
Trade: Policy | Lesson Plan

ATTENTION: As of April 26, 2024, this CFR Education lesson plan is now available at:
<https://education.cfr.org/teach/lesson-plan/trade-policy>

Materials

- [Trade as Foreign Policy](#) (4:30)
- [How Trade Rules Are Written](#) (1,600 words/ 4 pages)
- [Foreign Investment 101](#) (1,800 words/4 ½ pages)
-  Trade: Policy | Presentation
-  Trade: Policy | Guided Reading Handout
-  Trade: Policy | Discussion Guide
-  Trade: Policy | Vocabulary

Learning Objectives

- Students will analyze how trade can be used as part of foreign policy.
- Students will simulate trading under different kinds of trade rules and then reflect on the advantages and disadvantages of each set of rules.

Overview

- Length: One class period
- Grade level: High school
- Courses: Civics, History, Global Issues

Homework Due

- Students will complete Parts 1 and 2 of the guided reading handout.

Class One Plan

1. **(5 Minutes) Homework Debrief**
2. **(35 Minutes) Activity- Trade Agreement Game:**
 - a. NOTE: *For this activity, you will need a collection of small items of various values to use as trade goods, such as small pieces of candy, sticks of gum, homework passes, and extra credit points*
 - b. Each student will pretend to be a country. (With a very large class, you may decide to have students make two-person teams.) Distribute trade goods to students unevenly, as if the students were countries that specialize: some students get only candy, others get only homework passes, and so on. When possible, distribute to students goods that they do not want (e.g., if a student has a sweet tooth, don't give them candy) in order to encourage trading.
 - c. Explain that the students will be allowed to trade but that they first need to come up with ground rules.
 - d. Divide the class into two groups.
 - i. **Group 1:** Simulating the World Trade Organization (WTO), needs to come to a consensus on trade rules and write those rules on the board before anyone can trade.

- ii. **Group 2:** Representing regional trade agreements (RTAs), can make any number of bilateral or “regional” agreements, each of which has to be written on the board (to simulate notifying the WTO). In this group, anyone can trade with anyone else they have an agreement with.
 - e. Trade agreements (whether WTO-style or RTA-style) must clearly state:
 - i. exchange rates for all products that will be traded under the agreement
 - ii. a dispute resolution mechanism if someone thinks they have been cheated (rock-paper-scissors, mediation by the teacher, etc.)
 - iii. how long the agreement stays in force (only for a few minutes, for the rest of class, the rest of the week, etc.)
- Minutes) Debrief:** After the students have made their agreements and traded their goods, lead a reflection:
- i. Which group could start trading more quickly? Why?
 - ii. Which group was more chaotic? Why?
 - iii. What are the advantages and disadvantages to trading under the WTO and the RTAs?
 - iv. How did this exercise differ from how trade agreements work in real life? (One important difference is that in real trade agreements, the exchange rate would be set by market forces and not by the agreement.)

Class One Homework

1. Students will complete Part 3 of the Guided Reading Handout to discuss during the next class.
2. Optional: You may have students write a brief reflection on the trade agreement game.

Extension: If you have additional time, check out the [Trade: Policy | Discussion Guide](#) for connections and more in-depth extension.

Need more ideas for lesson plans? Check out our [Full List of Lesson Plans](#)

Standards:

Educating for American Democracy Roadmap:

- HDQ6.4.B. When and why has the United States advocated for freer and expanded global trade? When and why has the United States advocated for protectionism?
- CDQ6.4.A. How should the United States exercise its power and influence, and why? with what limits, and invoking what ideas?
- CDQ6.4.B. How should American foreign policy balance the interests of the United States and those of other countries?
- HSGQ6.4.D. What political, economic, and cultural ideas have informed our foreign policies and debates?
- HSGQ6.4.E. How do economic policy and foreign policy interact with each other?
- HSGQ6.4.F. When, where, how, and why has the United States played a leading role in building a peaceful and lawful international order in world affairs?
- CSGQ6.4.E. How does the United States relate to the United Nations and other global governance institutions (e.g., WTO, IMF, WorldBank, NATO, WHO)?

C3 Framework:

- D2.Civ.3.9-12. Analyze the impact of constitutions, laws, treaties, and international agreements on the maintenance of national and international order.
- D2.Civ.6.9-12. Critique relationships among governments, civil societies, and economic markets.
- D2.Eco.14.9-12. Analyze the role of comparative advantage in international trade of goods and services.
- D2.Eco.15.9-12. Explain how current globalization trends and policies affect economic growth, labor markets, rights of citizens, the environment, and resource and income distribution in different nations.
- D2.His.1.9-12. Evaluate how historical events and developments were shaped by unique circumstances of time and place as well as broader historical contexts.