College, PA
Swiftwater, PA
Easley, SC
Alamo, TN
Evansville, TN
Madison, TN
El Paso, TX
Gonzales, TX
Houston, TX
Kingwood, TX
San Antonio, TX
Tyler, TX
Centerville, UT
Pleasant Grove, UT
Salt Lake City, UT
Monroe, WI
Racine, WI
Cheyenne, WY
Worland, WY

Memo to the Student from the GIGI Staff

GIGI stands for *Geographic Inquiry into Global Issues*, which is the name of a series of modules. Each module inquires into a different world issue. We wrote this memo to explain that GIGI is different from most textbooks you have used.

With GIGI, you can have fun learning if you think like a scientist or detective. The main business of both scientists and detectives is puzzle-solving. They use information (“data” to the scientist and “evidence” to the detective) to test their solutions to puzzles. This is what you do with GIGI. GIGI poses many puzzles about important global issues: Each module centers around a major question, each lesson title is a question, and there are many other questions within each lesson. GIGI gives you real data about the world to use in solving these puzzles.

To enjoy and learn from GIGI, you have to take chances by posing questions and answers. Just as scientists and detectives cannot always be sure they have the right answers, you will sometimes be uncertain with GIGI. But that’s OK! What’s important is that you try hard to come up with answers, even when you’re not sure. Many of GIGI’s questions don’t have clear-cut, correct answers. Instead, they ask for your interpretations or opinions. (Scientists and detectives are expected to do this, too.) You also need to ask your own questions. If you ask a good question in class, that can sometimes be more helpful to you and your classmates than giving an answer.

The data you will examine come in many forms: maps, graphs, tables, photos, cartoons, and written text (including quotations). Many of these come from other sources. Unlike most textbooks, but typical of articles in scientific journals, GIGI gives its sources of data with in-text references and full reference lists. Where an idea or piece of information appears in GIGI, its author and year of publication are given in parentheses, for example: (Gregory 1990). If the material used is quoted directly, page numbers are also included, for example: (Gregory 1990, pages 3–5). At the end of the module you’ll find a list of references, alphabetized by authors’ last names, with complete publication information for the sources used.

To help you understand the problems, GIGI uses “case studies.” These are examples of the global issue that are found in real places. “Major case studies” detail the issue in a selected world region. You will also find one or two shorter case studies that show variations of the issue in other regions.

We hope your geographic inquiries are fun and worthwhile!



Global Economy

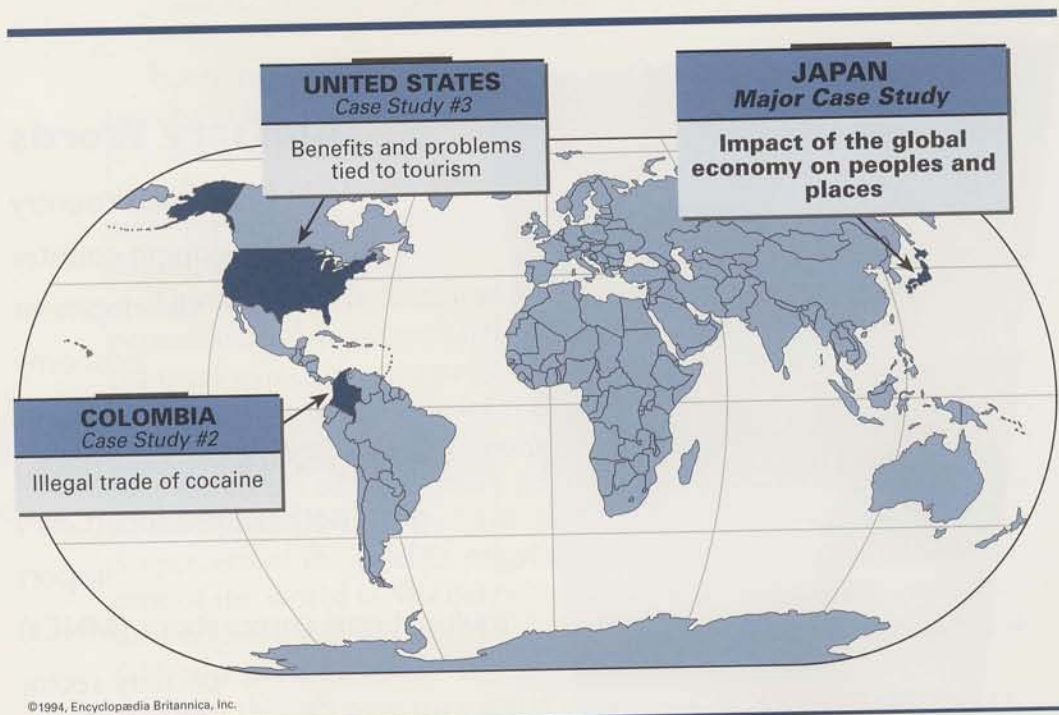
How does the global economy affect peoples and places?

- What is a global economy and what does it mean for you?
- How do countries participate in international trade?
- What happens to countries that take part in the global economy?
- What kinds of activities shape the global economy?

The global economy has both economic and cultural dimensions. It integrates economies, but it also causes cultures to converge. This concept is called globalization, and it began long ago when traders carried goods and ideas on long journeys. Globalization is the result of people thinking of the world as being smaller, when they think of it as being a whole place instead of many separate places (Robertson 1992). Globalization accelerated when changes in transportation and

communication in the latter half of the twentieth century helped to increase the speed and lower the cost of goods and services that could be traded. Understanding how these activities affect peoples and places is at the heart of this module.

You will see how Japan has risen to become a major country in the global economy. You will also study the impact of international trade on countries such as Malaysia and Colombia. Finally, you will see how tourism is a special part of the global economy. The main purpose of the module is to consider how globalization has affected participating countries.



Questions You Will Consider in This Module

- How do countries take part in the international exchange of goods, services, technology, finances, and ideas?
- What are the key characteristics of globalization?
- How are people affected by globalization?
- Why do countries participate in a global economy?
- What is the future of the global economy?



What is the emerging global economy?

Objectives

In this lesson, you will

- Describe why countries take part in global exchange.
- Understand that countries export to build their economies.
- Evaluate why manufacturing in developing countries has grown rapidly.

Glossary Words

developed country
developing country
development
economy
export
export processing zones (EPZs)
gross national product (GNP)
import
multinational corporations (MNCs)
primary sector
secondary sector
tertiary sector

What is a global economy?

What is an economy? What does it mean to be economical? A daily newspaper may report that the economy is not doing well, or that it is growing. Someone may say to you that you have to economize. What does that mean?

One way to understand economy is to describe activities that produce goods and services that are traded and consumed by people everywhere. These activities are divided into three sectors:

Primary sector jobs are concerned with the direct extraction of materials from the earth's surface, generally through agriculture, although sometimes by mining, fishing, and forestry. The secondary sector includes manufacturers that process, transform, and assemble raw materials into useful products. Other secondary sector industries take manufactured goods and fabricate them into finished consumer goods. The tertiary sector involves the provision of goods and services to people in exchange for payment. Examples include offices, shops, physicians, attorneys, entertainment facilities, and universities (Rubenstein 1989, page 280).

Economies are not the same everywhere in the world. Some countries have had more opportunities to develop. Development is a process of change that moves a society closer to meeting its own basic human needs. As a result of development, widespread employment prevails, which increases social and economic equality among the population.

Development is commonly measured by growth in a country's per person annual gross national product (GNP). This is an estimate of the total value of a country's annual economic production, divided by its population. Countries that are developed have a much higher GNP per person than developing countries. The United States, with only 6 percent of the world's population, produces about 30 percent of the world GNP. In contrast, the developing countries have over 50 percent of the world's people, but they account for only 15 percent of the world GNP (Berry et al. 1987). Figure 1 on page 6 shows how countries of the world are classified according to their annual GNP per person.

Even though countries are at different stages of economic development, it is common and useful to classify them as either developing or developed. Australia, Canada, Japan, New Zealand, the United States, and Western European countries are considered developed, and the rest are considered developing (Bloom and Brender 1993).

Most people living in developing countries work in agriculture—the primary sector. In developed countries, people have chances to work in a larger variety of jobs. Table 1 on page 7 shows how developed and developing countries differ in terms of the percentage of population employed in each economic sector. The table shows what percentage of people work in agriculture (an example of the primary sector), in industry (the secondary sector), and in services (the tertiary sector).

DEVELOPMENT LEVELS OF THE WORLD'S COUNTRIES

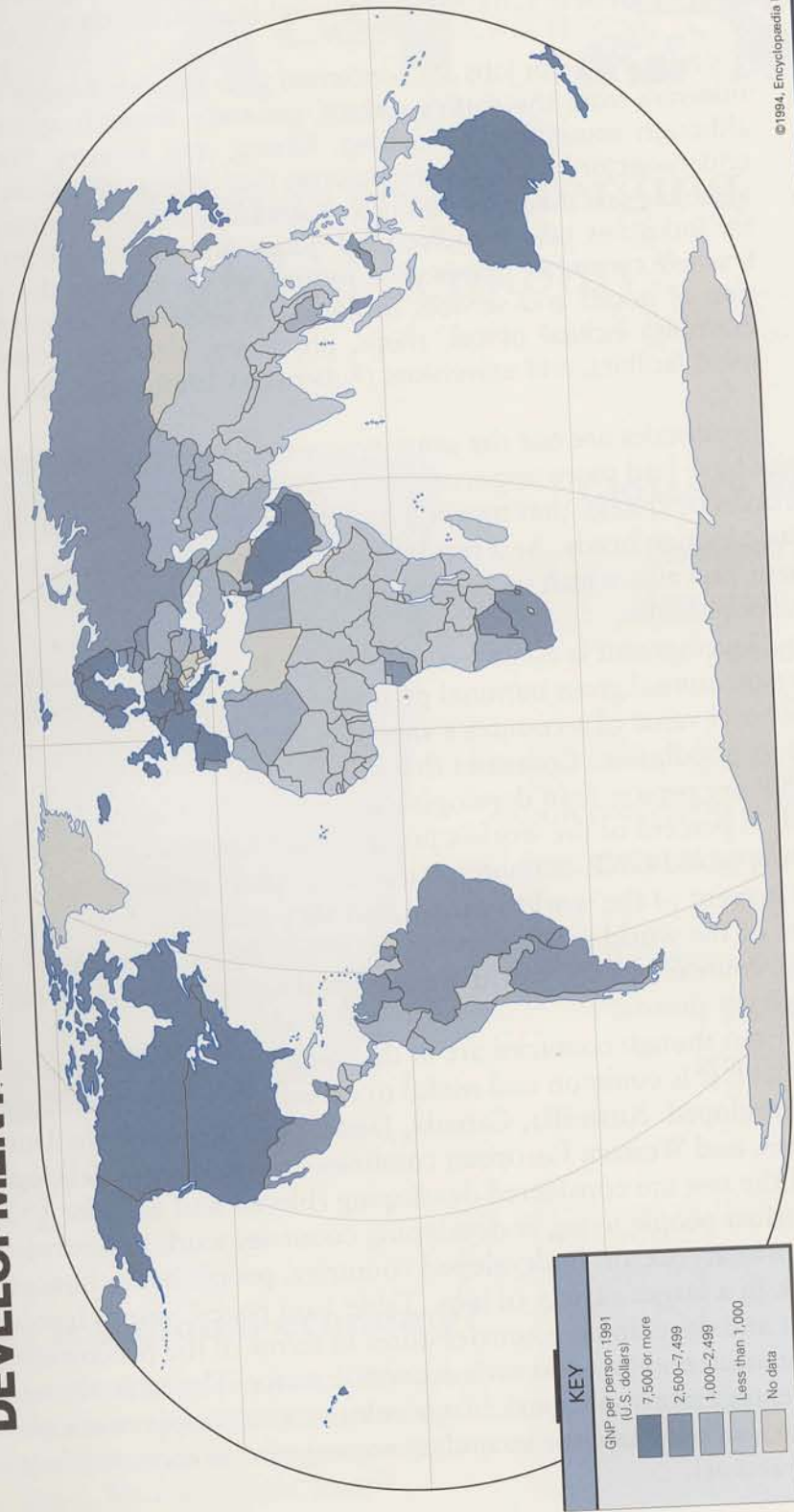


Figure 1 Development levels of the world's countries.

Table 1 A comparison of economic activity in developed and developing countries, 1991

	Percentage working in agriculture	Percentage working in industry	Percentage working in services	Total population (billions, 1994)
Developed countries	7	26	67	1.2
Developing countries	61	14	25	4.4

Source: Bloom and Brender 1993; Population Reference Bureau 1994.

1. How would you describe the distribution of the world's wealth according to Figure 1?
2. What do you think Figure 1 would look like if you plotted economic activity such as the primary sector reported in Table 1 instead of GNP?
3. What kinds of jobs are most commonly found in developed countries, such as Japan or the United States?
4. How do you think developed countries are able to feed their population, if such a small percentage of people work in agriculture?

Differences between countries stimulate trade. Japan, for example, has a very small amount of energy resources, but its large population and highly developed economy uses a great deal of energy. So Japanese companies buy energy in the form of oil from companies in countries such as nearby Malaysia. Japanese companies also buy food from Australian companies. Nearly every country participates in trade with other countries, creating a giant, *global* economy. Increasingly, the world's countries are linked by this global economy.

But trade is not limited to getting necessities like energy, food, and clothing. Businesses in countries also trade to earn a profit. In the past, it was hard to earn a profit when conducting business in

other countries because shipping was expensive and slow, and communications were very limited. Today, the global economy is growing dramatically, as improvements in communication and transportation make it easier for countries to trade goods and services. Political changes have also allowed more businesses to participate in international trade. Recent political changes have meant that countries such as China and Russia have opened their doors to the free-market system of world trade (*World Economic Survey* 1991). Figure 2 below shows the dramatic change in the amount of manufactured goods exported worldwide over a 21-year period. The value of raw materials and services is not included in the table.

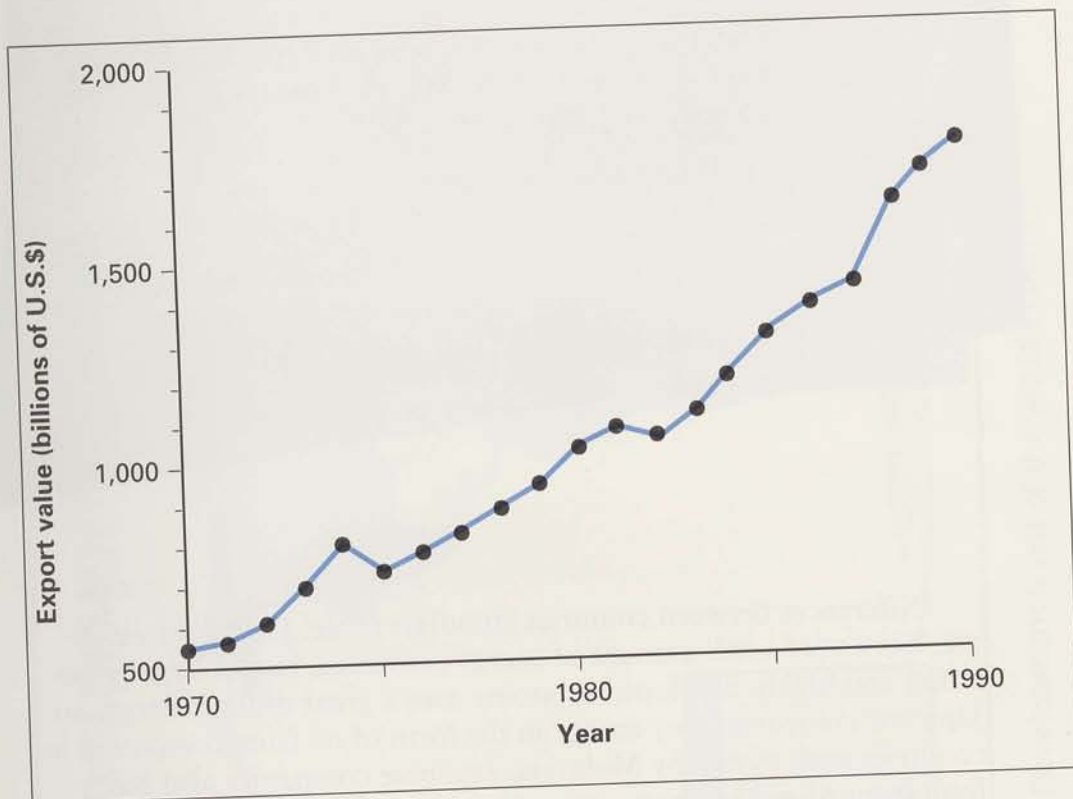


Figure 2 The value of exported manufactured goods worldwide, 1970–1990.

Source: *World Economic Survey* 1991.

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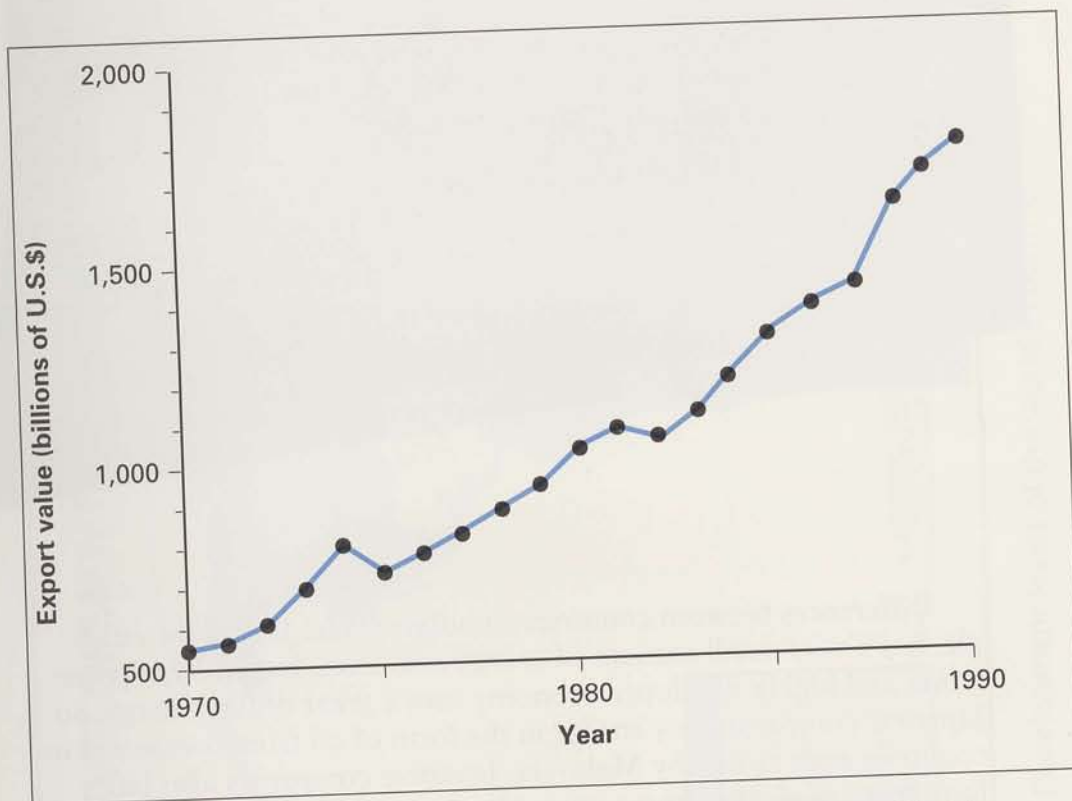


Figure 2 The value of exported manufactured goods worldwide, 1970–1990.

Source: *World Economic Survey* 1991.

Multinational corporations (MNCs) link different countries. These are firms that conduct operations in more than one country. MNCs look for countries that have cheaper labor, and those that have technology and capital. MNCs account for much of the world's inventions, international trade agreements, flows of money between countries, and industrial growth. These very large businesses maintain economic activity in more than one country and use the differences between countries to their advantage. MNCs are able to shift investments, resources, and operations at a global scale (Dicken 1992). The actions of MNCs result in the economic integration of the world into a global economy.

5. What is the trend in the value of manufactured exports from 1970 to 1990?
6. Why do you think seeing a trend in manufactured exports is a good indicator of the world's economic activity?
7. What kinds of things do you think would keep the trend shown in Figure 2 continuing into the future?

Why has manufacturing grown?

The process of globalization includes movement of working people between countries. It also includes the transfer of money and special equipment from one country to another. Trade between companies in different countries in the form of imports and exports is a third activity of the global economy (Bloom and Brender 1993).

Some countries have become attractive places for companies to set up manufacturing (a secondary economic activity). This is because the GNP per person in such countries is low, and that usually means that labor costs are also low. Table 2 on page 10 reports the average GNP per person in three developing countries, and compares the GNP per person in developed economies found in countries such

as Japan, the United States, and Germany. GNP per person is used here as an approximation of the wages earned in those regions. Manufacturers try to keep labor costs low, so they choose countries that have low GNP per person.

Sometimes the cost of labor is so low that it even pays to ship raw materials to a country, hire people to make the product, and then export the finished product to the other countries. This late twentieth-century arrangement is an example of globalization. Countries set up what are called Export Processing Zones (EPZs) in which they offer land, buildings, power, tax breaks, and lower safety and environmental standards in order to attract manufacturers. This arrangement gives many people jobs, but the long-range benefits of operating an EPZ for the local economy is still unknown (Marshall 1991).

Table 2 Comparison of GNP per person between selected countries having EPZs and those in developed economies, 1994

Country	GNP per person
Egypt	630
India	310
Mexico	3,470
Developed economies	16,610

Source: Population Reference Bureau 1994.

Figure 3 on page 11 shows the changing importance of the secondary sector to economies in developing countries in three world regions. Developing countries are becoming part of the global economy because they are the locations chosen by multinational corporations to manufacture products for export.

Although the role of manufacturing in developing countries is changing in response to globalization, primary-products exports is still a very important source of income. Even though the percentage of a country's exports in primary products may drop, it is possible that the value of the primary exports will increase. For example, in Argentina, food exports were valued at \$5.2 billion (U.S.\$) in 1980. By 1992, exports in food from Argentina rose to \$7.5 billion, even though the primary sector shrunk from 85 percent to 64 percent of Argentina's exports (*International Trade 1993 Statistics* 1993; World Bank 1993).

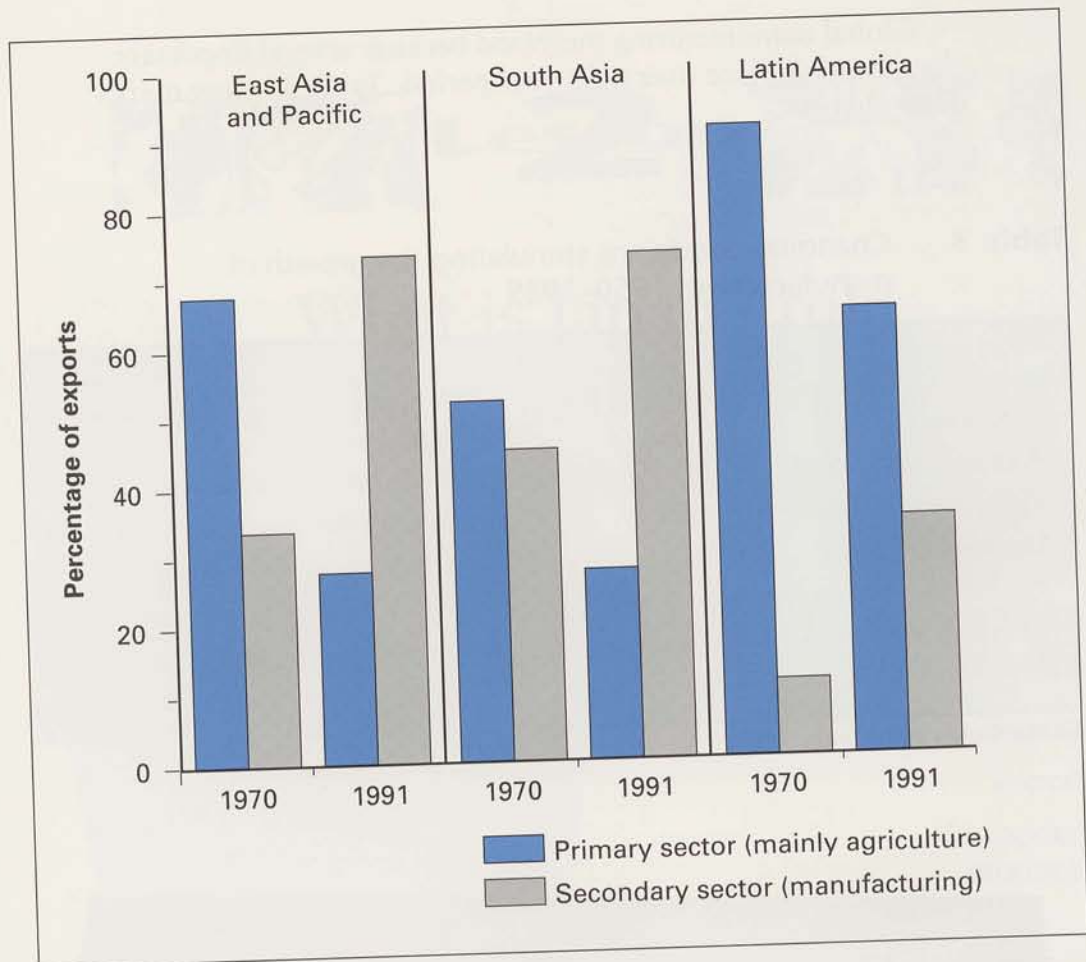


Figure 3 Primary and secondary exports in three developing regions. (Japan is not included in East Asia.)

Source: World Bank 1993.

8. What generalizations can you make about the economic activities shown in Figure 3?
9. In which region has the secondary sector shown the most dramatic growth?
10. What information found in Table 2 would help explain why companies would set up manufacturing activities in developing countries?

Global manufacturing increased because several important changes took place over a 50-year period. Table 3 below marks these changes.

Table 3 Changing conditions stimulating the growth of manufacturing, 1950–1989

1950	1989
High shipping costs	Low shipping costs
Poor communication	Sophisticated global communications
Government restrictions on trade	Trade agreements among many countries
Local labor only	Labor supply cheap and mobile
Hard to move money and equipment	Easy to move money and equipment
Global economy was 9 percent of world total	Global economy was 15 percent of world total

Source: Bloom and Brender 1993.

11. How would you describe the changes that took place between 1950 and 1989 that encouraged the growth of manufacturing?
12. Based on trends in communication and technology today, what would you expect to happen to the size of the global economy? Why?
13. Why do you think countries trade?



What is Japan's role in the global economy?

Objectives

In this lesson, you will

- Describe Japan's role in the global economy.
- Learn why Japan has become a leader in the global economy.

Glossary Words

export

import

value-added
products

Japan's changing image in the global economy is described in the following quote:

During the 1950s, Japanese export products had a reputation for poor quality. However, this image changed dramatically during the 1970s. Japanese steel, ships, watches, television receivers, automobiles, semiconductors, and many other goods developed a reputation for being manufactured to high standards and under strict quality control. The Japanese were the acknowledged world leaders for quality and design in the 1980s for some of these products. This rise in product quality also increased demand for Japanese exports (Lincoln 1992, page 268).

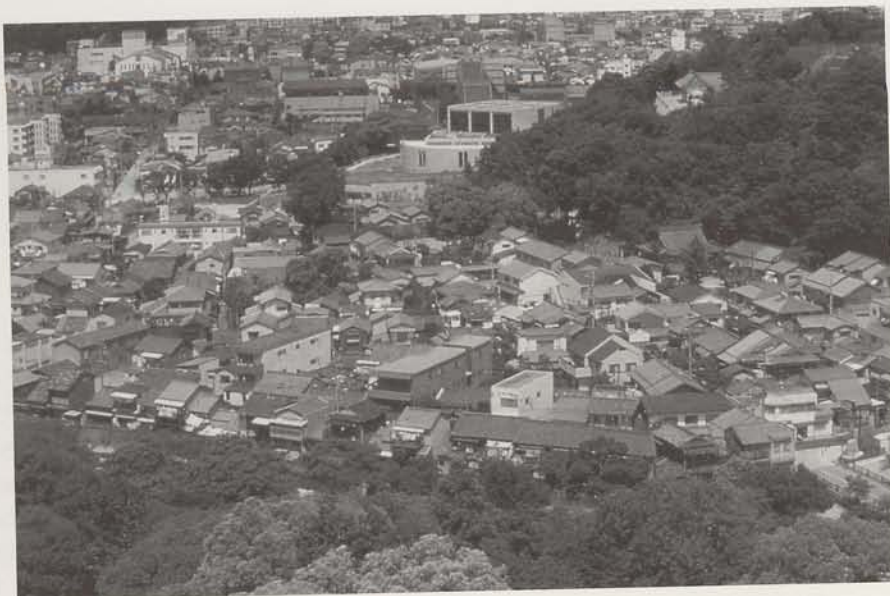
Why does Japan participate in the global economy?

Even before Japan participated in a world economy, it had to meet its own basic needs. The country is stretched out over 2,000 miles on four main islands, and includes more than 3,000 small islands. Since over 75 percent of the land is mountainous, Japan is only marginally suited to grow food. There is a great variety of climates, ranging from mild and humid (similar to Florida's climate), to cold, snowy winters in Northern Japan (Dolan and Worden 1992).

Japan is a densely populated country. After subtracting rugged land and other uninhabitable areas, Japan has an average of 3,945 people living on each square mile, compared to 139 people per square mile in the United States (Dolan and Worden 1992). It is not surprising then, to see that Japan has had to import to meet the needs of its population.

[Japan] has been highly dependent on imports for a variety of critical raw materials. . . . The country imported, for example, 50 percent of its caloric intake of food and about 30 percent of the total value of food consumed in the 1980s. It also depended on imports for about 85 percent of its total energy needs (including all of its petroleum and 89 percent of its coal) and nearly all of its iron, copper, and lead ore and nickel (Lincoln 1992, page 270).

Japanese companies engage in the global economy to meet basic needs and to prosper. All of the activities to meet these goals are tied closely to each other, but they tend to fall in one of three categories.



Most of Japan's densely populated landscape is not suitable for agriculture.

The first is trade: Japan exchanges with other countries through imports and exports. The second is manufacturing: Businesses in Japan set up factories to combine raw materials into products, which are then sold for more money than what the raw materials cost. The third activity is overseas investments: Japanese companies take profits from trade and manufacturing and set up businesses in other countries, or they invest in businesses that are already operating in other countries.

What does Japan trade?

Over a 30-year period, Japan has changed how much it has imported and exported. Examining these changes helps reveal the dynamic nature of Japan's economy. Figure 4 shows the total value of imports and exports for Japan between 1960 and 1992.

The difference between what a country imports and exports is called its trade balance. When Japan imports goods, it is spending money for those goods, and when it exports goods, it is being paid for those goods. If Japan exports more than it imports, it has a trade surplus.

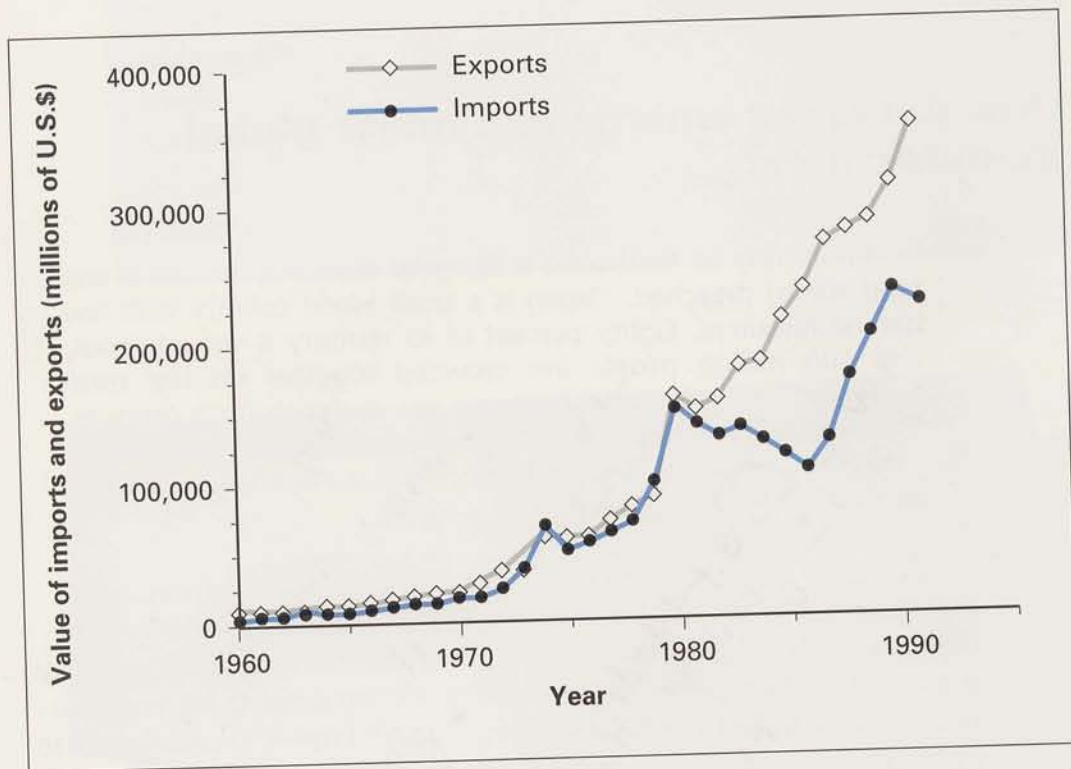


Figure 4 Imports and exports in Japan, 1960–1992.

Sources: Dolan and Worden 1992; *Direction of Trade Statistics Yearbook* 1991; *International Trade 1993 Statistics* 1993.

1. Using Figure 4, in what year did Japan begin to show a significant trade surplus? How well does this year match the change in perception of Japanese products discussed by Lincoln at the beginning of this lesson?
2. Since Japan has little in the way of natural resources, how do you think it is able to sell exports for a higher price than the cost of the raw materials it imports?

How did Japan emerge as a major global manufacturer?

In virtually all textbooks, a litany of economic necessity was (and still is) preached: "Japan is a small island country with few natural resources. Eighty percent of its territory is mountainous, and 100 million people live crowded together on the small remaining flat areas. It must import raw materials from overseas, use them to manufacture value-added products, and export these products in order to buy food to eat. In no other way will Japan be able to survive" (Ohmae 1987, page 2).

You have seen that Japan has greatly increased its imports and exports after 1960. But trading is only one of three major activities that can explain Japan's role in the global economy. Another activity is manufacturing. Japan has invested money to develop leading technology in manufacturing. Japan was the fifth largest manufacturer in 1963. By 1987, it was the second largest manufacturer in the world. The value of Japan's manufacturing compared to other countries in 1992 is shown in Table 4 on page 17.

Table 4 Value of manufactured goods from the world's top 20 manufacturing countries, 1992

Country	Manufacturing value added (millions of U.S.\$)
United States	1,037,243
Japan	591,038
Former USSR	516,741
China	456,434
Germany	374,178
France	174,286
United Kingdom	152,214
Italy	93,512
Canada	79,077
Brazil	74,032
Spain	48,795
India	38,311
South Korea	36,644
Mexico	33,869
Taiwan	33,812
Switzerland	33,692
Sweden	31,107
Netherlands	30,564
Romania	26,810
Poland	24,972

Source: Dicken 1992.

3. What regions in the world have the strongest concentration of major manufacturers?
4. How would you describe the relationship between the level of development of countries shown in Figure 1 on page 6 and the value of manufacturing of countries shown in Table 4 above?

What does Japan do with its trade surplus?

A third major measure of Japan's involvement in the global economy is its overseas direct investments. An investment is a business exchange in which money is placed with a company. The company uses that money to earn a profit. The profit is then shared with all of the investors. Large businesses in Japan have taken their own profits from trade and manufacturing and invested them in businesses all over the world in order to make additional profits. Figure 5 below shows the trend of overseas investments made by Japanese companies between 1965 and 1988.

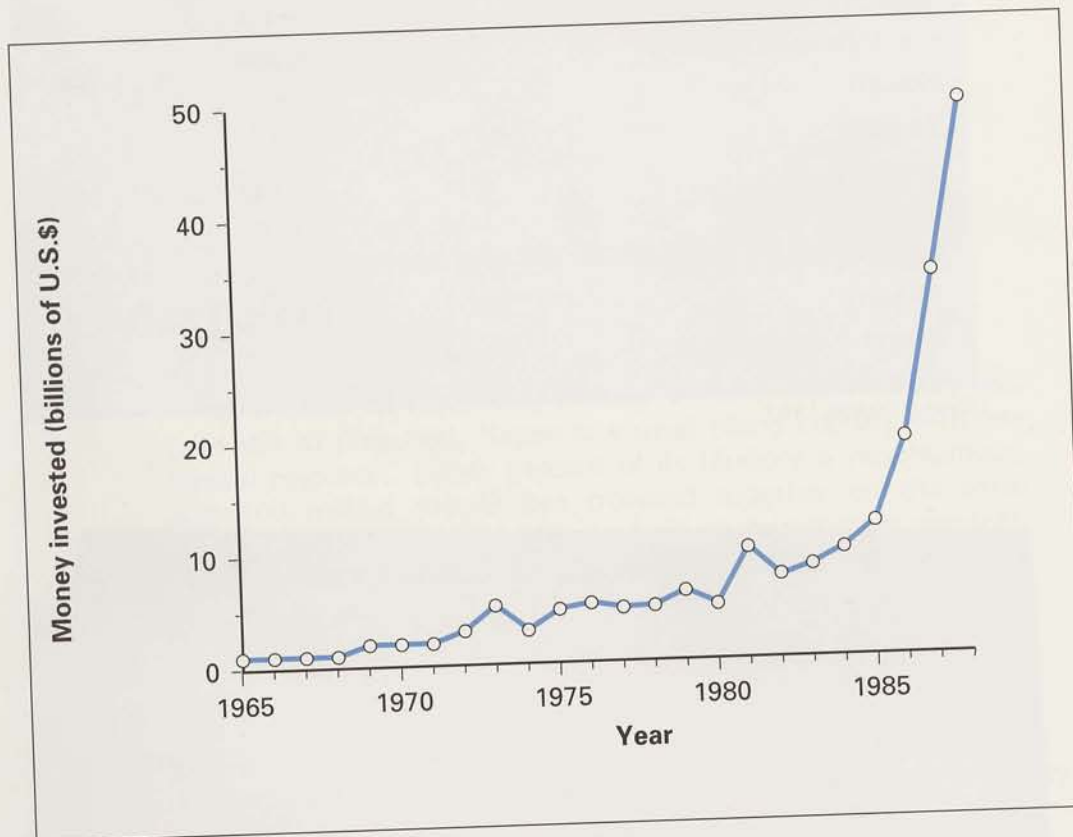


Figure 5 Overseas investments made by Japanese companies, 1965–1988.

Source: Dicken 1992.

5. How would you describe the trend in overseas investments shown in Figure 5 compared to the trade balance shown in Figure 4?
6. What conditions in the world suggest that the trend in overseas investments shown in Figure 5 will continue?



Bilingual sign on a grain elevator and office building in Louisiana.



How is the global economy changing Japan's culture?

Objectives

In this lesson, you will

- Describe cultural changes in Japan resulting from globalization.
- Identify the changes in women's roles in Japanese society.

Glossary Words

cultural diffusion
economy
global consumerism
popular culture
traditional culture

How does global consumerism affect Japan's culture?

In the previous lesson, you saw that Japan's economy has grown as a result of participating in the global economy. With that growth, it was logical that Japan would go through a radical change in its society (Lee 1991). The Japanese consume products and services from around the world and enjoy great improvements in their standard of living as a result. Along with the improvements, they have seen changes to their culture.

For example, 99 percent of all Japanese homes in 1993 had a color television. The average workweek had dropped from 44 hours in 1988 to 40 hours. A quarter million robots worked in factories. The life expectancy for Japanese people has risen so that they live four years longer than people in the United States. But Japan is now

more crowded than before. Despite economic improvements, Japanese homes are half the average home size in the United States, and only half of them are hooked up to a sewer system (King 1993). In 1993, Japan experienced a recession, resulting in poverty and homelessness (Radin 1994).

Every culture has its own unique practices. For example, the Japanese eat a great deal of raw fish and rice. They remove their footwear when entering a home. These customs are part of Japanese traditional culture.

When one culture comes in contact with another, both cultures often change as people learn new ways of doing things and goods or technology are traded (Clawson and Rice 1972). The global exchange of goods and ideas has increased the amount of cultural change in the world (Figure 6 below). Cars, tennis shoes, popular music, sports, television, and personal computers are now found in great quantities in the world's developed countries, and are found increasingly in developing countries too.

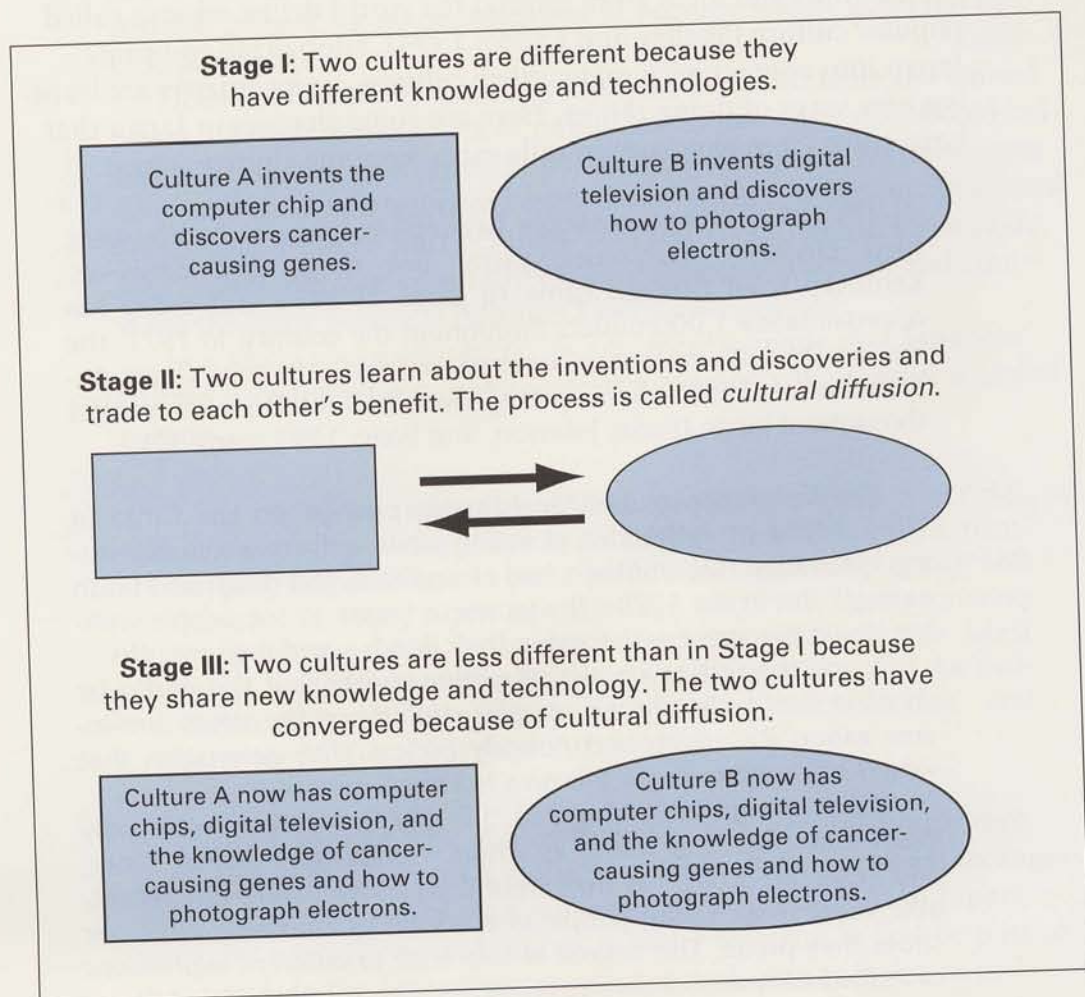


Figure 6 Example of cultural convergence through cultural diffusion.



McDonald's restaurants are a common sight in Japan.

Customs and ideas from around the world define what is called popular culture (Shelley and Clarke 1994). Globalization brings Japan into contact with many other cultures, so its citizens are learning new ways of doing things. Here are some changes in Japan that have come from exposure to influences from the United States:

[In 1992] Japanese people [waited] in lines for hamburgers, fried chicken, doughnuts, pizza, hot dogs, and pancakes. Kentucky Fried Chicken came to Japan in 1970 and today has approximately 1,000 outlets throughout the country. In 1971, the first McDonald's restaurant opened in Tokyo's famous Ginza district. As of 1992, there [were] over 860 McDonald's outlets throughout Japan (Parisi, Johnson, and Weiss 1993, page 32).

The first Japanese McDonald's was opened on the Ginza in 1971. At the time the idea of eating while walking was a disturbing innovation. Our mothers had always said, "Sit down and finish eating!" But in the 1970s, the Japanese began to see people walking down the street with food in their hands—and their mouths.

It was the first of a series of culture shocks, but this particular shock is over today. Young couples stroll down the street arm-in-arm eating ice cream and nobody notices. The generation that would still hesitate to do this now is a small minority.

Other things have changed. [In 1977], sneakers were only worn during gym or recess at school. Adults wore leather shoes, and "exercise shoes," as they were then known, were not acceptable street wear. Today, people of every generation wear whatever shoes they prefer. The degree of tolerance of different expressions of individuality and of diverse styles has grown tremendously. . . .

Even toilet paper has changed. It was not long ago that the Japanese used single sheets of crinkly rice paper taken from shallow box-shaped baskets hung in toilets. Before that, they used old newspapers cut into squares. Both have been replaced by soft toilet paper on rolls of exactly the same type used in the United States (Ohmae 1987, pages 79–80).

Of course, Japanese culture has also influenced the United States. Japanese restaurants are common in U.S. cities, and sushi bars (places serving the Japanese seaweed and rice delicacy called *sushi*) have become popular, especially on the West Coast. Also popular in the United States is a Japanese form of entertainment called *karaoke*: Customers in restaurants and bars entertain themselves and other customers by singing with a microphone to recorded music. U.S. citizens are accustomed to using Japanese televisions, VCRs, cars, and many other products. The Japanese are famous for industrial and business innovations that have spread to other countries. For example, their method of organizing industrial production with “quality circles”—teams of workers who make production-line decisions without consulting management—has become widely accepted by U.S. businesses.

Does the fact that Japanese people eat fast food from the United States, or wear tennis shoes in public, mean that their traditional culture is being lost to Western popular culture? There is no agreement on this issue. One argument suggests that people in Japan, the United States, and Western Europe, the wealthiest economies in the world, are coming together culturally because they manufacture and consume the same products (Ohmae 1987).

In a study about teenagers, an argument is made that Japanese culture is changing, but not necessarily toward a Western or a global culture.

In Japan, the [teenage girl] does things her parents never did, such as eating on the street or on subway trains (ice cream, hamburgers, crepes, slices of pizza [with sweet corn and squid], soft drinks). . . . Today's girls talk like boys, and most teens, ignoring the politeness levels built into correct Japanese, use the latest slang. . . . They are defined by media and marketing, and the dedication of specific music, goods, clothing, technologies, and behavior (White 1993, page 29).

Fashion may be a good example of how Japanese culture may appear to be the same as a global popular culture. Japanese teenagers wear the same fashions seen in New York and London. In Japan, teenagers wear the same fashions in order to blend in and be part of the crowd. In the United States, teenagers also wear fashions to

belong to a group, but clothing is also used to make an individual statement and draw attention to the individual.

Even though the life of a teenager in Japan may appear to be the same as life in the United States, there is a strong cultural difference. For example, in the United States, teenagers may have conflicts with their parents about their activities and may want freedoms their parents do not wish to grant. In Japan, teenagers dress like their counterparts in the United States, but they want to be dependent on their parents.

The argument continues that Japanese society has always been inward rather than outward looking. There is no major cultural change taking place just because Japanese teenagers experiment with practices from other cultures (White 1993).

In spite of similar uses of products in Japan and the United States, there are differences that remain in the attitudes and values held in each society. Table 5 below compares a selected list of these differences.

Japan's culture may be described as transitional, changing away from its traditional attitudes and values. In traditional Japanese society, "people pursued knowledge, character, sensibility, and above all, morality." By 1990, however, "people pursue achievement and consumerism" (Lee 1991, page 48).

Table 5 Generalized differences between traditional Japanese and U.S. attitudes and values

Japan	United States
Society is more important than individuals.	Individuals are as important as groups or society as a whole.
Others are placed before self.	Individuality is respected.
People try not to stand out.	Assertiveness is valued.
Age, experience, and higher status are respected.	Competency, skill, and performance are respected.
Being cooperative and supportive of your group is important.	Personal freedom is important.
People know their place.	People aspire to higher social position.
People are reserved.	Opinions are expressed openly.

Source: Parisi, Johnson, and Weiss 1993, page 14.

1. Do you think Japanese culture will change as a result of being part of the global economy? Explain.
2. Why would it be easy, on first glance, to say that Japanese culture is becoming a global popular culture?

How has the role of Japanese women changed?

Although the argument of whether Japan's culture is merging into a global popular culture may never be settled, some changes are easy to see and report. One such change is the role of women in Japanese society. Traditionally, the ideal Japanese woman was described as a "good wife, [and a] wise mother" (Dolan and Worden 1992, page 120). The traditional role of women, however, has given way to new roles in dramatic ways. The following passages describe the traditional role of women in Japanese society:

They were the weaker sex, expected to be weak and benign. . . . She was dependent throughout her life. She belonged to her father as a daughter, to her husband after marriage, and to her son in widowhood. . . . As a wife, a woman was expected to care for her husband's parents, and promote the welfare of the family (Lee 1991, pages 20–21).

Men led, made decisions, and provided for the basic unit of society, the family. Women often contributed their labors on behalf of the family, but it was widely understood that a married woman's work plans were subject to her husband's approval. . . . Woman answered to man, and man, to society (Pharr 1976, page 305).

In modern Japanese society, marriages are less often arranged for young people by parents or others, so women find themselves in families with a more or less equal power relationship with their husbands (Lee 1991). Japanese families have gotten much smaller. From 1940 to 1972, the average number of children in Japanese families went from five to two (Smith 1978). With more free time, women could enter the workforce and consider priorities in life other than maintaining the household.

In one study, 100 women were interviewed about their attitudes about life for a woman in Japan (Pharr 1976). The author found that three distinct groups could be identified. These groups are described below and on page 27. The author of the study cautioned that women are not fixed in these groups. Instead, women consider each of these perspectives and may move into one group gradually as Japanese society changes.

Beliefs Held by the Traditional Modern Woman

Women in this group (20 percent of Japanese women) believe that men are superior to women. They believe that it is good to get an education, even to the college level, but only as a stepping stone to becoming a wife and mother. Traditional modern women take temporary jobs to earn money for rent and food, clothing, and makeup to help attract a man. These women's lives are carefully planned: Their main goal is to be responsible for raising children, being a proper wife, and respecting the decisions of the husband or son. But with shrinking family sizes and modern appliances, the traditional modern woman spends a lot of time with very little to do (Pharr 1976).

Beliefs Held by the New Woman

This group of women (60 percent of Japanese women) are typically educated at four-year universities. In addition to being wives and mothers, the new women believe they can also pursue goals outside the home. They accept their role as homemaker, but they want to get an education and maintain a career too. This group also believes that men are superior to women and that only men should make important decisions. Life is not as planned out among the new women; they are interested in experimenting with the unknown future. These women do not want arranged marriages, and instead seek men who understand their point of view (Pharr 1976).

Beliefs Held by the Radical Egalitarian

The term given to this group of women (20 percent of Japanese women) means that they believe that men and women are equal and should make decisions by reaching agreement. That

belief is a large radical shift from the other two groups. This group believes that women can freely choose between career, family, or any combination of the two. Radical egalitarians plan their lives with great care. In family life, both men and women can have equal responsibility of caring for the home and children. These women believe that the traditional role of women, whereby the men possess the women and make all important decisions, is not fair. Radical egalitarians are usually highly educated and speak frankly and directly, using language that was once the exclusive domain of Japanese men. They are opposed to arranged marriages, and marriages based on family background, status, and educational training (Pharr 1976).

The role of women has also changed in the workplace. Since 1948, women “were guaranteed the right to choose spouses and occupations, to inherit and own property in their own names, to initiate divorce, and to retain custody of their children” (Dolan and Worden 1992, page 120).

By 1987, nearly half of all woman over 15 years of age were in the Japanese workforce. This strong shift out of household work was an important change in the role of women in Japanese society. Two-thirds of the female workforce was married, indicating that women held career work while raising children and managing the household (Dolan and Worden 1992).



Today's Japanese woman may not fit a traditional role.

3. Which of these three groups do you think will claim the largest number of woman followers in Japan's future? Why?
4. What kinds of groups would you form to represent the beliefs of women in U.S. society?

Japan is changing as it continues to take part in the global economy. Japanese multinational companies continue to buy materials from other countries and either consume them directly or use them to produce finished goods for sale around the world. Japan's economic activities have changed other countries too. The next lesson examines how Japan's economic needs affect Malaysia's environment and its people.



How does Japan's trade affect other countries?

Objectives

In this lesson, you will

- Examine the impact of Japan's timber trade on the environment in Malaysia.
- Describe the political and economic factors that control forestry policy in Malaysia.
- Evaluate the impact of forest practices on indigenous Malaysians.

Glossary Words

developing country
indigenous
multinational corporations (MNCs)
value-added products

How do Japanese multinational corporations operate in other countries?

Multinational corporations were first discussed in Lesson 1. Japan is home to many large multinational corporations. These businesses commonly have their headquarters in one country and production facilities in other countries. Decisions about how much volume to produce, the selling price, and the costs of production are made at the headquarters. Also, product research and development and financing are commonly directed from the headquarters.



Japan must import lumber for building material.

But some multinational companies are starting to set up free-standing businesses with all functions of business at each of the world's major market centers. In that arrangement, each business center can become more competitive by responding quickly to local market demands.

Multinational companies emerged from companies that started business in the primary sector of a country's domestic economy.

When agricultural production and primary commodities were local by nature and constituted the bulk of countries' exports, trade balances were a reasonably accurate measure of respective economic strength. Mines and farms were on the country's team and whoever exported the most was the winner. But no longer. Today, the flow of goods across national borders is of much less relevance. Lines on a map mean little to a corporation. When a firm is considering where to build a plant, it bases its decisions for the most part on the economic merits of the location, wherever it may be. And it is more likely to break up production, making . . . components in several locations, or farm out the production of some components to foreign suppliers (Ohmae 1987, page 24).

It is true that all multinationals are headquartered and have origins in one country, but that distinction, as noted by Ohmae, is becoming less and less important. Multinational corporations strive to acquire wealth regardless of where their operations are located. In their far-flung operations, Japanese multinationals, like other multinationals, may have both positive and negative impacts in many places around the globe. An example of the impact of Japanese multinational corporate activity is found in Malaysia. Raw materials in the form of logs and sawn wood are cut and shipped to Japan to make plywood for building homes and other structures.

What are the trends in forest usage in Malaysia?

Japanese multinational corporations buy a great deal of timber from Malaysia, but it is not clear how long that can continue. Trees in tropical areas take a long time to grow back. In the meantime, the soil washes away in the tropical rains. This is what a report had to say about the future of the timber industry in Malaysia:

Forestry is a sensitive issue in southeast Asia and is becoming more so. Uncontrolled logging, particularly clearfelling [cutting all trees in an area], has been responsible for massive environmental damage. Awareness of the wider implications of deforestation, as well as concern about the infringement of the rights of local people in timber-cutting areas, has increased. . . . Logging is a particularly hot political potato in east Malaysia, where the UN's International Tropical Timber Organization has advised Sarawak's [in East Malaysia] forestry authorities to cut annual timber exports by 30 percent (*Fairplay* 1991, page 17).

Another report showed that even Japanese companies were preparing to change the type of forestry business they conduct in Malaysia:

Japan's supply of tropical logs could be cut drastically this decade if Malaysia, as planned, slices its log exports in half by 1995 and replaces them with sawnwood products [boards sawn from trees]. The recently announced move by Kuala Lumpur [Malaysia's capital city] dovetails with Japanese efforts to reduce levels of imported tropical timber, but whether this will help stem deforestation in Malaysia is another matter. . . .

Sabah and Sarawak [in East Malaysia] supplied 90 percent of Japan's tropical timber and 35 percent of Japan's total log imports last year. Japan is the two states' biggest customer, accounting for 10.3 million cubic meters, or 60 percent, of their log exports. . . . The reduction is necessary to promote higher value-added timber-processing industries and to preserve the rain forests—on the theory that increased exports of sawnwood will generate increased profits, in turn, reducing the need to export tropical logs. . . .

Japanese imports of tropical timber have remained steady at 11–13 million cubic meters in recent years despite export bans in the Philippines, Indonesia, Thailand, and peninsular Malaysia. Demand for wood is on the rise, thanks to Japan's construction boom. A government forecast predicted that national demand would reach 100 million cubic meters by 1994; a figure that was surpassed by the end of 1987 (do Rosario 1991, pages 57–58).

Table 6 Malaysia's production and exports of timber products, 1971 and 1983 (thousands of cubic meters of wood)

	1971	1983
Production	19,923	40,820
Exports	10,149	23,900

Source: Bunge 1985.

Table 7 Amount of tropical forest logged for commercial use in Malaysia

Year	Acreage
1978	146,400
1982	87,200
1985	64,747

Source: Kurian 1987.

It is not clear if East Malaysia will be able to continue harvesting timber to meet the world's demand. In the following account, some of the businesses that harvest Malaysian timber are starting to put their profits into other business ventures that are unrelated to logging.

Pressure from environmental activists and [Sarawak's] declining timber reserves may eventually force many to abandon logging altogether. . . . Sabah and Sarawak currently are two of the world's biggest exporters of tropical hardwoods. Sabah's timber firms, especially, are reeling from bans on log exports imposed by federal and state authorities over the last two years. . . .

There is a widespread feeling in the state that logging profits will inevitably decline as its remaining forest reserves come under the axe.

For the moment, however, a more than two-fold jump in prices for tropical hardwood over the last 12 months is bringing Sarawak timber tycoons huge profits (Tsuruoka 1993, pages 51-52).

1. What would be a simple way to describe, in words, the numerical changes in timber production and export shown in Table 6?
2. Table 7 shows signs that the deforestation trend in Malaysia may be reversing. Speculate about what factors might contribute to the decline in forest removal since 1978.

What are the forest policies in West and East Malaysia?

Consider the following questions as you read this section:

3. For what reasons are forests being cleared in Malaysia?
4. What political and economic factors control forestry policy in Malaysia?

CONVERSION OF FOREST TO AGRICULTURE IN WEST MALAYSIA

I. THE HISTORY OF THE CONVERSION PROGRAM

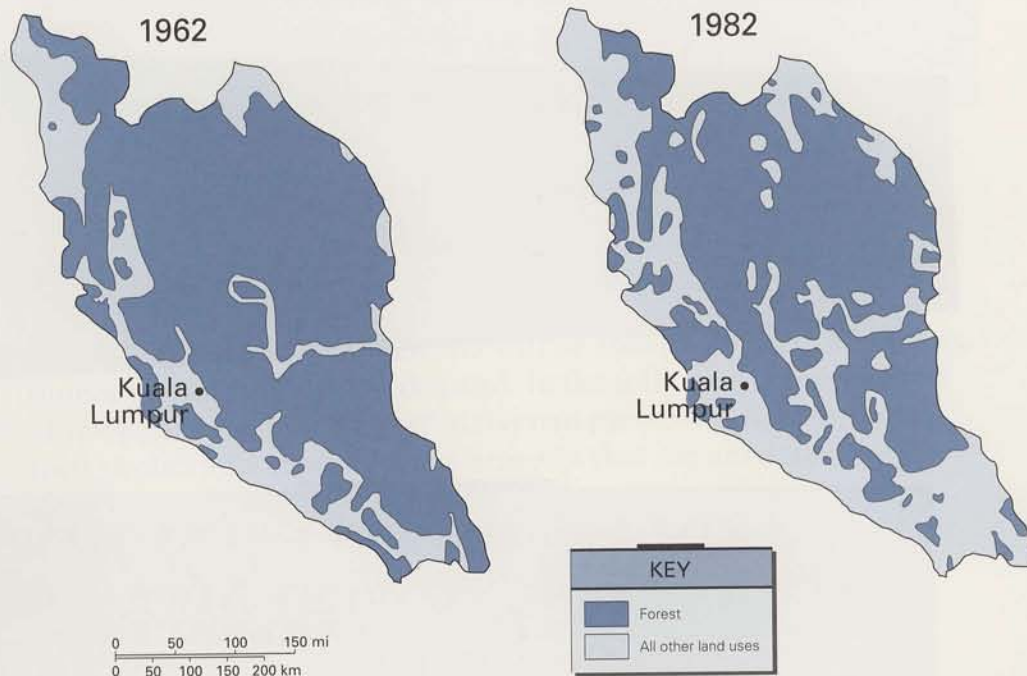
On the Malay Peninsula, most forest clearance has been for agriculture, mainly to produce palm oil and rubber exports. Though logging methods have been wasteful and destructive, forest conversion in West Malaysia has generated much wealth, both for foreign investors and for many Malaysians. This fact needs to be remembered when looking at the environmental changes that have occurred.

The Malaysian forest-conversion program is based on two goals: (1) to create a rural middle class from the poor, and (2) to increase the national wealth. Part of

the program involves relocating rural people into the newly converted areas. The government then encourages these farmers to grow cash crops, such as rubber and oil palm trees for palm oil.

In the 1950s, before the forest-conversion program began, about 73 percent of the Malay Peninsula was forested. By 1966, the amount of forested area was down to 64 percent. Forest coverage was reduced to 59 percent by 1974 and to 51 percent by 1982. The total area under agricultural land use was only 21 percent of the peninsula in 1966, but 39 percent in 1982. By the time the conversion program reaches its planned limits in the mid-1990s, only 39 percent of the peninsula will remain under forest. Around 45 percent of the total land area will be under agriculture. The spatial pattern of conversion is shown in Figure 7 below.

CHANGES IN FOREST COVER IN WEST MALAYSIA, 1962 TO 1982



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Figure 7 Changes in forest cover in West Malaysia, 1962–1982.

Source: Brookfield et al. 1990.

II. ENVIRONMENTAL CONSEQUENCES OF CLEARANCE

Pressure to find new land for agriculture has caused some seriously degraded areas to be chosen for development. As forests have been converted to grow products for the global market, even some land proposed for national parks has been logged. But the soils are usually too poor to support most any kind of agriculture.

Removing the forest vegetation cover makes the soil prone to erosion from the heavy rains. Erosion becomes a serious problem in many ways. The eroded soil is washed into streams, raising the level of the riverbed. This process is called *siltation*. During the rainy season, the shallow river can no longer handle the higher streamflow, and severe floods can occur. In the dry season, there may not be enough water in the stream to flow through the silt deposits. This has led to water shortages in some communities.

It seems probable that conditions will worsen. More steep lands have been planned for conversion. By 1974, there was 10 times as much steep land planted in rubber and oil palm than there was in 1966. Added to this is the growing effect of urbanization and highway construction now cutting deeply into the remaining forest. For instance, around Kuala Lumpur, with a 1991 population of 1.1 million, heavy construction machinery is preparing large areas for urban development in places that once were forests (*Malaysia Yearbook of Statistics 1992*).

Source: Brookfield et al. 1990, pages 506–508.



Forested land being converted for agricultural use.

THE GREAT TIMBER BOOM IN EAST MALAYSIA

I. TIMBER INDUSTRY PRACTICES

Until the 1960s, hardwoods from midlatitude areas dominated the world timber trade. Tropical hardwoods were less than 5 percent of the total commercial wood production. The rapid growth of Japan's construction industry created commercial demand for wood from Southeast Asia's forests. Also, new machines made it easier to increase the cutting of these forests. In these changed circumstances, Malaysia became an important trader of timber to international customers like Japan.

By 1975, tropical hardwoods supplied about 10 percent of world industrial wood production. Japan, and later Korea and Taiwan, demanded hardwood logs for their national timber-processing industries. Japan alone imported half the world's production of logs between 1970 and 1985. East Malaysia supplied around 80 percent of Japan's log imports by 1983.

Neither government nor industry planners knew exactly how much timber was available when the timber boom began. Surveys of the forest resource have taken place only during the boom and have often been done hastily. Estimates made in the 1930s were relied upon only too readily. Most of the modern statistics are useless.

In both Malaysia and Indonesia, timber development was put in the hands of private enterprises. Large multinational corporations, primarily from Japan and China, hired smaller companies to do the actual logging. Timber companies are licensed to operate for only 20 years, so they have no financial reason to conserve the forests.

II. GOVERNMENT FORESTRY POLICIES

The Malaysian National Forestry Policy planned for sensible cutting rates and for expansion of local wood-processing industries. Under the policy, the harvest allows for the recovery of the forest so that the timber industry can continue in the future. But in fact, during the late 1970s, the *actual* annual harvest was as much as five times greater than the permitted harvest.

Southeast Asian countries realized that the timber was disappearing fast. They tried to conserve this resource by rationing the timber supply. But in Malaysia, forestry policies were planned by the individual states, not by the national government. West Malaysia—but not the states of Sabah and Sarawak—stopped exports of certain species of logs in 1972, and banned all log exports completely in 1985. Sabah and Sarawak, however, continued to permit log exports. Timber royalties became the main revenue source for state governments in East Malaysia.

Besides conservation, there is another reason the governments of Southeast Asian countries wanted to stop exports of raw logs. These developing countries wished to build for themselves a timber-processing industry, such as saw-milling and manufacturing veneer and plywood. The advantage of processing timber



Fifty trees are destroyed for every twenty used.

locally rather than exporting raw logs is clear. It permits export of a higher-value product, and it generates much greater employment. These results suggest that a sustainable, managed forestry might be best for these developing countries.

Under present methods, however, the growth of wood-processing industries is not so favorable. Some processing factories get their wood supply from trucking operators. The truckers buy timber where they can, some of it from illegal operations in protected forests. Much of this cutting is from immature trees.

III. THE IMPACT ON THE TIMBER RESOURCE

At first, timber development was limited to land close to the rivers. Small-scale operations used rivers to raft logs downstream to larger-scale operations. Later, road building made possible a great extension inland from the rivers. Some roads go as far as 40 miles into the forest from raftable water. In this way the area of forest open to logging has increased greatly.

Logging is often criticized for its wastefulness. The contractor is likely to take only the largest trees, and only 5 percent of the trees may be harvested. Under the best conditions, however, the rate of cutting may be as high as 47 percent of the trees. But many more trees are killed or damaged. Falling trees smash saplings; skidding logs crush or damage other trees; and machinery damages more, as well as compacting the ground. Bare ground is readily eroded. It takes the loss of 50 trees to cut and collect 20.

Estimates of the timber resource have declined through time. Many areas of Borneo have been found to contain no marketable timber. Large multinational companies withdrew from parts of Borneo during the early 1980s because of doubts over the future of the resource.

Yet the kinds of wood called "resources" have changed as markets opened for different species. Also, timber on very steep slopes can now be harvested using tractors and winches. It is expected that the definition of what a commercial "resource" is will expand.



Figure 8 A Southeast Asian view of deforestation—1987 political cartoon from the Indonesian newspaper *Kompas*.

Reprinted by permission.

How does deforestation in Malaysia affect forest-dwelling peoples?

The timber industry in Malaysia skyrocketed in the 1970s and 1980s. Over 2,200 acres of tropical hardwoods were being harvested per hour, mostly for export to Japan. The wood is used for, among other things, plywood forms used in the concrete construction industry. The financial return for this timber is very good because the forms are only used two or three times and then discarded. Japan gets 90 percent of its wood from Malaysia, and with the expansion of the Japanese construction industry, the demand was very high (Ryan 1991).

Plywood vs. the Penan in Sarawak?

A report [prepared in 1990] for the International Tropical Timber Organization, a 48-nation trade group, estimates that at the present rate of cutting, Sarawak will be logged out in 11 years. Environmentalists predict the collapse of the state's timber industry in as little as five years. . . . An exasperated translator for the Penan [a forest tribe of Sarawak] explains, "when we say this is our land, our garden, our graveyard, our village, they say we have no rights to it. We have lived here for thousands of years!"

While most Sarawak natives live on foods collected from the forest and crops grown in small clearings, 1,000 or so Penan still depend entirely on the forest. Often forced by the government into squalid resettlement camps, these hunter-gatherers have been hardest hit by the encroaching loggers. They have great difficulty making the adjustment to life away from the forest.

The plight of the Penan has drawn attention to Sarawak, and resulted in a public relations problem for the Malaysian government. While criticism of the state's timber trade is nearly universal, in Sarawak the industry is practically omnipotent. Half the timber concessions are owned by the family and friends of Abdul Taib Mahmud, Sarawak's current chief minister, and his uncle, Abdul Rahman Yakub, the past minister.

The state government, which completely controls forest policy, earns half of its revenue from timber exports. Anyone who opposes logging, according to Taib, is a "number-one traitor" (Ryan 1991, pages 8–9).

The following excerpt from the writings of the geographer Harold Brookfield summarizes the conflict over resource use in Malaysia. What values are in conflict in the debate over how best to use the forest lands of Malaysia? Who should decide what should be done?

Value conflict over resource use in Malaysia

[T]he attitudes of rural people toward their own land and its produce have changed as the profit motive has taken hold. With large profits obtainable from sale, less care is taken, and the investments required to use conservationist practices appear less attractive because they are less rewarding. . . . Resources are now being viewed as a means of short-term gain, with the costs [passed on] to others or to later generations.

Important questions of the social ownership of resources are involved. Forest-dwelling people regard the forests as their own, but the state has claimed a superior right. . . . But in claiming

rights on behalf of all the people, the state has treated the forest as a source of revenue and as a place in which it can pursue particular policies for population redistribution and economic growth. Such an approach has been aided by a dearth of real scientific knowledge about the all-important regrowth and recovery of forest resources.

There are those who regard the forests as the property of all the people in the world, arguing that overriding interests . . . should prevail over national and private interest. Again, too much is supposed and too little proven, and evangelical fervor cannot take the place of sound argument as to why equatorial countries should forego profit from the use of their own resources. This is not to say that the worldwide conservationist movement fails to have any impact. It is to say, however, that the impact is peripheral and indirect. Ultimately the most effective force for change must lie in successful political pressure for conservation within Indonesia and Malaysia, where informed and aware groups of citizens are growing steadily in number and influence.

The role of the state has undergone great change through time. Colonial administrations seldom inhibited capitalist entrepreneurs when large profits were to be made, but sometimes did show serious concern both for conservation goals and for the rights of indigenous tribal people. Postindependence governments have given such weight to . . . rapid economic development that they have tended to disregard such [concerns]. Only now are some members of a new generation of decision makers again prepared to take a longer-term view. . . . The strong contemporary governments of Malaysia and Indonesia, however, have embraced growth objectives and have, at least until now, shown a greater tendency to discourage environmental criticism of their resource-frontier policies (Brookfield et al. 1990, pages 506–507).



Clearing land for development.

What can you do?

You can write to one of the following for further information and/or to express a position on this issue:

Endangered People's Project
P.O. Box 1516
Station A
Vancouver, BC V6C 2P7, Canada

National Wildlife Federation, International Program
1400 16th Street NW
Washington, DC 20036

Sahabat Alam (Friends of the Earth, Malaysia)
43 Salween Road
10050 Penang, Malaysia

Rainforest Action Network
301 Broadway, Suite A
San Francisco, CA 94133
(415) 398-4404

Malaysian Embassy
Washington, DC (or local consulates near your area)

Mitsubishi Corp. (major corporation doing logging
business in Malaysia)
c/o Mr. Makihara, Chief Executive Officer
520 Madison Ave.
New York, NY 10022



How has the drug trade changed Colombia?

Objectives

In this lesson, you will

- Examine the international drug trade as an example of the global economy.
- Identify how the drug trade has affected Colombia.
- Understand why people engage in the illegal drug trade.

Glossary Words

coca
cocaine
crack
indigenous
multinational corporations (MNCs)

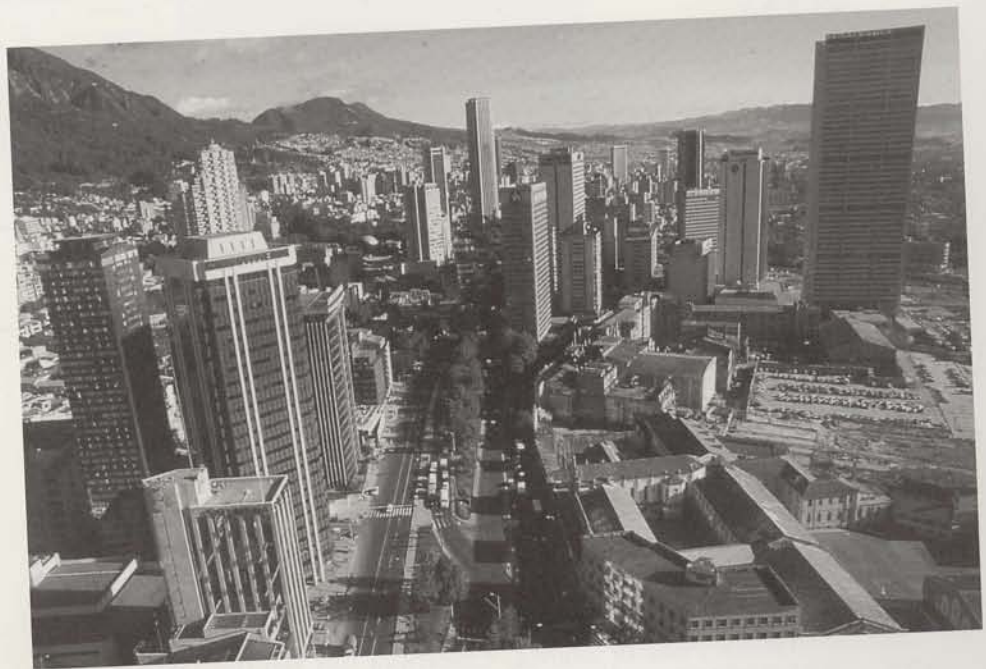
From the leaves of a South American shrub [coca] comes a substance [cocaine] with immense power to stimulate pleasure, to generate wealth—and sometimes to kill. . . . [C]ocaine was outlawed in the United States in 1914. As an illicit drug . . . it fuels a multibillion-dollar industry with staggering impact on both supplier nations and their chief customer, the United States (White 1989, page 3).

The illegal cocaine trade is an unusual example of participation in the global economy. In 1985 alone, people in the United States spent \$35 billion on cocaine, with over 75 percent of it coming from Colombia (Hudson 1985). Although the United States is the biggest market by far, huge amounts of cocaine also go to Europe. World-wide, the cocaine trade grew by 40 percent between 1989 and 1993 (Guillermoprieto 1993).

It is forbidden by U.S. law (as well as the laws of 125 nations) to produce or possess cocaine, except for prescribed medical uses. Despite this fact, at least 6 million U.S. citizens purchase or steal cocaine to sniff, smoke, or inject for pleasure, but often it brings misery and sometimes even death (White 1989).

What is Colombia's role in the trade of illegal drugs to the United States?

Colombia's location gives it a big advantage in the South American drug trade. It has both Caribbean and Pacific coastlines for shipping illegal drugs. It is also between the countries where the raw material for cocaine—coca—is grown (Figure 9 on page 44) and the United States, the largest market for cocaine. As one Colombian said, "You buy the raw stuff in the south. Refine it here, and smuggle it, by air and by sea, to the big market up north" (White 1989, page 15).



The economy of Bogotá, Colombia, has been boosted by drug trafficking.



Figure 9 Principal coca-growing regions of South America.

The kingdom of cocaine

Unlike Peru or Bolivia, Colombia has neither land suitable for coca farming nor a history of coca use in its indigenous culture. Only about 1 percent of the coca leaf is grown in Colombia. Coca leaf is grown and stomped into paste mainly in Peru and Bolivia,

where Indians have grown and chewed coca leaves for centuries. All the Colombians do is process the paste and export it to the United States, to Canada, and increasingly to Europe.

Colombia's advantages are its proximity to its major market and the [business] spirit of its people. . . .

The Colombian cocaine industry . . . is the Third World's first truly successful multinational. It is the most profitable business in the world. . . . The peasants [who grow the coca] are paid about 1 percent of the product's street value. The processors sell the base to the Colombians, who turn it into cocaine and crack in jungle laboratories. . . . The cocaine is usually formed into bricks and wrapped, marked with the organization's color or brand, and shipped or flown to the United States (Rosenberg 1989, pages 27–28).

1. How well do you think the cocaine industry fits the definition of being a multinational corporation? What are the similarities and the differences?

It is reasonable to ask why cocaine traders are allowed to operate in Colombia. While Peru and Bolivia produce most of the coca crop, the cocaine trade is dominated by a few powerful groups of Colombians, often referred to as *cartels* because they have almost total control over cocaine production and smuggling. The Medellín and Cali cartels—named for the Colombian cities in which they are headquartered—protect their profits by using their enormous wealth to buy people's loyalty and influence as well as to intimidate and murder. These cartels have been implicated in the assassination of more than 30 judges, an attorney general, a presidential candidate, and hundreds of other Colombian public servants and citizens (White 1989).

Officially, cocaine production and sale is illegal in Colombia. However, the supreme court in Colombia legalized *possession* of cocaine in May of 1994, in an attempt to have “partial control over the drug trade, to lower prices and reduce its profitability” (*Associated Press* 1994, page 8A). The following short news stories may help explain why drug traders have remained in business in Colombia.

Earlier this year, prosecutor-general Gustavo de Greiff drew criticism from Washington by negotiating lenient sentences with drug traffickers and advocating legalization of the entire drug trade (*Associated Press* 1994, page 8A).

Relying on paid assassins, locally known as *sicarios*, Colombia's drug lords not only fought among themselves but also launched a systematic campaign of murder and intimidation against Colombia's government authorities. . . . Along with their enormous economic power, the drug lords reached out for a larger quota of political power. . . . Several . . . bought interests in local radio stations and newspapers. . . . Others . . . [handed] out cash to the poor, [built] low-income housing in the slums. . . . A number contributed to political campaigns (Bagley 1990, page 130).

[The father of Colombia's three most successful cocaine smugglers, Fabio Ochoa Restrepo's] popularity is one of the many signs of how comfortable Colombia has become with a drug-boosted economy.

In Cali, home to the nation's biggest drug cartel, a multimillion dollar construction boom, financed from mysterious sources, is transforming the skyline of the formerly workaday provincial capital.

In Bogotá, now shunned by tourists because of the violence and urban congestion, 33 construction projects now under way are doubling the city's hotel capacity. . . .

After . . . probes for illicit enrichment, prosecutors decided not to lodge any charges against [Ochoa]. Police officers who stop by [Ochoa's restaurant] for free steaks and sodas respectfully greet him as Don Fabio (Brooke 1994, page 23A).

The impact of the cocaine industry has some prominent leaders worried. In an interview with the news media in 1993, Colombia's prosecutor-general Gustavo de Greiff argued strongly that the cocaine trade has corrupted every level of Colombian society, and suggested that the same may be true of the United States, since great amounts of cocaine are able to reach consumers in spite of attempts to stop the flow (Guillermoprieto 1993).

What is the importance of the drug trade to Colombia?

Illegal activities are difficult to measure because they need to operate in secret to survive. For that reason, it is not possible to get a precise figure for the drug trade's value to Colombia. The drug trade involves people in a wide variety of jobs. In one estimate, "for every 300 cocaine exporters, there were 222,000 coca farmers, 74,000

paste processors, 7,400 paste transporters, and 1,333 refiners” (Gorriti 1989, page 72). Farmers growing food crops or even coffee can make only a small fraction of the amount of money they can make growing coca. On only one acre of land, a farmer can grow 1,500 pounds of coca leaves in one year, valued at \$1,500 (Marshall 1991). That income is more than the national average GNP per person of \$1,290 in Colombia in 1994 (Population Reference Bureau 1994).

Another way to gauge the role of the drug trade is to look for indirect evidence. For example, people in the drug business have made a great deal of money, and they spend a lot of money to support their luxurious living arrangements. Eventually, that money shows up in the economy of the country.

Cocaine sales channel a great deal of money from the users. To get an idea of how much cocaine is worth, Table 8 on page 47 shows the change in its price as one pound is traced from the farm to the city streets where it is sold for use.

Table 8 The value of one pound of cocaine from farm to market, 1991

Description	Price (U.S.\$)
Coca leaves from a farm in South America	1
Coca paste in processing factory in Colombia	400
Cocaine powder in Colombia before exporting it	5,000
Switzerland city street value	45,000
United Kingdom city street value	68,000
Detroit city street value	90,000
Netherlands city street value	160,000
Japan city street value	385,000

Source: Marshall 1991, pages 118–119.

Despite large-scale efforts of governments (including the United States, Bolivia, Peru, and Colombia) to eliminate coca where it is grown, to smash cocaine producers and smugglers, to seize drug shipments, and to capture both big drug merchants and small-time street dealers, the worldwide flow of drugs continues. The drug trade is yet another part of globalization in that demand in one part of the world is supplied from another part of the world.

2. Why would it be difficult for a Colombian politician to stop drug trafficking?
3. Why can drug traders operate in Colombia with little fear of being arrested or shut down?
4. Why do you think the price of cocaine varies so much when it is sold in cities around the world?
5. Why is the Colombian government in a difficult position when the United States demands that Colombia eliminate the cocaine industry?



How do U.S. tourists affect the world's landscapes?

Objectives

In this lesson, you will

- Consider the nature of world tourism as an example of the global economy.
- Evaluate the impact of tourism on people and places.

Glossary Words

ecotourism

multinational corporations (MNCs)

How does tourism affect people in developing countries?

One result of globalization is that people with money can travel around the world easily. Tourism is a truly global enterprise, and is predicted to be the largest industry by value by the year 2000. In 1987, international travel generated \$150 billion in business. By the early 1990s, visits to foreign countries totalled over 400 million a year, up from under 100 million visits in 1960. Over 70 percent of all tourists come from 20 of the world's developed countries, with a large part coming from the United States (Marshall 1991).



Tourism in Belize.

Until the 1980s, much international tourism was predictable. Typically, people arrived in countries and were taken to luxury hotels where they were surrounded with the comforts of similar luxury hotels found at home. They stayed in this luxury oasis, sheltered from any blights found in the local community. Local people put on a show of their native culture, but the tourists usually only got a surface taste of local customs, and rarely ventured outside of predetermined places to visit (Higinio and Munt 1993).

In the 1980s, and growing rapidly by the mid-1990s, a new form of tourism, called *ecotourism*, emerged with great success. The tour operators ran small businesses, and local people usually owned the enterprise. Ecotourist operators claimed to be “dedicated to conserving environments and sustaining the well being of local people through responsible travel” (Quammen 1992, page 30).

One destination of ecotour businesses is the small Caribbean country of Belize. People in Belize hoped that ecotourism would be a way to earn a living without doing environmental or cultural damage. Even though the ecotour operators claim to be beneficial to local people, the reality of the impact of this form of tourism is less clear.

On the surface, Belize would seem to have high-brow appeal to these new middle-class travelers anxious to distance themselves . . . from the standard tourist. . . . Despite some promising results, much ecotourism merely [repeats] the problems characteristic of traditional mass-tourism—foreign-exchange leakage, foreign ownership, and environmental degradation (Higinio and Munt 1993, pages 8–9).

Foreign-exchange leakage is the loss of money when tourists from other countries spend their money in multinational businesses. Foreign ownership of hotels and other tourist businesses means that local people profit little from tourism, except for low-paying jobs. Environmental degradation includes things like waste, pollution, and congestion. In addition to those problems, developing countries like Belize have seen a rise in crime rates due to wealthy tourists becoming prey to criminals, and now have large numbers of people trained to be waiters and porters, dependent on tourism for low-paying jobs (Wilkinson 1992). Local people see rich tourists spend in two weeks what the average person in Belize earns in one year (Boo 1992). And as an example of cultural diffusion, young people have left behind the traditions of their cultural heritage to get the wealth they see in the tourists (Urry 1990).

There are advantages of ecotourism over the more popular forms of tourism. Besides bringing money to local guides and businesses, ecotours claim to be sensitive to local cultures. But they have been criticized for making museum-like displays of local lore and for portraying local people as authentic and backward (Lea 1988).

Good or bad, tourism brings change. One kind of impact is cross-cultural contact. When people of different cultures meet, they exchange ideas and practices. The amount of contact time and whether or not there is a language barrier can greatly affect the amount of cross-cultural contact (Lea 1988).

Another kind of impact is trade in the artwork and other cultural traditions such as dance and music from local cultures. Authentic art is expensive and it can provide a great deal of money to local artisans. Unfortunately, the high prices attract businesses that market phony imitations of the local art. Misunderstandings can also lead to bizarre incidents. In Papua New Guinea in 1972, a group of warriors competed in a tourist festival, but did not win first place, so they attacked the tourists with bows and arrows (Lea 1988).

1. How would you prevent or solve the kinds of problems that occur because of tourism?
2. How would you increase the benefits that ecotourism brings to developing countries?

How does tourism affect Antarctica?

Antarctica is one of the seven continents. It occupies almost 10 percent of Earth's surface. The international community does not recognize Antarctica as belonging to any one country, although Argentina, Australia, Chile, Ecuador, Great Britain, France, New Zealand, and Norway all claim some territory (Hall 1992).

Many countries agreed in 1961 to the Antarctic Treaty that was designed to manage the continent's resources and protect sites for scientific research. Since 1961, additional agreements have been reached to protect the plant and animal life of Antarctica and to coordinate scientific research (Beck 1990). Fascination with the extreme environment of Antarctica has also attracted tourism to the continent in increasing numbers. Figure 10 below shows the number of people who have gone on registered tours to Antarctica. The number of actual visitors fluctuates greatly because the ships sometimes are not able to reach Antarctica through the sea ice. A majority of tourists to Antarctica are U.S. citizens (Beck 1990).

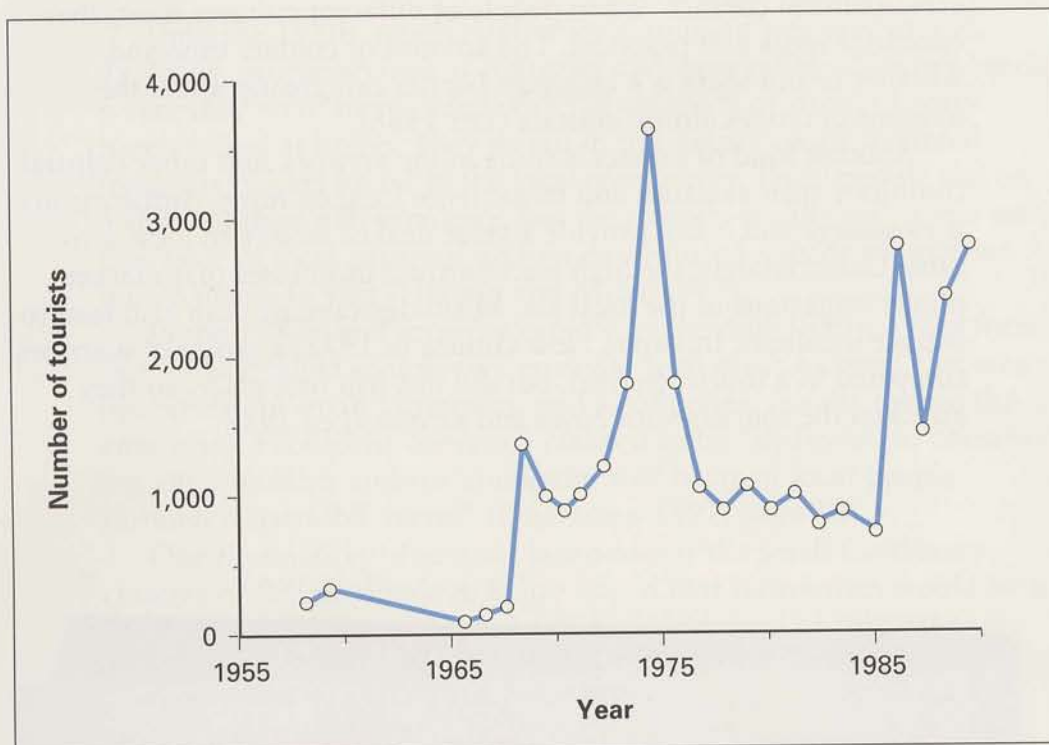


Figure 10 The number of tourists visiting Antarctica between 1958 and 1989.

Source: Manheim 1990.

Tourism in Antarctica includes the activities of commercial tour operators, private recreational trips, and holiday trips taken by scientists who work in Antarctica (Hall 1992).

As recently as 1990, and repeated again in 1994 (*Daily Camera* 1994), calls were made to regulate tourism before it causes damage to the Antarctic environment.

The growing volume of tourism in Antarctica has disrupted national scientific programs through either tourism's physical presence or the need to offer emergency services, and has created substantial legal problems concerning insurance, jurisdiction, and liability. Nevertheless, the most prominent issue surrounding tourism in Antarctica is the potential impact of tourism on the Antarctic environment (Hall 1992, page 4).

Antarctica has benefited from tourism, however. One of the benefits of tourist activities is that people who visit the continent gain an appreciation for Antarctica and tend to make decisions that support its responsible care. Tourists usually visit the scientific research stations there, and support the merits of expensive research that is supported by tax money. Tourism also brings financial rewards for tour operators (Beck 1990). Countries that have claimed territory in Antarctica (such as Australia) have set up tourist facilities on the frozen continent as a strategy for supporting their claim to the land. In some cases, tourist flights have delivered goods and equipment to research stations that otherwise would have been too expensive to ship (Hall 1992).

Tourism also helps cities that support travel to Antarctica. In South America, Punta Arenas and Puerto Williams in Chile and Ushuaia in Argentina are bases for cruise ships to the Antarctic Peninsula closest to South America. Other base cities include Hobart (Tasmania in Australia) and Christchurch (South Island of New Zealand). These cities support flights to research stations in Antarctica and cruises to Macquarie and Snape Islands (Hall 1992).

Tourists have had a direct effect on the natural landscape of Antarctica. Life is only found in 2 percent of the land area and the coastal area of Antarctica. These small sites tend to be the places where tours visit to see the penguins, seals, whales, dolphins, and migrating birds. Tours come in the Antarctic summer months (December–February), when the wildlife is raising young before the return of winter (Manheim 1990). Table 9 on page 54 reports a selection of incidents of impact on the Antarctic environment.

Table 9 Selected incidents of damage to the Antarctic environment as a result of tourism, 1956–1990

1956–1962	The population of Adélie penguins declined by 50 percent after tourist helicopters landed in breeding zone at Cape Royds.
1979	Air New Zealand DC-10 crashed into Mount Erebus, killing 257 people; wreckage and fuel likely to remain indefinitely.
1982	Tourists forced elephant seals and penguins into photographs; nests were disturbed and eggs taken; people trampled fragile vegetation and collected samples of rare plants.
1988	Two ships reportedly dumped garbage, including plastic, overboard. Argentine ship <i>Bahia Paraiso</i> ran aground near Anvers Island, spilling 180,000 gallons of diesel fuel within a mile of an important wildlife breeding site; damage later detected to ocean krill and bird life.
1989	To date, six vessels have sunk.
1990	Tourists allegedly started a stampede of king penguins on Macquarie Island, resulting in the deaths of 6,000 penguins.

Sources: Beck 1990; Manheim 1990; and Hall 1992.



Tourists with Adélie penguins, Antarctica.

3. What do you think is the single greatest advantage to continuing tourism in Antarctica? Why?
4. What steps would you employ to minimize the kinds of negative effects listed in Table 9?
5. How would you use modern global communications to minimize the problems associated with tourism in Antarctica?

How are you part of the global economy?

It may not seem to you that you are connected to many parts of the world, but just as you identified the countries that made the products in the classroom in Lesson 1, you can easily find examples that connect you to other places. For example, perhaps you are lucky enough to have traveled to other countries, or someone you know has brought you an artifact from a foreign place. In addition, the music you listen to may be performed by groups from many other places.

Another way to look at globalization is to sample the various foods in ethnic restaurants around your community. Many of the foods you eat come from all over the world. You may wish to survey the local food markets to learn more about these foods and others that have become common in the United States.

The news media also bring many parts of the world into your life. Newspapers run stories on trade issues, cultural exchange, international relations, and problems tied to the global economy. News and other programs on television also tie you to the rest of the world.

Do your increasing linkages around the world also mean that you have greater responsibilities to the many peoples and places with whom you are connected? Are you to some extent responsible to the workers in other lands who produce the food you eat and the clothes you wear? And are you responsible for the environmental destruction that accompanies the production of products you use? Thinking about such questions is yet another aspect of globalization.

Glossary

- Coca** A semi-tropical bush that grows in middle-elevation parts of Peru, Bolivia, and Colombia. It has leaves that contain the chemical for producing cocaine.
- Cocaine** An illegal addictive drug.
- Crack** A mixture of cocaine, baking soda, and water that is smoked for a very fast stimulation of the central nervous system. It is highly addictive. See **cocaine**.
- Cultural diffusion** The spread of ideas and practices of one culture to other places.
- Developed country** A country that has a highly developed economy, with a diversity of services and structures, and a mixture of activities in the primary, secondary, and tertiary sectors. See **primary sector**, **secondary sector**, and **tertiary sector**.
- Developing country** A country that is in an early stage of economic development, usually with fewer services and structures, and reliant on primary sector activity. See **primary sector**.
- Development** A process of growth in services, transportation, communication, industries, financial institutions, and the structures tied to the production of a country's economy.
- Economy** The production, distribution, and exchange of goods and services for the satisfaction of human needs and desires.
- Ecotourism** A leisure industry with small, locally owned businesses that provide holidays to travelers who want to minimize their impact on local ecology and learn about local culture.
- Export** Goods and services that are sold to foreign countries or foreign customers.
- Export processing zones (EPZs)** A special area set up in a developing economy to attract global businesses by offering them lower cost incentives.
- Global consumerism** The idea that consuming a great many products is desirable.
- Gross national product (GNP)** The value of all goods and services produced in a country in one year.
- Import** Goods and services that are purchased from foreign countries or businesses.
- Indigenous** Originating from an area; in human terms, the word refers to people who have lived in a place for a long time.
- Multinational corporations (MNCs)**
Large businesses that operate in more than one country.
- Popular culture** Customs and ideas that are practiced by people from a wide range of places, even though those people have other differences in their traditional cultures.
- Primary sector** A part of the economy associated with raw materials, agriculture, forestry and ocean resources.
- Secondary sector** A part of the economy associated with manufacturing or packaging or some other activity that adds value to raw materials.
- Tertiary sector** A part of the economy associated with services such as banking, finance, communication, and management.

Traditional culture Practices, customs, ideas, values, and other cultural traits that are strongly tied to the past and the historical roots of a society.

Value-added products The worth of products after adding the costs of manufacturing and marketing to raw materials and energy.

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Britannica Global Geography System

A Note on Assessment

Enclosed is an achievement exam for one module of the Britannica Global Geography System (BGGGS). It is one of the many tools for you to use in assessing your students' work on Geographic Inquiry into Global Issues (GIGI). The multimedia, inquiry approach of BGGGS lends itself to a variety of evaluation options.

This achievement exam includes objective matching, multiple choice, and true-false questions, as well as more subjective data analysis and short-answer questions. Tests emphasize four major areas of student comprehension of the GIGI material. First, students must be able to recognize and define important glossary terms. Second, they must demonstrate a grasp of the principal geographic concepts introduced in the study of each global issue. Third, they must manipulate examples of data they used in the module to prove their facility with geographic skills. Finally, students are challenged to think critically about analyzing issues and data. Keys provide objective answers and guidelines for evaluating students' written responses.

With the inquiry-based program of GIGI, various techniques of assessment can contribute to your overall program of evaluation. Questions posed in the module are often intended to stimulate open-ended inquiry, speculation, and discussion. As a comprehensive exercise, assign a longer essay, giving your students an opportunity to summarize their understanding of the issues. Essays can be based on each module's leading question (the title of the Student DataBook *Overview*), which incorporates the geographic theme explored in the module. Have students defend a position, citing data supplied in either the module or in their independent inquiries.

The BGGGS package has many resources for assessment. See the *Assessing Learning* section of the *Memo to the Teacher* section of the Teacher's Guide for suggestions. More ideas for assessment are provided in the *For Further Inquiry* sections of many lessons and in the *Extension Activities and Resources* section at the end of each Teacher's Guide.

Consider having students maintain a Module Portfolio or Student Journal throughout the course of their inquiry. A portfolio can include students' definitions of glossary terms, answers to questions, completed activity sheets, and their individual or group investigations. Students may also create and present their own inquiry lessons using the BGGGS videodiscs and CD-ROM. They can gather information and design a visual display about countries and world issues using Geopedia™.

The possibilities for assessment are limitless. Blend strategies to see if your students have attained the three main goals of BGGGS and GIGI—to promote (1) responsible citizenship; (2) geographic knowledge, skills, and perspectives; and (3) critical and reflective thinking.

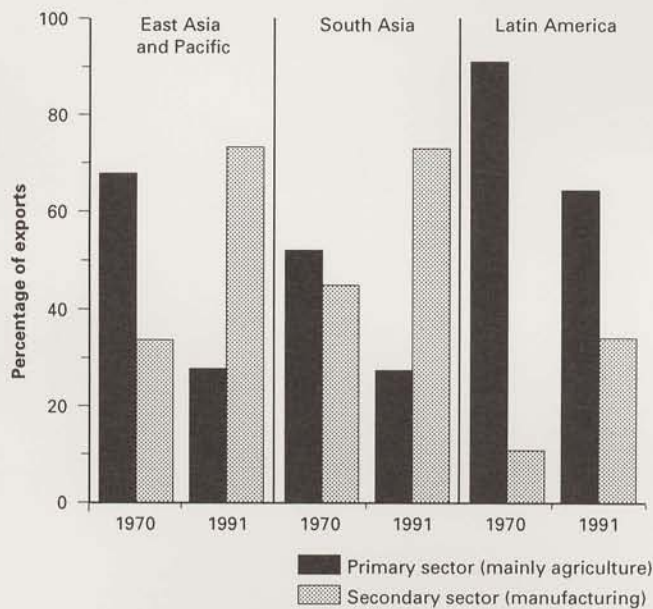
The GIGI Staff

1. Briefly describe the role of each of the following sectors in the process that results in your owning a cotton t-shirt.
 - a. primary sector
 - b. secondary sector
 - c. tertiary sector

2.
 - a. What is meant by the globalization of the economy?
 - b. How have changes in communication and transportation increased the globalization of the world economy?

3. Decide whether each of the following words or phrases refer to developing or developed countries.
 - a. _____ greater percentage of the world's total population
 - b. _____ lower gross national product (GNP)
 - c. _____ widespread employment in a diversified economy
 - d. _____ greater percentage of the population working in the tertiary sector
 - e. _____ greater percentage of the population working in the primary sector
 - f. _____ lower wages

4. Examine the graph below.



- a. How are developing countries changing their role in the global economy?
 - b. How have multinational corporations contributed to this trend?
5. Name two conditions that have stimulated the growth of global manufacturing since 1950.

6. a. What is meant by *trade*?
- b. How does Japan's physical setting influence its need to trade?
- c. How has Japan benefited from trading?
7. a. Which statement about Japan's role in the global economy is *not* accurate?
- A. Japan does not need to import any mineral or energy resources.
 - B. Japan has greatly increased both its imports and exports since 1960.
 - C. Japan has earned a reputation manufacturing high quality products.
 - D. Japan's role in the global economy is mainly in the secondary and tertiary sectors.
8. a. What is meant by a *trade surplus*?
- b. What does Japan do with its trade surplus?

9. Matching. Match each term below with its correct description. Use each word only once. Not all words will be used. Choose from the following terms:

cultural diffusion
global consumerism
multinational corporation
popular culture
traditional culture
value-added products

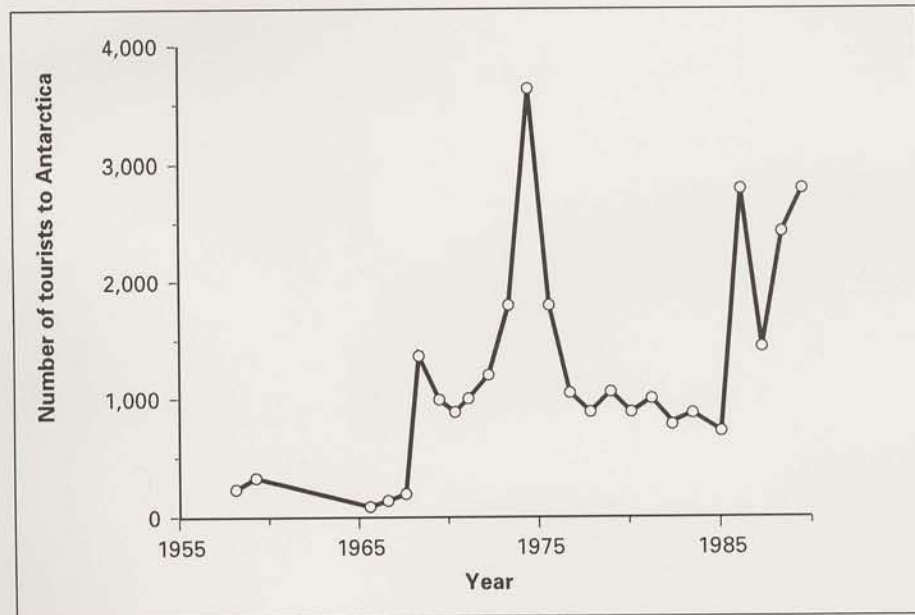
- a. Practices, customs, ideas, and values strongly tied to the past.
 - b. The idea that using a great many products is desirable.
 - c. The spread of ideas and practices of one culture to other places.
 - d. Customs and ideas practiced by people from a wide range of places.
 - e. Large businesses with operations in more than one country.
10. a. Give three examples of how Japan's participation in the global economy has affected its culture.
- b. Give two examples of how Japan's culture has influenced culture in the United States.
- c. How has Japan's participation in the global economy changed the role of Japanese women?

11. The following quote is from Kenichi Ohmae: "Today, the flow of goods across national borders is of much less relevance. Lines on a map mean little to a corporation." Explain what Ohmae is referring to in these statements.
12. a. What is Malaysia's major export to Japan?
- A. rice
 - B. timber
 - C. computer parts
 - D. oil
- b. How have the locations of these two countries affected their level of trading?
- c. What do you think would be the most efficient mode for transporting goods between the two countries?
13. a. List two environmental consequences of the depletion of forest cover in Malaysia.
- b. Explain how the depletion of forests has created a problem for traditional cultures in Malaysia.

14. Why is the illegal drug trade in cocaine an example of participation in the global economy?
15. a. Colombia's main role in the drug trade focuses on which economic sector?
- A. primary
 - B. secondary
 - C. tertiary
- b. Give one example of a country or region involved in the cocaine industry whose role is in each of the two other sectors.
16. a. Why is Colombia's location favorable to its role in the cocaine trade?
- b. Have Colombia's drug-cartel cities benefited from the drug trade? Explain your answer.
17. What is *ecotourism* and how is it an example of the global economy?

18. a. In what ways has modern transportation affected the Antarctic environment?

b. How would the graph below compare to a graph showing levels of damage to the Antarctic environment over the same period of time?



c. How can the international community reduce tourism's impact on Antarctica?

GIGI
Global Economy • • •
Assessment

1.
 - a. Workers produce and pick the cotton for export to a manufacturer.
 - b. People in this sector process the cotton, manufacture the shirt, and export it to store.
 - c. A store displays the shirt and accepts your money as payment.

2.
 - a. *Globalization* refers to the interaction among different countries in the production, manufacture, and sale of products (e.g., components of products may be manufactured in several countries and shipped to other places for final assembly). The term also refers to the increased trade, communication, movement of workers and exchange of finances between countries.
 - b. Improvements in technology have sped the pace of globalization by making communication and transportation between countries easier.

3.
 - a. developing
 - b. developing
 - c. developed
 - d. developed
 - e. developing
 - f. developing

4.
 - a. Developing countries are playing an increased role in manufacturing rather than in primary sector activities.
 - b. Multinational corporations have established manufacturing industries in developing countries because of the cheaper land and labor available there, as well as lower safety and environmental standards.

5. Answers may include: lower shipping costs; better communications; trade agreements among countries; mobile labor supply; ease of moving money and equipment; and the growth of the global economy.

6.
 - a. *Trade* is the exchange of goods with other countries through importing and exporting.
 - b. Japan is a mountainous and densely populated country with little arable land and few of its own natural resources.
 - c. Importing helps Japan meet its basic needs; exporting allows Japan to sell surplus materials and products in exchange for money.

7. A

8.
 - a. A trade surplus results when money earned from exports exceeds money spent on imports.
 - b. Japan invests its trade surplus mainly in overseas manufacturing in order to make additional profits.

9.
 - a. traditional culture
 - b. global consumerism
 - c. cultural diffusion
 - d. popular culture
 - e. multinational corporation

10.
 - a. Answers may include: televisions in homes; fewer hours in the work week; robots in factories; rise in life expectancy; existence of fast-food restaurants; eating while walking; wearing sneakers; and soft toilet paper.
 - b. Answers may include: Japanese restaurants; sushi bars; karaoke; Japanese cars and electronics; and business innovations.
 - c. Answers may include: fewer arranged marriages; equal power between women and men; smaller families; and more women in the workforce.

11. Ohmae is comparing the past's localized trade practices with today's global economy. Also, he may be referring to the increasing number of multinational corporations, which have expanded operations to countries outside their borders.

12. a. B
b. The countries are located relatively close to each other in East Asia and are separated by a body of water.
c. boat
13. a. Answers may include soil erosion, flooding, or water shortages.
b. The traditional, indigenous people have lived in the forests for thousands of years. They depend entirely on the forests for food and quality of life. As forests disappear, these cultures are threatened.
14. Many countries are involved; and demand in one place is satisfied by supply from another. Products move from place to place, with different countries assuming different roles in production, distribution, and consumption.
15. a. B
b. Primary sector countries include: Peru, Bolivia, and Brazil. Tertiary sector countries and regions include the United States, Canada, Europe, and Japan.
16. a. Colombia is located between producer countries to the south and the largest market to the north (the United States). Also, because it has coasts on two oceans, shipment of the drug is easier.
b. The cities have benefited by cocaine traders who have financed development projects in the cities. However, the cities have been negatively affected by increased crime rates.
17. Ecotourism is a leisure industry with small, locally owned businesses that provide holidays to travelers who want to minimize their impact on local ecology and learn about local culture. Ecotourism is an example of the global economy because many countries are involved; tourists from developed countries visit developing countries.
18. a. Modern transportation has brought large numbers of people to the continent. These visitors have increased appreciation for Antarctica, supported increased funding for research, damaged the landscape, added to the pollution of the land and sea, negatively affected animal populations, and boosted the tourism industry. Vehicles have polluted the air, land, and sea. Incidents of plane crashes and sunken ships have leaked fuel and have left permanent remains.
b. The graphs would probably be similar because levels of damage increase with numbers of visiting tourists.
c. The international community could impose limits on the number of people enrolling in tours through tour agencies and could educate agencies and operators about low-impact visitation by tourists.