

Activities/Critical Thinking Questions/Research Suggestions

The Global Economy: Connecting the Roots of a Holistic System

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Chapter 2. Historical Roots of the Global Economy

Section 2.1. The Western European Economy Prior to 1500

1. Quote

a. Explain the quote by Julia Whitty, a writer and filmmaker: "Written into the long history of our planet, in one form or another, is the record of what is coming our way."

2. Guilds

- Compare just price and market price. (see chart 2.C.1)
- Why do you think guilds started in the countryside instead of the city?

Section 2.2. Commercial Capitalism in the Early Modern Era (1500-1750)

1. Potosi

- Conduct additional research to find out about the conditions that miners experienced at Potosi.
- Conduct research to find other mines that the colonialists started in the Western hemisphere.
 - Were conditions similar? Why or why not?

2. Agrarian Changes

- How did the commons change with the enclosure process?
- How do you imagine that the lives of farmers changed with agrarian changes, such as the enclosure process?
- Write a story about these changes on the farmers' lives.
- Role playing exercise.
 - Form a group of two or three. One person plays a journalist and the other one or two people play farmers.
 - The journalists make a list of questions that they ask the farmers about the changes they experienced with the enclosure process.
 - The students who are farmers make a list of the changes that they have experienced and are prepared to answer the journalist's questions.
 - The journalists write a story about their findings in the interview.

3. Trade

- How did slavery change with the expansion of capitalism?
 - Conduct more research into the slave trade during this period.
 - Be sure to think holistically and include all the actors: the slaves, African traders, European traders, buyers of the slaves, what the slaves were used for.
- Investigate the different forms of commodities that emerged with commercial capitalism.
 - Make a list of the commodities.
 - Are these commodities still used today?
 - How are they produced today?

4. Core Areas of Commercial Capitalism

- In what ways did the problems in the Dutch economy in the 1700s mirror those in the U.S. today?

b. Why did the wealthy Dutch in the 1700s and the Americans today turn to finance as a way to create wealth? Explain.

Section 2.3 Industrial Capitalism in the Modern Era (1750-1914)

1. Industrialization

- a. Form small groups of 4 students. Together, do a mind mapping exercise in which cotton is at the center of the map and then connect cotton to other events, concepts, etc.
- b. Compare the conditions and lives of workers in guilds and those in industrial factories.
 1. Which way of production won out in the end? Why?

2. Adam Smith and Free Trade Capitalism

- a. Conduct additional research to find out more about Adam Smith.
 1. Examine primary sources about Adam Smith and his writings.
 2. Write a report or paper on what you find.
 3. How were Adam Smith's ideas about capitalism different than the prevailing views of mercantilism?
 4. Are his ideas different from the prevailing view of capitalism today?

3. Corn Laws

- a. Do a role-playing exercise that pits those favoring the Corn Laws against those who want to repeal it.
- b. Who won out in the Corn Laws disagreement? Why?

4. Tariffs and Protectionism

- a. Why did the U.S. support tariffs and protectionism in the 1800s?
- b. Overall, do you think it was a good policy for the U.S.?

5. Corporations

- a. Why did entrepreneurs need to hold certain behaviors in order to succeed?
- b. Conduct additional research and select several well-known entrepreneurs today. Examine what kind of behaviors, attitudes, or values they hold.
- c. Research what types of goods and services were produced in the modern industrial era. Compile a slide presentation or visual collection to show some of these goods and services.

6. Labor

- a. Explain the statement: "Early industrialization was built upon the backs of exploited cheap labor and the poor."
 1. Do you agree with this statement? Give examples.
- b. What problems did labor face during this time? Are the issues of the past similar to issues today regarding labor?

7. The Gold Standard

- a. Do you think that the debate today to return the U.S. and other currencies to the gold standard is viable? Why or why not?
- b. What do you think about the fact that the gold standard economy was stabilized on the backs of labor?
 1. Do you think this would be true today?

8. The Long Depression (1873-1896)

- a. A problem with global capitalism is its drive for perpetual growth.
 1. How was this problem revealed in the Long Depression?
- b. How would you resolve the crisis at the turn of the 19th and 20th century?
 1. Who would benefit? Who would not?

2. How would you select who would benefit and who would not?

9. Imperialism

- a. Use a holistic approach to look at the issue of why imperialism took place in the late 19th century?
- b. An essential element of globalization is integration, and in the 19th century the world was becoming more integrated.
 1. Explain the ways in which the world was becoming more integrated. Give examples.
 2. Do you think this type of integration is happening today? Give examples.
- c. Who benefitted from this integration in the past? Who did not?
- d. What reasons did Cecil Rhodes give for his imperialistic conquests?
 1. Research to find other examples of justifications for exploitation given by imperialists.
 2. Do you think they were justified in their actions?
- e. Design a mind map of cash crops.
- f. Britain seemed to preach free trade and removal of tariffs in its trade with other countries but practiced mercantilism in its relationship with its colonies. Why did it practice this contradiction? Give examples

10. The Golden Era of Global Capitalism

- a. Compare specialization and self-sufficiency. The chart 2.C.3 should help you organize your research.

11. A Shift in Core Areas

- a. What is your reaction to economic historian Eric Hobsbawm's ideas: the British were "living off the remains of world monopoly" while opting "to retreat into her satellite world of formal and informal colonies," and to "export her immense accumulated historical advantages in the underdeveloped world, as the greatest commercial power, as the greatest source of international loan capital."
- b. Do you see any similarities between the decline of Britain as a core economy in the early 20th century and the situation in the U.S. today? Give examples.

Section 2.4 The Early Twentieth Century Economy (1914-1945)

1. The Great Depression of the 1930s

- a. Do you think that laissez-faire policies worked to end the Depression? Give examples.
- b. Do you think there are any of these policies used today to end the Great Recession since 2008?
- c. Why do you think alternatives to laissez-faire capitalism emerge? Do you think they were needed?

2. Five Economic Strategies in the 1930s

- a. See comparison chart 2.C.4
- b. What system of economic strategies do you favor? Why?

Section 2.5 The Post World War II Economy (1945-the 1970s)

1. Bretton Woods

- a. Devise your own Bretton Woods conference at the end of WWII, with one or two people representing different factions: U.S. business, U.S. labor, Soviet Union, defeated countries such as Germany and Japan, victors such as France and Britain, Middle East countries, Africa, China and individuals such as John Maynard Keynes, and Harry Dexter White.
 1. Devise policies for a peaceful and prosperous post-war order.
 2. What problems are you encountering in constructing this order?

2. The Golden Age: The Post-War Years and The Golden Age for the Middle and Periphery Countries

- a. Why do you think different economic models existed during the post-war years? (See chart 2.C.5)

b. Why do you think there wasn't a return to the classical era of laissez-faire capitalism?

3. Kitchen Debates

- a. In the so-called "Kitchen Debates" between Premier Nikita Khrushchev from the Soviet Union and Vice-President Richard Nixon from the United States, they both argued that their particular economic model was the best.
- b. Role play the debate between the two sides.
- c. What criteria is each side using to support its argument.
- d. One person can be the moderator in the debate and ask the questions.
- e. You can expand this "Kitchen Debates" to include representatives of the four different economic models in the post-war world: managed capitalism, communism, socialism, ISI, EOI, and classical economics (although this was dormant at the time). Select a moderator.

Section 2.6 The Crisis of the 1970s

1. The 1970s

- a. Did you (or someone you know) experience any of the problems described in the book during the crisis of the 1970s?
 1. Write a story about your or their experiences.
- b. Design a feedback model for explaining all the interacting variables that contributed to the Crisis of the 1970s.

Section 2.7 The Shift to the Right

1. Shift to the Right

- a. Why do you think the right was so effective in establishing neoliberalism as the preferred economic version in the 1970s? Give examples of what you think was effective.
- b. How do you think the left should have countered the ideas from the right? Give examples.

Section 2.8 Concluding Insights: Historical Roots of the Global Economy

1. Insights

- a. What does it mean to you that we will be pulling apart the 3 dimensions of the global economy? Do you think this is a good idea?