

Reading and listening

Harriet Martineau

I am Harriet Martineau, writer, sociologist and activist. I was born in Norwich, England, in 1802. Throughout my life, I have been interested in a wide range of subjects such as astronomy, history, physics and economics. In 1821 I started publishing articles in different British newspapers to share my ideas about laws, rights and equality.

Economics is one of the subjects to which I have dedicated most of my literary production. In my work, *Illustrations of political economics*, a series of fictionalised texts, I go over the main concepts in Economy, as it is one of my concerns to make this knowledge accessible to everyone. Ideas such as technological development, the relationship between economic progress and social development or the distribution of wealth are frequent in my texts. Thanks to them I have been able to produce a simple explanation of how economic activity works by means of its main components: the distribution and consumption of goods.

In order to understand the different economic

activities and geographical areas, you are going to learn about:

- Economic activity: components and sectors
- Economic agents and their relationships
- Factors of production: resources, capital, technology and labour
- The economic systems
- Current economic trends: ideologies and problems. Economic globalisation. World economic areas

1 Read the text and answer the following questions:

- a) What are the main areas of interest for Harriet?
- b) Why did she start writing articles?
- c) What topic are most of her works about?
- d) What is one of Harriet's main concerns?

2 According to Harriet, what are the main components in economic activity? In the unit another one is mentioned, which one?

ECONOMIC ACTIVITY. COMPONENTS AND SECTORS

1.1 Economic activity

Economic activity is the combination of tasks undertaken by people in order to obtain the goods required to meet their needs. These goods can be material, such as food, manufactured items and cars; or immaterial (services), such as education and health care.

1.2 Components of economic activity

Economic activity includes three basic components that enable people to meet their needs: the production, distribution and consumption of goods.

- **Production** is the combined number of goods that result from economic activity.
- **Distribution** consists of the transfer of products to consumers and their sale on the market, or a place where producers and consumers meet.
- **Consumption** is the use of the goods that result from production.

1.3 Sectors of economic activity

Economic activity covers a great range of activities. These are usually grouped into three economic sectors, that have a number of shared features:

- The **primary sector** includes activities concerned with the extraction of natural resources to be used in production, distribution or consumption. These are agriculture, livestock farming, forestry and fishing.
- The **secondary sector** includes activities concerned with transforming the natural resources provided by the primary sector, such as industry and construction.
- The **tertiary sector** comprises of activities that provide services. These include transport, tourism, trade, education and health care, etc.
- The importance of the three economic sectors for employment and Gross Domestic Product (GDP), or in other words a country's combined wealth, reveals major contrasts around the world.

Skills progress

Please, do it

Learning vocabulary

- 1 Define the concept of economic activity using the following terms: consumption, good, production and distribution.

Using concepts and data

- 2 Study the table and answer: What information does it provide? In which areas do activities in each economic sector have the most influence?

Markets



The **market** is where commodities, merchandise and other goods are sold, bought and exchanged. There are many **types of markets**: consumer, shares, industrial, raw materials, services, etc. They are distinguished from one another by their products, resources and customers.

GROSS DOMESTIC PRODUCT [CLICK HERE](#)

Economic sectors

	North America	UE	East Asia	Sub-Saharan Africa
Primary sector				
Employment ¹	1.7	4.3	16.7	57.4
GDP ²	1	2.1	5	16
Secondary sector				
Employment	19	24	35.5	11
GDP	22	34.3	44	30.8
Tertiary sector				
Employment	79.3	71.8	59.6	31.6
GDP	77	63.6	45	53.2

¹ 2018; ² 2017

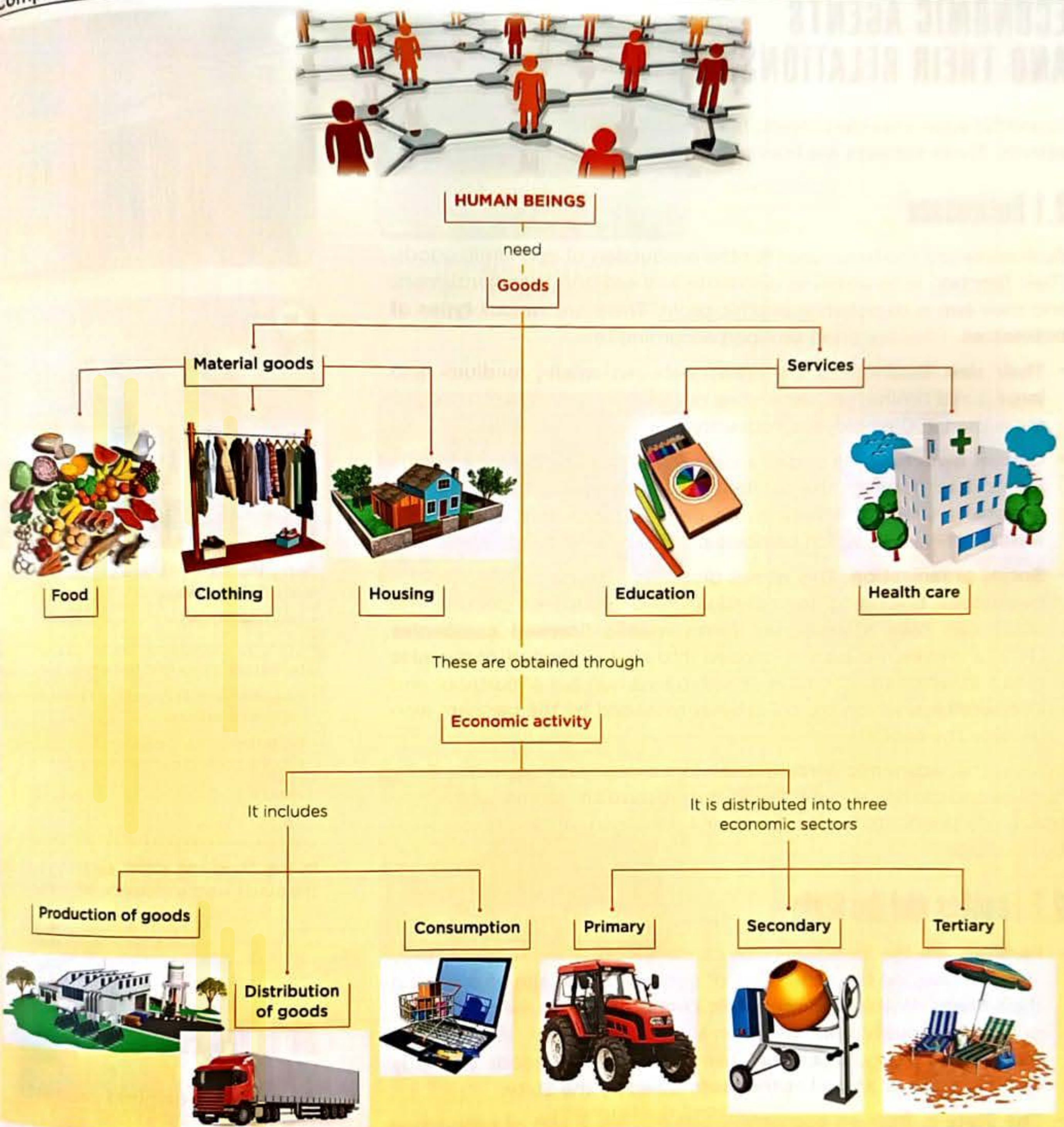
Source: ILO and GDP, respectively.

In general, the **primary sector** exerts a greater influence on employment and GDP figures in less developed countries, and a lesser influence on more advanced economies.

The **secondary sector** is important in many emerging countries.

The **tertiary sector** dominates the most developed countries.

Components of economic activity



CLICK HERE ANSWERS

Analysing the economic reality

3 Make a list of five consumer goods. What need is met by each of them?



Provocative questions

Transferring information

4 Check the definition of 'need' in a dictionary. Then, answer the following questions: a) Are all human

needs of equal importance? Give an example to illustrate your answer. b) Does advertising influence human needs?

Interpreting images

5 Write a text using the information provided in the visual diagram on economic activity.

ECONOMIC AGENTS AND THEIR RELATIONSHIPS

Economic agents are the subjects responsible for undertaking economic activity. These subjects are businesses, families and the State.

2.1 Businesses

Businesses are the basic units for the production of economic goods. Their **function** is to produce, distribute and sell goods to consumers, and their **aim** is to obtain **economic profit**. There are various **types of businesses**. They are often grouped according to:

- **Their size.** Distinctions are drawn between **small-, medium- and large-sized businesses**, depending on whether they have 50, 250, or more than 250 employees, respectively.
- **Capital ownership.** Provides a basis to distinguish between **public enterprises**, in which the capital involved is provided by the State; **private businesses**, in which the capital is privately owned; and **mixed businesses**, which combine public and private capital.
- **Social organisation.** This allows distinctions to be drawn between businesses belonging to individuals and groups of people. The latter can take a variety of forms: **public licensed companies (P.L.C.)** in which capital is divided into shares; **limited companies (Ltd.)**, in which the capital is provided by a number of partners; and **cooperatives**, which are collectively managed by the partners who provide the capital.

Within the **economic circuit**, businesses sell goods produced by families and the State. In exchange, they receive an income, which they use to pay salaries to families for their work, along with the taxes levied by the State.

2.2 Families and the State

- **Families** are the basic units of consumption. Their **function** is to spend money on the acquisition of goods with the **aim** of satisfying their needs. Within the **economic circuit**, they sell their labour to private and public companies on the labour market. In exchange, they earn a salary, which they use to pay for the goods they buy from companies, as well as the taxes levied by the State.
- **The State** is, from an economic point of view, a unit of production and consumption. Its **functions** are to use its enterprises to produce material goods and public services that are needed by all society, and to consume goods and services from private companies. The **aim** of the state is to provide welfare.
- Within the **economic circuit**, the State provides companies and families with goods and services (infrastructures, assistance, funding, pensions, sickness and unemployment benefits, etc.), employs public employees and levies taxes from families and businesses.

State intervention



Today, the State intervenes in the economy in many different ways:

- Law making (A).
- Creating public enterprises (B) or taking part in private-public ownership companies.
- Implementing protection measures for national products.
- Fostering the creation of economic supranational organisations, etc.

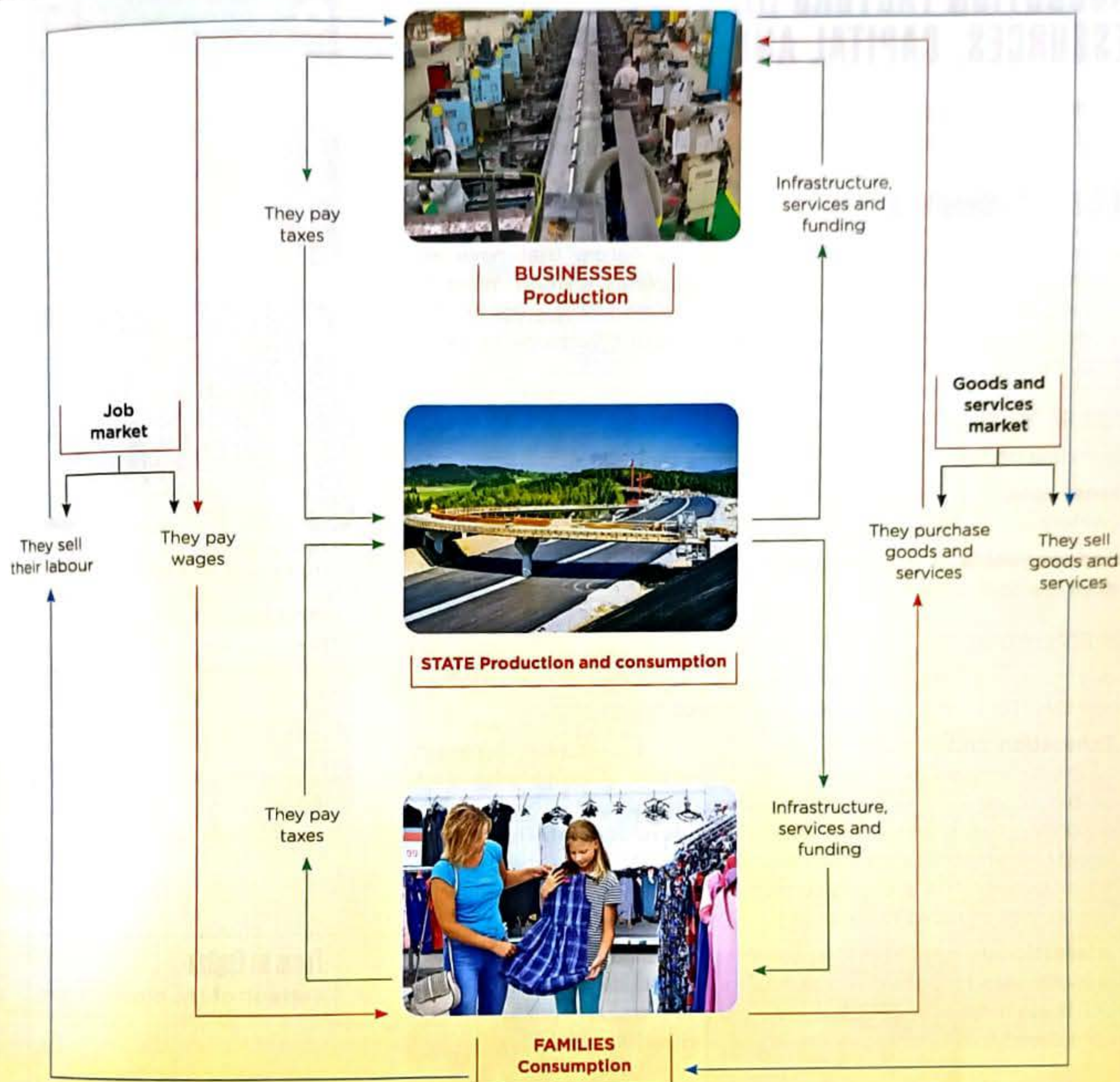
In the "Applying skills" section you had the quiz: I want a motorcycle!

Skills progress

Generating original products

- 1 Produce a diagram or table with a conceptual classification of the different types of businesses.
- 2 Give an example of an enterprise that fulfills the requirements described in the text. Ask your classmates to decide what type of enterprise it is. If necessary, correct the mistakes.

The economic circuit



Collecting and representing data

3 Complete the table below in your notebook:

	Businesses	Families	State
Definition			
Function			
Aim/s			
Income source			

Interpreting images

4 Study the diagram of the economic circuit and answer these questions:

- Which agents meet in the goods and services market? Which meet in the labour market?
- What do businesses, families and the State each provide? What do they receive in return?
- Where do the State's taxes come from? What does the State do with the money received as taxes?

PRODUCTION FACTORS (I). RESOURCES, CAPITAL AND TECHNOLOGY

To undertake their activities, businesses use four **production factors**: natural resources, capital, technology and labour.

3.1 Natural resources

Natural resources are elements provided by nature that have an economic use: water, the atmosphere, the soil, plants, animals, minerals and energy sources. The exploitation of these resources gives rise to the basic economic activities: agriculture, forestry, livestock farming, fishing, mining and both energy and industrial production.

Types of natural resources

Depending on how long they last, resources can be:

- **renewable**, if they can be renewed over a short period of time (water).
- **non-renewable**, if their renewal requires long periods of time, for example coal or oil.

The problems raised by resources

Today, many resources used to manufacture goods are scarce or non-renewable. This gives rise to two serious **problems**:

- **Exhaustion and overuse.** If consumed at a higher rate than that of their renewal, some resources run the risk of being exhausted or overused. To avoid this problem, it is necessary to use them according to the principle of **sustainable development**. This implies using them rationally so they can meet current* needs and those of future generations, avoiding consumerism, and encouraging efficient use, as well as recycling.
- **International conflicts.** The desire to control limited natural resources leads to wars and international conflicts. According to the UN, these may increase in the future due to the scarcity of resources considered to be necessary (water, oil and certain minerals).

3.2 Capital and technology

[CLICK HERE](#)

Capital is the combination of non-natural resources needed for production. It includes **physical capital**, or material elements (factories and machinery); **financial capital**, or the funds available for production (money or credit); and **human capital** or people's productive capacity, which depends on aspects such as their training and experience.

Technology is the combination of knowledge, methods and procedures used in the production process. It can be **manual**, if a person provides the strength and directly handles the tools; **mechanised**, if machines provide the strength and people operate the machines; or **automatic** or **robotised**, if the machines provide both things and people only have to programme and control them.

Problems raised by resources



Some resources are at risk of becoming exhausted or running out, which increases the threat of conflicts arising in order to control them.

This is the case with oil (A), which underpinned the so-called Gulf Wars in the Middle East.

Other types of resource are overused. This is the case with the water flowing into the Aral Sea (B); its surface area has shrunk by a least 10% since 1960 due to water from the rivers that feed it being diverted for irrigation purposes.

Focus on English

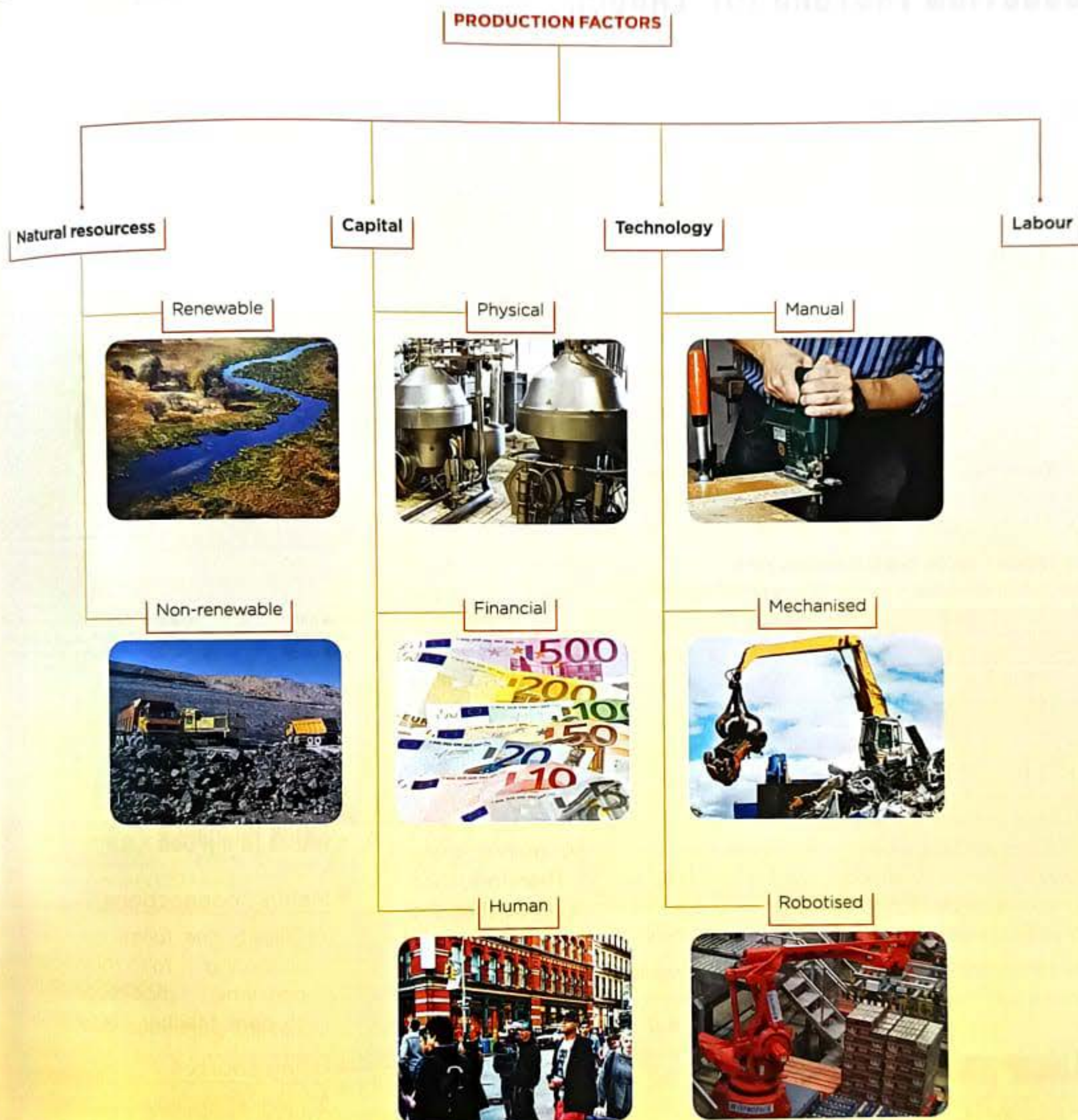
current: of the present time.

Skills progress

Synthesising

- 1 Write a text explaining the differences between renewable and non-renewable resources, physical and human capital, and mechanised and automatic technology.
- 2 Give an example for each of these concepts.

The production process and its factors

**Analysing the economic reality**

- 3 Choose a consumer good and make a list of the production factors needed to produce it.

Evaluating sustainable development

- 4 State which production factors are used in a company based in a 3000 m² factory, located on its own site within an industrial estate, which employs 20 poorly qualified workers who produce cotton fabrics using

15 machines. It also has half a million euros in the bank.

Raising arguments

- 5 Find information on a conflict related to the control of a natural resource. It should at the very least include the causes and location of the conflict. Summarise the information and give a one-minute presentation on it in class.

PRODUCTION FACTORS (II). LABOUR

Labour is the physical or intellectual effort made by people in order to produce material goods and services. It is an essential factor for production as it enables businesses to carry out their activity, and for families, who receive a salary in return for their labour to acquire goods.

4.1 The employment situation

With regard to work and employment, the population is divided into an active and inactive population.

- The **labour force** is made up of the combination of people who are in paid work (employed population), and those that are available to undertake such work (unemployed population).
- The **inactive population** includes people who neither undertake, nor are available to undertake paid work, such as pensioners, landlords, students and those responsible for domestic duties.
- The **labour force participation rate** is the percentage of the active population in relation to the total working-age population. In 2012, the world participation rate was 64%, although there were differences between countries. In general, it is lower in areas with a high young or elderly population, high levels of immigration, a low-performing economy and/or a limited female labour force.

4.2 The labour market

The labour market is formed by the **supply** of work from businesses, and the **demand** for work from individuals. In the labour market, there is a low number of **qualified or well-trained individuals**. Therefore, their salaries tend to be higher and their employment more stable than the less qualified workers, who are more numerous.

Today, the economic crisis is leading to the replacement of permanent contracts with temporary ones, as well as the reduction of salaries.

4.3 Labour problems

Unemployment

Unemployment is a serious problem that worsens during periods of crisis, such as that which happened between 2008-2013.

In **developed countries**, this is due to the automation of work and the transfer of economic activities to cheaper locations. In **underdeveloped countries**, it is due to economic underdevelopment and the lack of professional training.

This situation is disheartening. It reduces the State's income, because it collects less taxes and has to increase expenditure on unemployment benefits, and it reduces individuals' income, lowering levels of consumption, sales and production.

Labour force and inactive population

Formulas to calculate rates

Labour force participation rate

Percentage of active population in a country. This is one of the formulas to calculate it.

$$\frac{\text{Labour force} \times 100}{\text{Population of people aged 16+}}$$

Unemployment rate

Percentage of the unemployed labour force in relation to the full labour force.

$$\frac{\text{Unemployed labour force} \times 100}{\text{Labour force}}$$



Skills progress

Making connections

- 1 Classify the following individuals according to their activity: pensioner, shopkeeper, doctor, student, teacher, nurse, landlord.

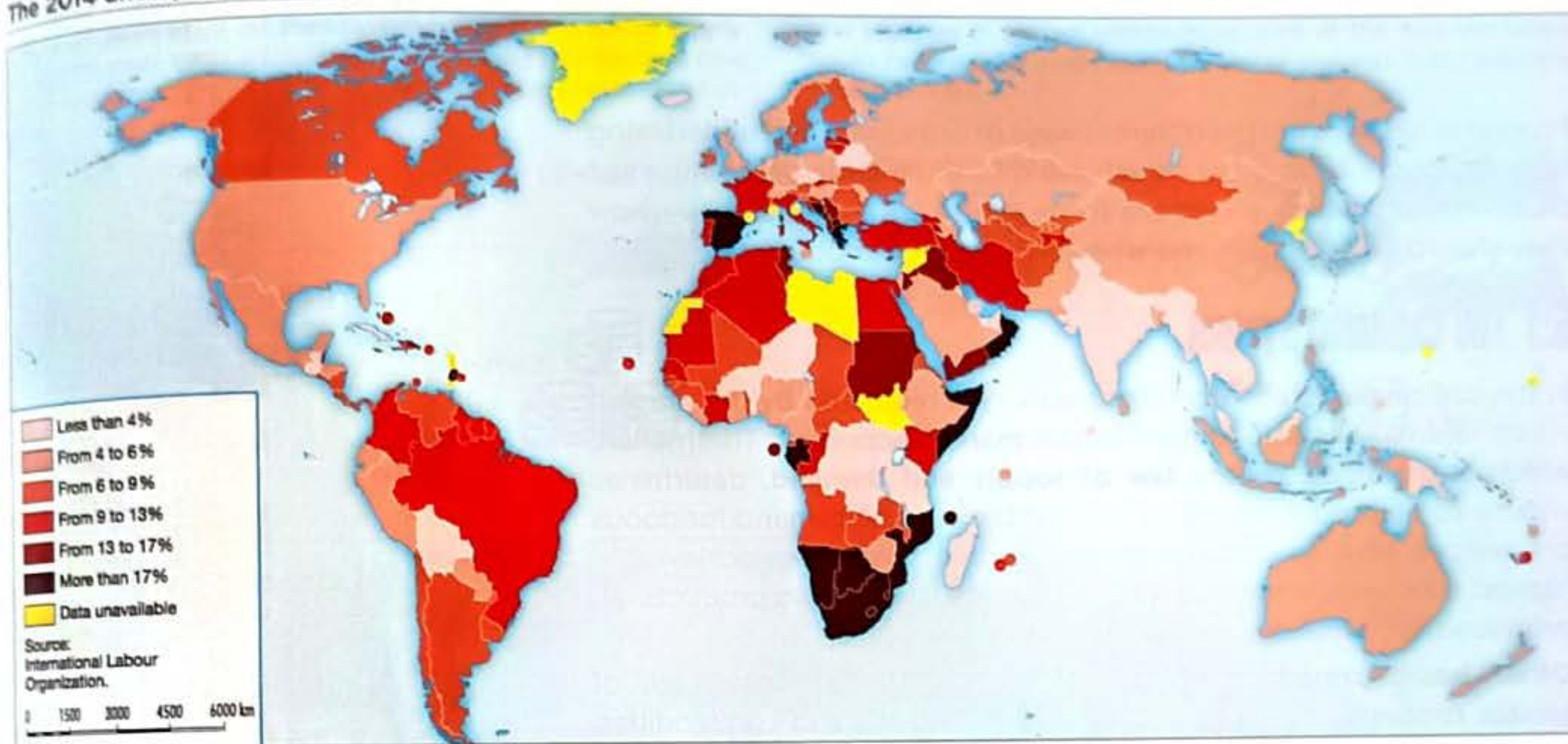
Using sources

- 2 Find a job advertisement in the newspaper. What does it ask for? What does it offer?



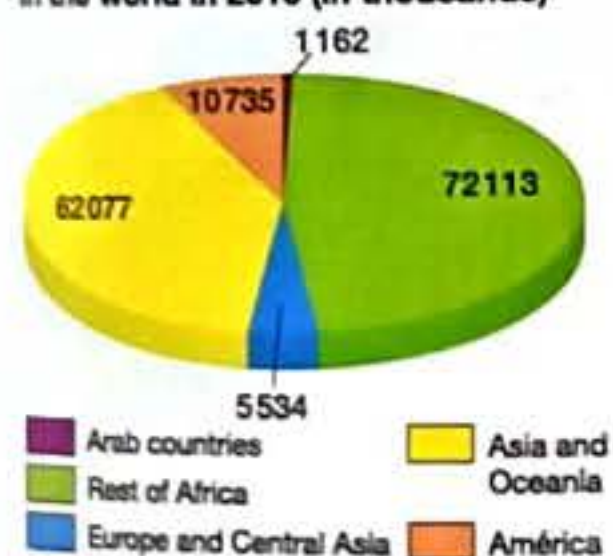
Examples of labour problems

The 2014 unemployment rate



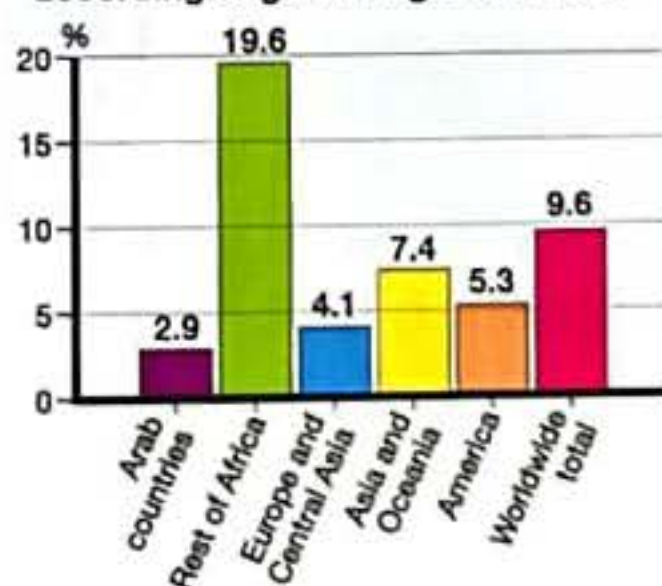
Child labour in 2012

Regional distribution of children that work (aged 5 to 17) in the world in 2016 (in thousands)



Source: International Labour Organization.

Child activity rate (% of children aged 5 to 17 that work) according to global regions in 2016



Discrimination against women

2016	Male employment rate	Female employment rate	Male unemployment rate	Female unemployment rate
Southeast Asia and Pacific	76.9	59.6	4.4	3.7
Europe and central Asia	67.1	50.9	8	8.1
Latin America and the Caribbean	77.4	51.5	6.7	9.3
Middle East and North of Latin America	73.9	20.6	8.4	18.3
North America	68.7	56.5	5.2	5
South Asia	79.5	28.6	3.3	4.8
Sub-Saharan Africa	73.8	62.8	6.5	8.2

Source: World bank

Formulas to calculate rates
Labour force participation rate
 Percentage of active population in a country
 This is one of the formulas to calculate it.

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Unemployment rate
 Percentage of the unemployed labour force in relation to the full labour force.

$$\frac{\text{Unemployed labour force} \times 100}{\text{Labour force}}$$

Working conditions

- In **advanced countries**, these conditions are well regulated by the States' labour laws, and also by **collective labour agreements** made between employers' associations and workers' unions, and by job contracts signed between an employee and their employer.
- In **other countries**, in contrast, numerous abuses may occur. For example, the use of child labour affected 264.4 million children in 2012. Employment discrimination against women is a reality in many parts of the world. In general, women receive **lower salaries** than men for the same job, have greater difficulty in accessing management posts, are more likely to work on the black market and find it difficult to balance work and family life.
- Therefore, the International Labour Organization campaigns for the fulfilment of basic regulations, such as the prohibition of child labour, opposition to gender discrimination and the recognition of workers' basic rights (minimum salary, union rights, etc.).

Using maps and charts

3 What information is provided by the graphs on child labour?

Transferring information

4 In the table above, how have the labour force participation rate and unemployment rate been calculated? Which regions have the highest and lowest rates?

Expressing personal opinions

5 Find out about Iqbal Masih and his achievements.

ECONOMIC SYSTEMS

Economic systems are the different ways of organising and undertaking economic activity. In order to achieve this, three basic problems must be addressed: **which** goods are to be produced and how many, **how** they should be produced and **who** they are to be produced for.

5.1 The capitalist system

In the capitalist system, economic activity is regulated by the market, which is why it is also known as the **market economy**. The market, which is governed by the **law of supply and demand**, determines what is to be produced on the basis of the current demand for goods or services; how to produce goods, so that businesses achieve the highest economic profit and who to produce them for, so products are produced for those who can pay for them.

Other basic principles of the system are the predominance of private property, the free circulation of individuals and commodities, free competition between companies, and the search for maximum individual profit.

Today, the capitalist system has been adopted by the majority of the world's countries.

5.2 The socialist system

In the socialist system, economic activity is regulated by the State, through plans that businesses are obliged to comply with*, which is why it is also known as a **planned economy**.

The State decides what to produce, how to produce it and who to produce it for, and sets product prices and workers' salaries.

Other basic principles of the system are state ownership of companies and the means of production, economic planning by the State, and the achievement of social equality. Today, this system only survives in China, Cuba, Vietnam, Laos and North Korea. Even so, in recent years, some of these countries have also introduced private initiatives.

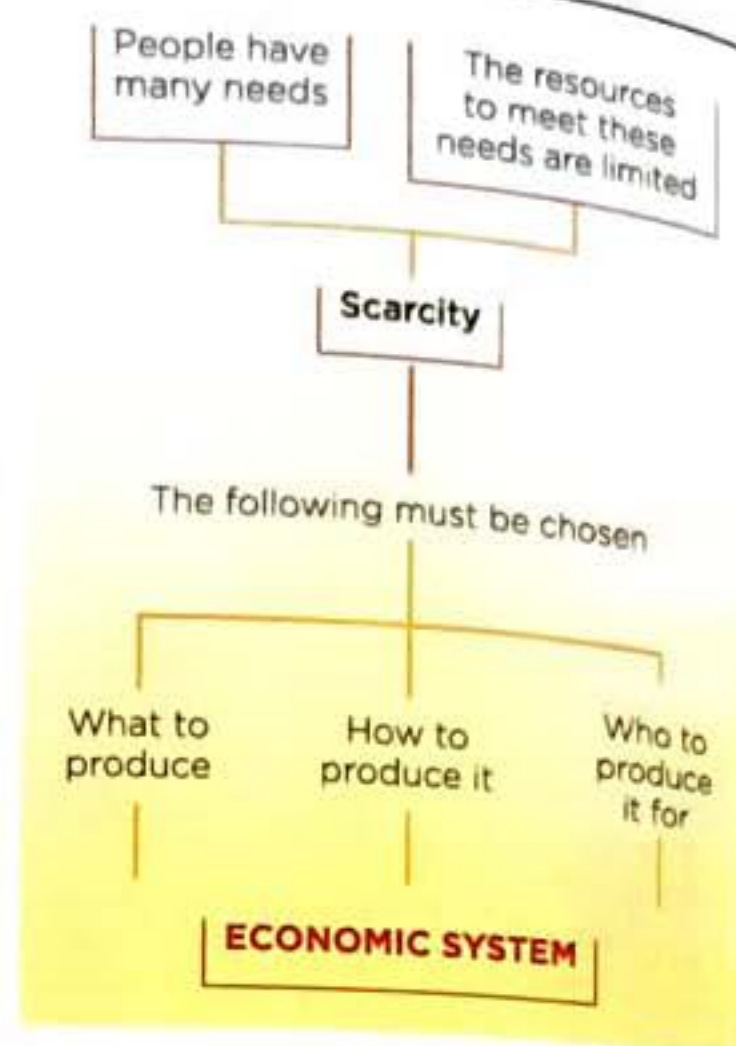
5.3 Mixed systems

Mixed systems combine a market economy with greater or lesser State economic intervention, as is the case with what is known as the **welfare state**.

In these systems, the market and State decide what to produce, how to produce it and who to produce it for. Although market prices result in products only being for those that can afford them, State intervention guarantees that the basic needs of all citizens are provided for.

Other basic principles are private property, although there are also public enterprises, and the search for the maximum individual profit, as well as adopting measures to redistribute wealth. Today, the mixed systems operate in many countries in the world, especially in Europe.

How do they work?



Focus on English

comply with: act in accordance with requests or demands

Skills progress

Showing interest in the international reality

- 1 Using the diagram above as a guide, write a definition of an economic system.

Learning relevant knowledge

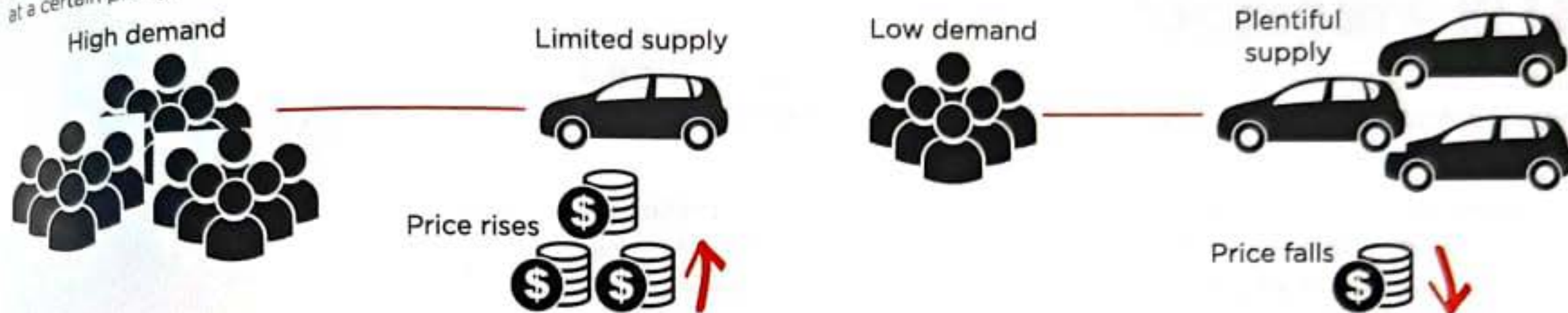
- 2 Write an incorrect statement about each economic system, then ask one of your classmates to correct it.
- 3 Check whether or not their answers are correct, and if they are not, correct them.

The capitalist system and the welfare state

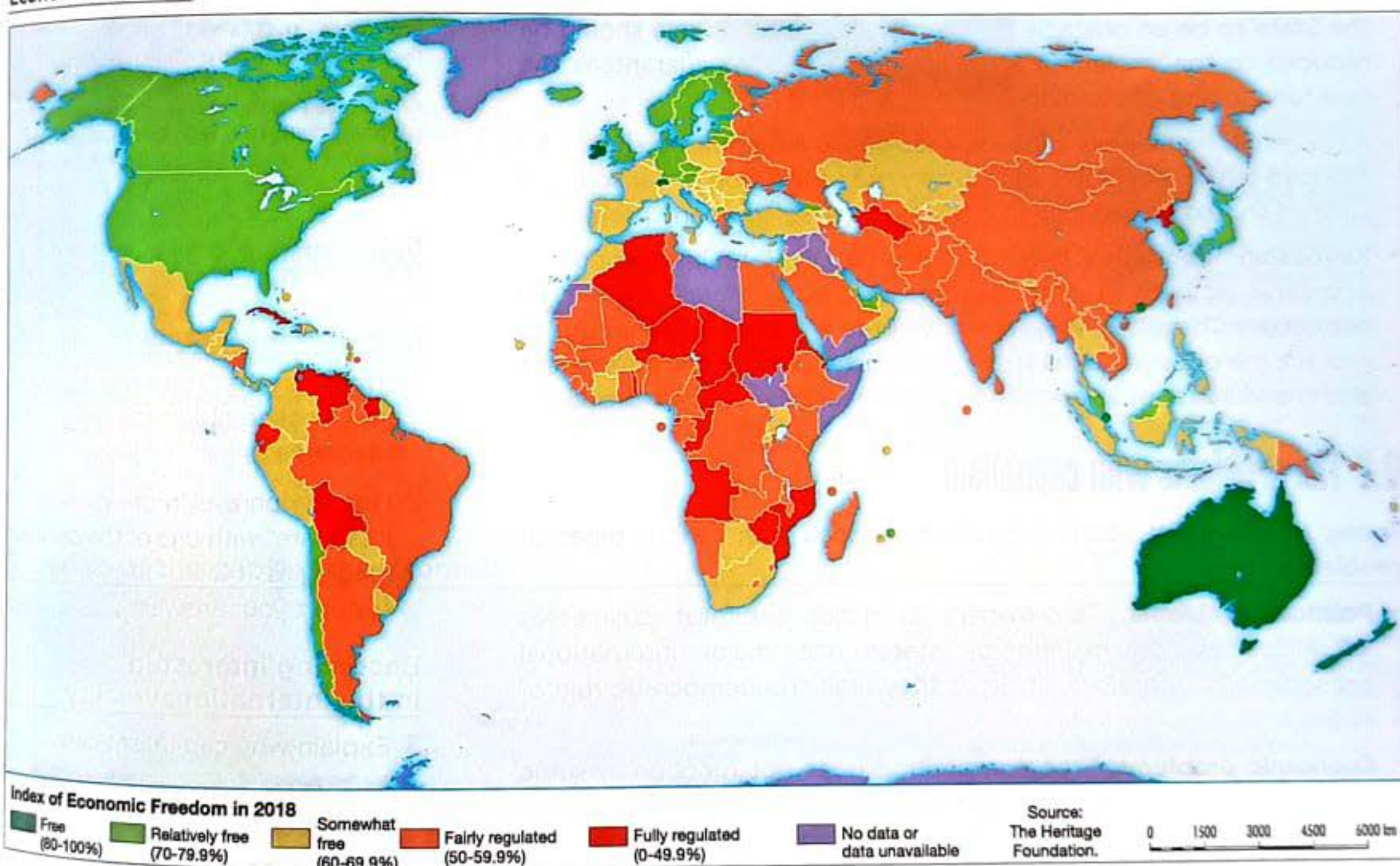
The law of supply and demand

In the capitalist system, the market is governed by the **law of supply** (the combination of goods and services on sale) and **demand** (the combination of goods and services that people are prepared to buy at a certain price).

In a situation of **perfect competition**, such as the diagram below, prices rise if supply is less than the level of demand. In the opposite case, prices fall.



Economic freedom



The State and citizens



Using outlines Shared interpretation

- 4 Explain how the law of supply and demand operates.
- 5 Give examples that demonstrate measures taken by the welfare state.

Using maps

- 6 Which countries have the greatest economic freedom? Which economic system operates in these countries?

CURRENT ECONOMIC TRENDS (I). IDEOLOGIES AND PROBLEMS

6.1 The spread of capitalism

Since the 1990s, the capitalist system has tended to spread due to the near complete disappearance of many communist economies and the decline of self-sufficient economies.

However, at an individual level, these capitalist systems represent a variety of ideologies, which vary in terms of their degree of economic liberalisation and the extent of state intervention in the economy.

- **Neoliberal ideologies** defend the total liberalisation of the economic system, so that it is solely governed by market forces. They consider the State to be an obstacle to freedom, believing its role should be reduced to the implementation of legislation that guarantees the free functioning of the market.

As a result, neoliberals propose that public expenditure should be reduced to the minimum, state enterprises should be privatised, and salaries should be reduced in order to increase company profits.

- **Keynesian ideologies** defend a degree of state intervention in economic activity in order to correct the problems created by capitalism. Therefore, they promote greater public expenditure to protect the poorest social strata, the existence of public enterprises and the increase of salaries in order to create demand for products.

6.2 The problems with capitalism

Today, the capitalist economic system is faced with various types of problems:

- **Political problems.** The owners of major capitalist businesses influence decision making by states and major international organisations. Therefore, at times they limit the democratic rule of society.
- **Economic problems.** Free competition does not function in some cases. Therefore, if businesses eliminate their competitors and control the market, they can set prices for consumers independently of the law of supply and demand. Furthermore, businesses use advertising to influence the demand for goods.
- **Capitalism generates periodic crises.** When competition reduces businesses' profits they employ less workers. The result of this is a decline in the demand for products, whereby businesses begin to fail and unemployment rises.
- **Social problems.** At times the search for the greatest individual profit leads to insufficient investment in goods and social services, which endangers the poorest social groups.
- **Environmental problems.** Capitalism promotes unsustainable growth, based on the constant increase of production and consumption.

Self-sufficient economies

Inuit people



Today, traditional or self-sufficient economies are only maintained partially, amongst peoples such as the Inuit in Canada, the Aborigines in Australia and the Mbuti in Central Africa (see picture). In these economies, economic activity is regulated by tradition.

Skills progress

Interpreting sources

- 1 What is the role of the State in neoliberal and Keynesian ideologies?
- 2 Link the phrase "more market and less State" with one of the capitalist ideologies. Give arguments to support your answer.

Becoming interested in the international reality

- 3 Explain why capitalism can:
 - a) limit the democratic government of society;
 - b) alter the free market;
 - c) endanger the weakest social strata;
 - d) harm the environment.

Making your own judgments

- 4 Select an advertisement. Analyse it and identify the strategies it uses to influence the demand for goods.
Then, think and answer: What attitude should consumers adopt towards advertising?

The ideological currents of capitalism

Neoliberalism



Milton Friedman (1912–2006) was a renowned American economist, considered to be the father of neoliberalism.

He defended total economic freedom and criticised government intervention in the economy.

'The only societies that have been capable of creating a relatively widespread prosperity have been those that have mainly trusted in capitalist markets.'

'Many people want the government to protect the consumer. A much more urgent problem is to protect the consumer from the government.'

'The greatest advances of civilization, whether in architecture or painting, in science and literature, in industry or agriculture, have never come from centralized government.'

'Although necessary for freedom, capitalism alone is not sufficient to guarantee it. It has to be accompanied by a set of values and political institutions that support freedom.'

Keynesianism



John Maynard Keynes (1883–1946) was a British economist, who gave his name to a form of capitalism. He argued that the State should play an important role in economic activity by regulating it.

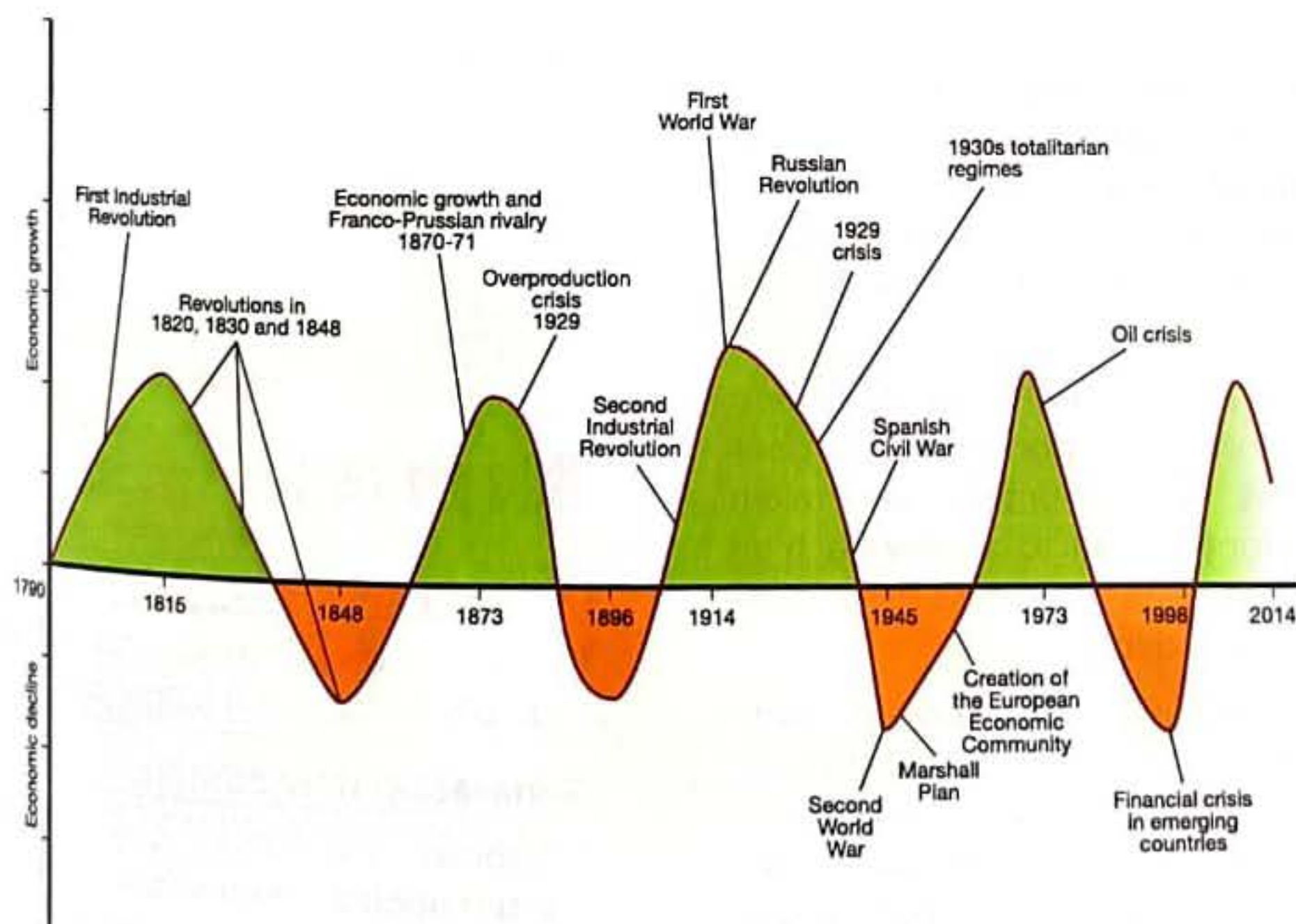
'As a rule, "digging holes to then fill them in" makes no sense.'

'It would be better for those workers to devote their time to caring for the elderly, the needy and children. However, if those workers are paid for digging holes and then filling them in, and they use their money to buy technology, which incentivises researchers, manufacturers, distributors ... so that they continue to improve this technology and improve the productivity and probably even everyone's quality of life, then in the end it makes sense.'

'What makes no sense is to have 6 million unemployed workers, with their arms crossed, waiting for some 'invisible hand' to get them out of this situation.'

The crisis of the capitalist system

Kondratiev waves



The capitalist economy is subject to fluctuations in growth and decline that occur with a more or less regular frequency. According to Russian economist Nikolai D. Kondratiev, these cyclical crises occur approximately once every 50 years.

Using written texts

5 Read the texts by Friedman and Keynes. Which aspects of the corresponding capitalist ideologies are reflected in them?

Using graphs

6 How many economic crises have occurred since 1790?

CURRENT ECONOMIC TRENDS (II). IDEOLOGIES AND PROBLEMS

Economic globalisation consists of the growing integration of national economies into a global market economy.

7.1 The causes of globalisation

- **Advances in telecommunications** provide instant information and enable contact between people and businesses anywhere on the planet.
- **Improvements to means of transport** facilitate the transfer of merchandise and people on a worldwide scale and enable businesses to extend their areas of production and markets to the whole world.
- **The spread of the capitalist system**, and the dissemination of neoliberal ideology, encourage all types of global exchange through their defence of economic freedom.

7.2 The promoters of globalisation

- **International organisations** have encouraged the economy to operate on a global scale by implementing shared guidelines and adopting agreements on a range of economic matters. The World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank and the G20 are of particular importance.
- **Multinationals** are another powerful set of globalisation agents, as they operate with a global strategy to obtain maximum profit.

7.3 The global operation of the economy

The globalisation of economic activity affects the production, exchange and consumption of goods.

- **The production** of goods is organised on a global scale, as the major multinationals locate their factories in the most advantageous places. This leads to the creation of industries in some poor countries, however, at the cost of exploiting local resources and the local workforce where multinationals' subsidiaries are set up. See the "Graphic Report".
- **The exchange** of merchandise, capital, services, technology and information acquires a global dimension. The opportunities for poor countries improve, and in some cases, these countries have taken advantage of positive aspects of globalisation to achieve a high level of economic growth. However, specialisation in less productive activities generates high levels of external debt.
- **The consumption** of goods both expands and becomes more uniform due to the mass dissemination of common tastes through advertising. In theory, the consumption of goods has grown in most countries. However, this consumption is only accessible to specific social groups and its increase leads to an irrational exploitation of natural resources and the destruction of the environment.

Advantages and disadvantages

Advantages of globalisation



- Increases employment where multinationals' subsidiaries are located.
- Reduces production costs and lowers product prices.
- Increases competition between businesses, which leads to greater product quality.

Disadvantages of globalisation



- Increases economic inequality between developed and underdeveloped countries.
- Favours large businesses.
- Multinationals interfere economically in underdeveloped countries.
- Harms the environment.
- Encourages industrial offshoring from developed countries.

Skills progress

Learning concepts

- 1 Define the terms *economic globalisation* and *multinational*.

Generating new content

- 2 Explain the role played by international organisations and multinationals in globalisation.

Globalisation and international organisations

The G20

The **G20** is a forum for economic cooperation and debate, which seeks to maintain global economic stability. It consists of the G8 members (The United States, Japan, Germany, France, Italy, the United Kingdom, Canada and Russia, although the latter is temporally excluded due to the crisis in Crimea); eleven emerging countries (Saudi Arabia, Argentina, Australia, Brazil, China, India, Indonesia, Mexico, South Korea, South Africa and Turkey) and the European Union as a single member.



The WB and the IMF

1



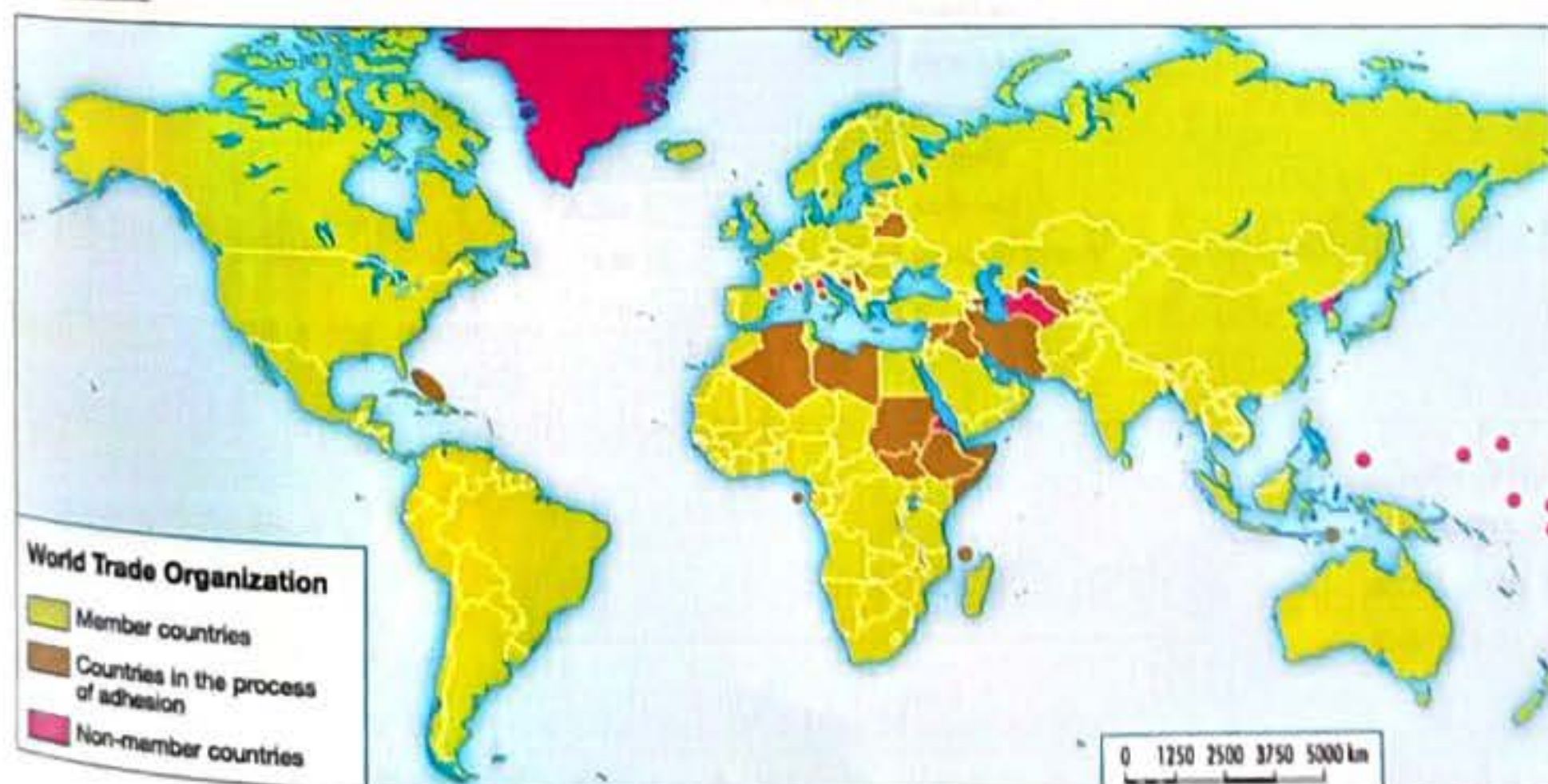
THE WORLD BANK

2



1. The **World Bank** provides technical and financial support to developing countries. Its aims are to end extreme poverty and promote shared wealth.
2. The **International Monetary Fund** promotes financial stability and international monetary cooperation. It is administered by its 189 member countries.

The WTO



The World Trade Organization is the sole international organisation that manages the regulations governing commerce between countries. Its aim is to promote economic freedom.

Using maps I see, I think, I ask myself...

- 3 Which countries are not currently members of the WTO? Why do you think this is?
- 4 Which countries belong to the G20? Are they advanced or underdeveloped countries?

Finding relevant information

- 5 Find information on the Internet about these international organisations. What are they, who are their member countries, what are their aims, etc.?
- 6 Write a summary of this information in your notebook.

Go to searching for information in the press and on the Internet.

← SKILL →

LANGUAGE BANK

SPEAKING

- 3 In small groups, analyse the causes of globalisation and brainstorm the consequences it has for society and the economy and how it has changed the way we live now.
- 4 Talk to a partner about these causes and consequences, stating which ones you think are positive and which ones are negative.

WRITING

- 5 Make a mindmap to analyse the characteristics of the capitalist system in the field of economy.
- 6 Imagine you are a member of an EU committee that is analysing the different economic systems in the world. Write an essay to offer a general view of capitalism, including different points of view and expressing your own opinion.



CHALLENGES THAT LEAVE THEIR MARK

LEARNING SEQUENCE

1 WORK IN GROUPS. ELEMENTS OF ECONOMIC ACTIVITY

- 1.1 Form groups. Each team chooses a product to prepare a research paper on the origin of its raw materials to its final consumption.
- 1.2 Reflect on the need to consume that human beings have.
- 1.3 Using the Internet, research the production factors (natural resources, labour and capital) necessary to create the product.

2 CREATE A COMMUNICATION ENVIRONMENT

- 2.1 Create a webpage where you will publish your reports and consumer proposals. Learn about the site and how to create and develop it.
- 2.2 In class, discuss and agree on all the details of the website that you are going to create.

3 PLACE OURSELVES IN THE ENVIRONMENT IN WHICH WE LIVE.

- 3.1 Reflect on the market economy and globalisation in your daily lives.
- 3.2 Each group has to present the positive and negative aspects, backed up by reasons, of globalisation, as well as the main features of the type of company that makes the product.
- 3.3 Research the materials that make up your product and whether access to these materials has caused conflicts over the control of them.