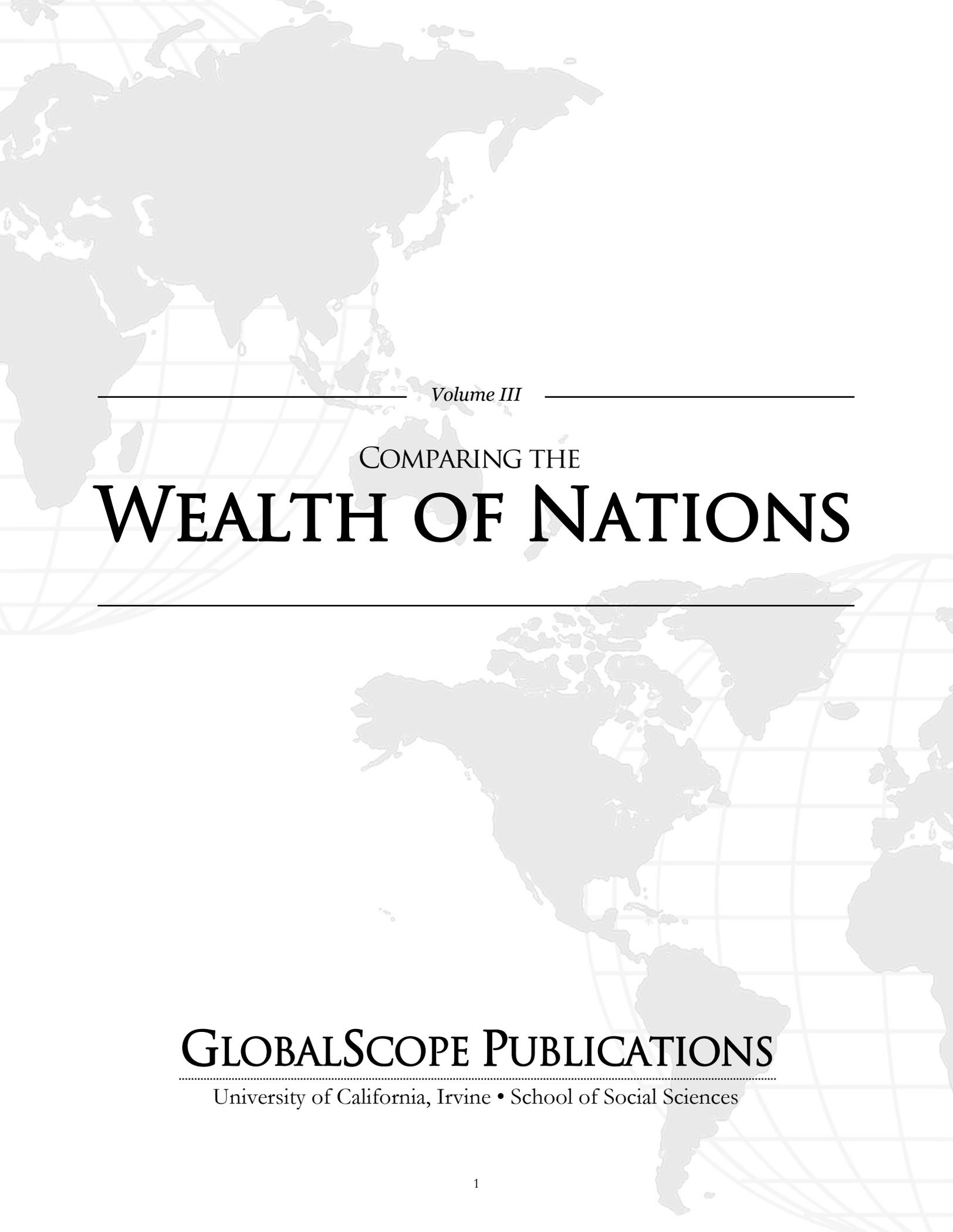


COMPARING THE WEALTH OF NATIONS



GLOBALSCOPE

A GLOBAL CONNECT @ UC IRVINE PUBLICATION



Volume III

COMPARING THE
WEALTH OF NATIONS

GLOBALSCOPE PUBLICATIONS

University of California, Irvine • School of Social Sciences



GLOBALSCOPE PUBLICATIONS

University of California, Irvine • School of Social Sciences

GlobalScope is a series of innovative curriculum guides created by the University of California Irvine's School of Social Sciences for secondary school educators and students on the 21st Century forces and issues of globalization. The curriculum is designed to introduce high school students to the formal academic disciplines of anthropology, economics, geography, international studies, political science and sociology. The GlobalScope publications allow us to share original University research and teachings with students and teachers beyond our immediate reach.

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Introducing GLOBAL CONNECT @ UCI

Global Connect @ UCI is an original educational partnership developed by the University of California, Irvine's School of Social Sciences to enrich California's secondary school curriculum in international studies. This is accomplished by translating current university-level concepts and knowledge into a curriculum that is age appropriate for high school students.

The global studies knowledge gap in our public schools is a critical problem that needs a flexible and immediate response. Students need lessons they can relate to as global citizens that will affect how they see themselves in the world. They must be capable of thinking in terms of worldwide issues to succeed in their respective careers and lives so that they may contribute to the general welfare of society. This cannot be achieved through textbook curriculum that is outdated by the time it is received by students. Teachers cannot abandon their classroom responsibilities to acquire current knowledge of the quickly changing international environment. Global conflicts and issues need to be brought to the students as current events – not as history.

The study of worldwide issues through Global Connect establishes an environment that creates responsible global citizens and leads to access for students to higher education. Global Connect builds a bridge to the world for our nation's secondary students.

Global Connect dedicates its educational program and publications to addressing California's History Social Studies curriculum framework and the National Curriculum Standards for Social Studies. This is being accomplished through the creation of an original year long course, "Globalization and International Relations"; implementation of the syllabus at select schools in Orange County; sponsorship of countywide teacher seminars; and the development of new on-line curriculum options for secondary educators statewide and beyond. Classroom lessons are innovative in structure and not only teach students factual information but serve as an ideal platform for analytical and reflective thinking about global issues.

For additional information, please visit our website at: www.globalconnect.socsci.uci.edu

Common Core Standards in the Social Sciences

The pursuit of Common Core Standards is redefining America's educational priorities. One of the most central and elusive problems in addressing these standards is developing academically challenging and classroom effective curriculum that addresses the needs of our students in different subject areas. Global Connect @ UCI, a unique educational initiative based in the School of Social Sciences at the University of California, Irvine, has developed original curriculum and teaching strategies to introduce secondary students to 21st Century global issues and events through an interdisciplinary lens. The lens integrates the various disciplines within social science: anthropology, economics, geography, international studies, political science, and sociology.

This integration occurs through concepts, readings, and "problem sets" found in contemporary university classrooms. Our academically centered course of study has been adapted into age appropriate thematic presentations, dynamic interactive, and literacy building workshops that realize the Common Core objectives.

Global Connect specifically targets and meets the Common Core Standards by:

- *Focusing on non-fiction, discipline based content through formal academic PowerPoint presentations, interactive workshops, and readings*
- *Emphasizing Evidence Based Writing Skills through the introduction of take-home assignments, and unit capstone projects, and formal academic forms of in-class writing*
- *Building a discipline-based vocabulary (a set of new terms are defined to complement each week's academic theme)*
- *Expanding the students' abilities to: Use quality academic sources, organize data, analyze, and cite & discuss*
- *Integrating contemporary use of technology for online research and general inquiry*

The Global Connect course on "*Globalization and International Relations*" is already serving as a Common Core option for secondary educators and students in California's Saddleback Valley Unified School District and Newport Mesa Unified School District. The partnership between UCI, SVUSD, and NMUSD is currently exploring new strategies for sharing and advancing this dynamic new course so that other districts can adopt this as a vehicle for acquiring college ready critical thinking abilities and organizational skills. These strategies include the creation of effective teacher training modules for each unit; an expanded online topic-specific video library of presentations by UCI faculty and graduate students; and the continued development of *GlobalScope Curriculum Guides*.



This year, as with prior years, the content has been revised and edited to address the most recent global occurrences/issues and to introduce new resources. For an in-depth overview of our Program, please visit our website at: www.globalconnect.socsci.uci.edu

Ellen Schlosser

*Ellen Schlosser
Global Connect @ UCI
Founding Director
Curriculum Development Advisor*

Note:

In 2011, the University of California recognized Global Connect's course, "*Globalization and International Relations*," as an approved A-G academic elective course for California's secondary students. The California Council for the Social Sciences recognized the program as being a Common Core ready curriculum and featured the program in their journal, *Sunburst: A Publication of the California Council for the Social Studies*.

GUIDELINE TO GLOBALSCOPE

GlobalScope is an expanding library of in-print and online guides that mirror UCI School of Social Sciences' contemporary research and teachings related to 21st Century issues and conditions of globalization. The primary motivation behind this publication is to provide secondary teachers with an accessible social science resource that will help create “global” windows in the classroom. Our guiding principle is that high school students need to understand the contemporary changes that are influencing their educational and personal opportunities, and ultimately, their lives and careers.

Explanation of GlobalScope format:

Unit Presentations vary in format. Each presentation is centered on a specific topic and reflects the style of the individual faculty, graduate, or undergraduate student presenter. Several of the authors have created PowerPoint presentations that can be used by the classroom teacher.

An annotated version with additional information has been included in the *Teacher Edition*. Some presenters have also provided lesson outlines.

Workshop Scripts seek to recreate the lecture/discussion format used in college courses. We alternate the formal introduction of topics with special interactive workshops. These age-appropriate workshops have been designed and successfully presented in the classrooms (grades 8 – 12) by *Global Connect* undergraduate interns. These workshops have been designed in a script-like manner with sections assigned to the university undergraduate interns. The workshop material can easily be adapted for “single voice” use by the classroom teacher.

Literacy Building Readings and Assignments provide students with exercises that will require them to read non-fiction primary source documents. After reading and analyzing the materials, the students will be given written assignments to strengthen their expository writing abilities. Some current topical articles and charts have been reprinted and cited.

Global Perspectives: International Relations & Globalization Course Workbook is a two-part workbook to be used in conjunction with the thematic module presentations throughout the semester.

Part I: “A Sense of Place: Identifying Nations by Name and Location” includes weekly political map identification exercises that provide students with the ability to recognize the location of the globe’s nations. These weekly exercises will allow students to locate and name the nations of each continent and significant regions.

Part II: “People of Purpose: 21st Century Global Citizens (‘Real Heroes’)” will introduce students to real heroes whose actions have impacted the distinct geographic areas being studied. These introductions will be made through video interviews/feature stories and assigned readings. Students will be asked to analyze the problems, strategies, and solutions associated with each of the featured social entrepreneurs through writing exercises. Over the semester the assignments will transition students from completing simple fill-in review sheets to composing five paragraph expository essays. The writing assignments, depending on length, can be used as in-class worksheets or as take home assignments. Grading of these assignments is recommended.

Identification of Curriculum Standards:

Each workshop and presentation addresses an objective identified in the *National Council for the Social Studies Curriculum Thematic Strands* and/or the objectives set forth by the *California State History/Social Science Standards & Framework*. For your personal reference, we have included a copy of the *National Council’s Thematic Strands* in the Appendix.

Complimentary Disk: All of the primary *GlobalScope* materials presented in this curriculum guide are provided on a disk so that classroom teachers can independently present the PowerPoint presentations and reproduce the worksheet assignments.

All the original materials are for individual classroom use only and not to be reprinted without express permission from the School of Social Sciences, University of California, Irvine.

Website: All materials contained in *GlobalScope* will be posted on the *Global Connect @ UCI* website: www.globalconnect.socsci.uci.edu

COMPARING THE WEALTH OF NATIONS

The *Comparing the Wealth of Nations* GlobalScope Curriculum Guide is designed to introduce students to basic economic concepts and forms of analysis. Through this unit of study students will examine: the economic roots of globalization, the meaning of Gross Domestic Product (GDP), the comparative wealth of nations, the “borderless” construction and power of Multinational Corporations (MNCs), and the economic levels of development (developed, developing, and least developed status of nations). Through interactive workshops, learners will be introduced to the United Nations Human Development Index (HDI) and the CIA Factbook.

The capstone project will require each student to conduct online research related to two different nations. Each student will be assigned to compare and contrast specific characteristics of a developed nation to those of a developing nation. In addition to discovering the basic realities associated with different levels of economic development, students will be required to identify the traits and assets that nation-states need in order to attract international investment and global business activity from multinational corporations.

Upon completing their research, each student will be asked to create a presentation that outlines their findings. Students will share their respective findings through in-class presentations.

On behalf of the Global Connect team and the editorial staff of GlobalScope, we hope that you find this publication a valuable educational resource. We would sincerely appreciate your insights regarding future themes and effective techniques that we can incorporate in our workshop materials. Please forward your suggestions to edschlos@uci.edu.

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GLOBALSCOPE

WEALTH OF NATIONS

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ONLINE RESOURCES

Unit Lesson Format & Online Resource

Workshop: Travels of a T-Shirt in a Global Economy

How Technology and Hefty Subsidies Make U.S. Cotton King

<http://www.npr.org/2013/12/02/248243399/technology-subsidies-make-us-cotton-king>

Next Stop Bangladesh As We Follow Planet Money's T-Shirt

<http://www.npr.org/2013/12/04/248718294/next-stop-bangladesh-as-we-follow-planet-moneys-t-shirt>

Unit I

Workshop: Global Commodity Chains: The iPhone as a Case Study

Steve Jobs Dead at 56: Apple Founder Resigns for Health Reasons, Fans Mourn Around the World

<http://www.youtube.com/watch?v=Ft3oPgsCFbA>

Inside Apple: Changes Made at Foxconn

http://www.youtube.com/watch?v=_RBW2bcMzuU

Lecture: Comparing the Wealth of Nations

Venezuela food shortage leads to deadly looting

<http://www.cnn.com/videos/world/2016/06/21/venezuela-food-protests-blamed-for-fatalities-rafael-romo.cnn>

Unit III

Why are people in oil-rich Venezuela going hungry?

<https://www.youtube.com/watch?v=Jga48jFr004>

WEALTH OF NATIONS

Unit I: Defining Economic Roots of Globalization



DEFINING ECONOMIC ROOTS OF GLOBALIZATION

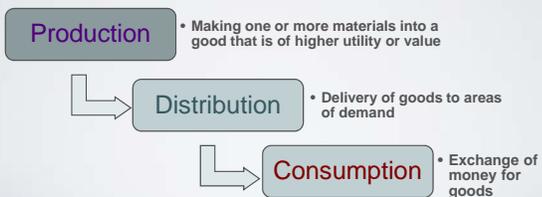
WHAT IS AN ECONOMY?

The methods and traditional ways a single nation answers three questions:

1. **WHAT** goods and services will be produced?
2. **HOW** these goods and services will be produced?
3. **WHO** will consume the goods and services produced?

WHAT IS ECONOMICS?

It is a social science discipline that studies **production**, **distribution**, and **consumption** of goods and services.



RISE IN GLOBALIZATION



Globalization: the shift of buying and selling in markets beyond national borders

Rise in globalization → increasing **integration** and **interdependence**

INTEGRATION

- *Efficiency* – combining of different economies and industries, promoting trade and economic growth
- *Foreign Exchange* – sharing of ideas and cultures across borders
- *Rise of Multinational Corporations* – companies with facilities in multiple countries

INTERDEPENDENCE

- *Cooperation* – countries rely on each other for mutual economic gain and development
- *Global Access* – one country's labor and natural resources can benefit another



THE INTERCONNECTEDNESS OF AN ECONOMY

- In a modern economy, people are linked by **economic transactions**.
- Every person, every business firm, and every product is **economically interconnected**.



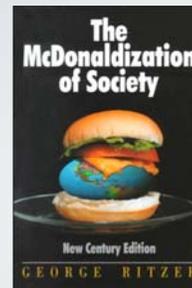
PROS OF GLOBALIZATION

- Increase in **consumer choices**
 - Cars, cell phones, watches, etc.
- Increase in **job opportunities** within a nation-state
 - Intercultural exchange in music, movies, styles
- Reduction of **trade barriers** that allows companies to build markets in other countries
 - Rise in **Multinational Corporations (MNCs)**: any company that engages in business outside domestic borders
- Increase in **interdependence**
 - Breaks down barriers
 - Imports and exports

IS GLOBALIZATION ALWAYS A PLUS?



CONS OF GLOBALIZATION



- Loss of culture
 - Traditional services and priorities are lost to imported services and priorities
 - McDonaldization
- Loss of jobs
 - Outsourcing



THE GLOBAL COMMODITY CHAIN

A process used by corporations to

- network labor and gather resources
- transform resources into goods
- distribute goods to consumers

In short, a product's path from producer to consumer (You!)

GLOBAL COMMODITY CHAIN PROCESS

1. Research & Development
2. Natural Resources
3. Manufacturing
4. Distribution
5. Marketing
6. Consumption
7. Waste

CASE STUDY: CHOCOLATE

CHOCOLATE AS COCOA

1 Research and Development

- Chocolate industries fund enhanced agricultural techniques
- Field schools educate growers on cocoa production and farming methods
- The Alliance of Cocoa Producing Countries works to improve cocoa quality, production, and sustainability

Research and Development Natural Resources Manufacturing Distribution Marketing Consumption Waste

CHOCOLATE AS COCOA

2 Natural Resources

- Cocoa beans harvested on farms and plantations
- Traders, agricultural businesses, government buy beans from farmers
- Beans shipped to processing plants abroad

Research and Development Natural Resources Manufacturing Distribution Marketing Consumption Waste

CHOCOLATE IN THE FACTORY

3 Manufacturing

- Cocoa beans go through grinding process
- Beans become cocoa powder, liquor, and butter
- Food industries use a combination of cocoa products to make chocolate goods

4 Distribution

- Final goods are packaged and shipped to distributors

Research and Development Natural Resources Manufacturing Distribution Marketing Consumption Waste

CHOCOLATE ON THE MARKET

5 Marketing

- Advertising, retail stores, and vending machines influence consumer choices
- Retailers link manufacturers to the consumers
- Chocolate industry dominated by big brands fighting for sales

Research and Development Natural Resources Manufacturing Distribution Marketing Consumption Waste

Chocolate to You

6 Consumption

7 Waste

Research and Development Natural Resources Manufacturing Distribution Marketing Consumption Waste

CONCLUSION

- Increased collaboration of developing and developed economies
- Greater cultural exchanges between nations
- Global cooperation is necessary for commodity chains to function



What if one part of the process was missing?

1. Research & Development 
2. Natural Resources 
3. Manufacturing 
4. Distribution 
5. Marketing 
6. Consumption 
7. Waste 

Key Terms

 *Related Presentation:
The Economic Roots of Globalization*

1. **Economy:** The wealth and resources of a country or region, in terms of production and consumption of goods and services.
2. **Economics:** Social Science discipline that studies production, distribution, and consumption of goods and services.
3. **Economic Globalization:** Increasing interconnectedness of national economies. A shift toward a more integrated and interdependent global economy.
4. **Integration:** The combining of different markets and industries promoting economic growth and exchange of ideas and cultures across borders.
5. **Interdependence:** Cooperation and access to resources amongst countries for mutual economic gain and development.
6. **Trade:** The exchange of goods, services, and ideas.
7. **Trade Barriers:** Taxes on imports and laws that prevent open exchange of goods and services between nations.
8. **Outsourcing:** Practice used by different companies to reduce costs by transferring portions of work to outside suppliers rather than completing it internally.
9. **Global Commodity Chain:** A multi-country process used by corporations to network labor and gather resources, transform resources into goods, and distribute goods to consumers.



PLANET MONEY'S T-SHIRT PROJECT

There are seven chapters to the story of the t-shirt. We will listen to a few of these chapters in class.

How Technology And Hefty Subsidies Make U.S. Cotton King

“I have before me right now a fairly ordinary-looking but, in fact, unique T-shirt. It's gray and on the front of it there's a picture of a squirrel holding a martini glass. But where the olive should be inside the drink there is, in fact, an acorn. What makes this 100 percent cotton T-shirt unique is that we know everything about how it was made.”

Visit: <http://www.npr.org/2013/12/02/248243399/technology-subsidies-make-us-cotton-king>

Next Stop Bangladesh As We Follow Planet Money's T-Shirt

“Bangladesh is the cheapest place in the world to make a T-shirt. But this month, the minimum wage there will rise from \$39 a month to \$68 a month. That's got some factory owners nervous about whether Western retailers there will pull out. Our Planet Money team examines the future of the garment industry in Bangladesh.”

Visit: <http://www.npr.org/2013/12/04/248718294/next-stop-bangladesh-as-we-follow-planet-moneys-t-shirt>

Questions to Consider

American t-shirt corporations turned higher profits when they turned to Bangladesh and other countries where the labor is cheaper than in the U.S.

1. Do you think it is morally right for American companies to pay the employees at the manufacturing companies in Bangladesh such a low wage to make t-shirts?
2. Given a choice between an American-made t-shirt and Bangladesh-made t-shirt, which would you choose and why?
 - a. What if the American t-shirt cost \$5 more?
 - b. If you were to pay double the price for the t-shirts, what would you expect from the company that made it?
 - c. Which do you value more? The quality or cost of the t-shirt?

Name: _____ **Period:** _____

How Technology And Hefty Subsidies Make U.S. Cotton King

1. Cotton in a t-shirt gets blended from farms across the _____.
2. Jockey did recommend one place that might be able to tell us where our cotton came from, the place where our cotton takes its first step to becoming _____. It's a _____ called Indorama and, by the way, it's in Indonesia.
3. Just like the Swiss make the best watches, the Germans perfected the sports car, Americans grow the most desired cotton in the world. And just like those watches and cars, American cotton does it by being _____.
4. But these machines give Bowen an edge over small farmers in the rest of the world. He can pick cotton _____ with _____.
5. These machines are not only fast but, by the end of the process, the cotton they produce is clean. It's _____. It's untouched by human hands. And this is a big deal to the complicated factories around the world that make our t-shirt. In Indonesia, Anil Tibrewel told us that the many countries still _____ cotton. And those countries end up with a lot of trash in their cotton bales.

6. The _____ comes from human beings – plastic bags, chips bags. If there are, say, 5,000 people picking cotton in the field, they can throw any kind of things and that comes with the cotton.
7. One more thing about American cotton: It's not actually that much more expensive, and this is the final reason why America _____ more cotton than anyone else in the world.
8. Subsidies get complicated, but for the 4,000 acres of cotton that Bowen and his family farm, the operation could be expected to get more than \$100,000 in _____ from the _____.
9. And to be fair, other countries also support their agricultural products in various ways, but no one does it as effectively as the United States. U.S. farmers have big farms. They buy big machines. They take big risks. And the government has a big _____ for them.
10. He and the other drivers are on track to harvest _____ of cotton this fall; enough cotton, in other words, from this one farm in Mississippi to make a t-shirt for every person in New York City.

Name: _____ **Period:** _____

Next Stop Bangladesh As We Follow Planet Money's T-Shirt

1. What John Martin doesn't know - most people don't - is that there's a pretty equation that has to line up in order for us to get our clothes this cheap. _____ is a big part of that equation.
2. It takes _____ just to sew our shirt together - six on the sleeve, three on the neck. So many hands on just one shirt.
3. How much did it cost to make our shirt? It's about _____
4. In that _____ is the cost of cotton, the cost of turning that cotton into fabric. A dollar-50, so that leaves 50 cents. What's in the 50 cents? Ashu says that's everything else: overhead, profit for Clifton. But mainly, it's people: managers, supervisors, and the many, many workers, all crammed into just _____.
5. And there you have it, ladies and gentlemen, the _____ place in the world to make a t-shirt. That's according to Jalal Chowdhury, who founded this company - which is another way of saying Bangladesh has the _____ workers in the world for this kind of work.

6. Over the last few months, there have been violent protests in Bangladesh, workers demanding a _____.

7. Now Bangladesh is way closer to the garment-making world, and her biggest fear is that her _____ will go somewhere else. In fact, she had a customer recently say, you know, you're as expensive as _____ right now.

8. The price of cotton just about _____, and cotton is a much bigger portion of the total cost of a t-shirt than the labor is. If you're making cotton t-shirts and cotton goes up by that much, it's hard to not pass that cost on to the end _____.

9. But for decades, labor has been different. There's always been a place you could get it cheaper. First, it was Japan, then it was Korea, China. Lately, it's been Bangladesh. But Marion Smith says we might be at the point where _____ is becoming more like cotton. There's no place to get it cheaper.



Your cast-offs, their profits

Items donated to Goodwill and Salvation Army often end up as part of a \$1 billion-a-year used-clothing business.

By Dan Chapman, Published: December 24, 2006

It's that wonderful time of year when Americans empty closets, load SUVs and head to Goodwill or the Salvation Army for their annual feel-good purge of unwanted clothing.

The poor receive free shirts, pants and sneakers. Jobs are created. Savvy shoppers find bargains. Donors receive a tax break and the likelihood that wardrobes will be replenished with the holiday gift-giving frenzy.

Everybody wins, everybody profits -- including little-known clothing resellers in Atlanta; Houston; Toronto; Dakar, Senegal; Santiago, Chile; and Tokyo.

Secondhand clothing fuels a billion-dollar-a-year, globe-spanning industry. A Jay-Z-emblazoned T-shirt discarded in Cobb County, for example, becomes a prized possession in Ghana, changing hands a dozen times while profiting clothing brokers, bundlers, traders, shippers, merchants and peddlers.

Goodwill Industries, the Salvation Army, thrift shops and other nonprofits sell thousands of tons of donated clothing annually, bundling together items that don't sell in their stores for brokers who pay pennies on the pound.

The brokers -- who bought nearly \$2 million worth of used clothes from Goodwill Industries of North Georgia last year -- then divide the blouses, boots and belts depending on price, quality, style and demand.

Cast-offs may be cheap, but used-clothes consumers insist on quality. All items must be

clean, untattered. Styles vary from country to country.

A cotton-picker in Mali prizes a hand-me-down Nelly T-shirt. A mother in Tanzania prefers conservative blouses. Cold-weather Chileans like flannel shirts. Old blue jeans and anything Mickey Mouse bring top dollar in Japan.

Used clothing is a commodity like any other, buffeted by the same global currents impacting the agricultural and manufacturing industries. U.S. exports topped \$259 million last year.

China, not surprisingly, threatens secondhand clothing brokers in the United States and Europe with new and cheap items sewn in Asia and sold in Africa. Rich-country castoffs are also blamed for stunting the growth of an African textile industry.

And critics exhibit moral queasiness induced by the sale and resale of donated and discarded clothing from the world's richest and most powerful nation to some of its poorest.

But even in countries that detest Washington's policies, people like the cachet afforded by Tupac Shakur, Bon Jovi, Calvin Klein and Ralph Lauren. Used clothing plays a subtle role in the battle for the world's hearts and minds.

"I believe firmly that if you give something away, good things will come back to you," Smyrna's Pam Lea said last week outside the Goodwill Donation Center on Roswell Road. "Christ was really smart when he said cast off your material possessions. It's a sin to hold back."

Secondhand's first stop

A stream of sedans and SUVs deposited years' worth of clothes, shoes, books, toys and more at Marietta's Goodwill Center last Tuesday afternoon. James Papp, a textile industry retiree, was surprised to learn that the clothes unloaded from his Lexus might end up in Africa.

"People tend to think that where they bring their [clothes] is where they're sold from," he said. "I'd like it a little better if they sold it here. But I don't have a big problem with it."

Americans, on average, give away or throw out 68 pounds of clothing and other textiles each year -- 2.5 billion pounds total -- according to the Secondary Materials and Recycled Textiles trade association.

Papp's clothes, plates and picture frames were sorted by employees wearing blue aprons and placed into plastic bins in the store's back room. The good stuff -- mens' shirts (\$4.39 apiece), women's skirts (\$4.59), T-shirts (\$2.09) -- fill racks and shelves in the cavernous salesroom out front.

"This is a very profitable business that operates on totally free merchandise," said Lea, who once scoured thrift stores for vintage clothing to resell. "It's a huge, hidden industry, and most people don't understand the amount of money involved."

Neither Goodwill nor the Salvation Army track donated clothing tonnage.

Goodwill's 20 North Georgia stores, though, earned roughly \$16 million last fiscal year from in-store clothing sales. The nonprofit employment and training agency took in an additional \$1.8 million selling clothes to brokers. All earnings, according to spokeswoman Elaine Armstrong, get plowed back into job training and placement programs.

In Atlanta, the Salvation Army weeds out one-fourth of its donated clothing before sending racksful of shirts, pants, pajamas and linens to six retail stores. Roughly three-fourths of the clothing sells within a week. The remainder is returned to the downtown warehouse, bundled and sold to

brokers, said Kaye Hood, office manager for the nonprofit's adult-rehabilitation center.

"People don't want to think of an organization that collects [clothes] and helps the public making money," Hood said, adding that profits help treat alcohol and drug abusers, fix trucks, pay salaries and expenses.

Brokers pay the Salvation Army about 11 cents for each pound of secondhand clothing. Goodwill charges about a penny less.

Atlanta via Africa

As a boy growing up in Sierra Leone, Lamin Bah coveted his Lionel Richie T-shirt.

"Wearing American clothes makes you feel like part of American culture," said Bah, who owns Global Clothing Industries, a fabric recycler off Fulton Industrial Boulevard.

He came to Atlanta a decade ago and transformed the immigrant dream into entrepreneurial reality. Bah, 37, sold used cars in Union City, then ice cream and water on the street during the Olympics. He rehabs and rents homes in Macon and Clayton County. He owns a hair and braiding salon managed by wife Zainab, also from West Africa. Bah, a U.S. citizen since 2003, bought the clothing brokerage last year.

Once, maybe twice a week an 18-wheeler filled with bales and bags of clothing, shoes, toys and more arrives at Global Clothing's 25,000-square-foot warehouse. Used-clothing middlemen charge Bah as much as 15 cents per pound for bales procured from as far away as Texas.

The clothes are whisked into the recycling room, where a handful of Hispanic and African men and women alongside a conveyor belt separate the clothes by category:

- "Vintage" clothing: 1960s-era blue jeans, tie-dyed T-shirts, old cowboy boots, Disney-labeled products represent used-clothing gems. Specialty stores, especially in Japan, pay big bucks.

- Regular clothing: Grades 1 (almost new), 2 (fairly new) and 3 (worn out). Eighty percent is exported to Africa, Latin America and the Caribbean.
- Sweaters: Cold-weather South Americans buy well-maintained pullovers. Lower-quality ones end up as insulation or mattress pads.
- White and color wipers: Overly faded T-shirts are turned into industrial fabrics or cleaning rags.
- Trash: Ripped, torn, stained, unsaleable clothing. Ten percent of the cast-offs get cast-off again -- into the landfill.

Compressed into 1,000-pound blocks, the saleable bales are then wheeled into a large room with mountains of "tropical mix" shirts and pants, Beanie Babies, belts, shoes, boots, handbags, hats and bicycles awaiting shipment by truck or train to ports in Savannah and Charleston. The bales end up in Togo, Tanzania, Jamaica and beyond.

"What people look for is good, used clothing. Even the poor have dignity and pride," Bah said. "And everybody wants American clothes."

Blouses and skirts appeal to conservative Muslim women in East Africa. Latin Americans, further up the economic ladder, prefer stylish and expensive hand-me-down clothes made by Calvin Klein or Ann Taylor. Africans want Nikes and Reeboks; South Americans prefer boots. West Africans love Hollywood stars and African-American rappers.

"Just believing you are part of American culture is big in Africa," Bah said. "They admire African-Americans that have made it big knowing where they came from originally -- slavery."

A global \$1 billion

The global secondhand clothing trade has zoomed tenfold since 1990 to \$1 billion annually, according to the United Nations. More than one-fourth of all African clothing imports have been previously worn.

African brokers pay up to 24 cents per pound for Bah's shipments. The thousand-pound bales are then broken into 100-pound blocks.

Hundreds of thousands of Africans handle, clean, repair, restyle and distribute used clothing. Critics, though, contend that Americancast-offs inhibit the establishment of an African textile industry and thwart development. The industrial revolutions of the United States and Britain, they note, began with textiles.

Twenty-five countries, including South Africa and Nigeria, ban or restrict the importation of used clothing, mainly to protect domestic industries.

Yet even Oxfam, the anti-poverty nonprofit known for its criticism of well-to-do country trade policies, doesn't blame hand-me-downs for the sorry state of African textile production. Secondhand clothing is "indisputably beneficial for consumers in developing countries," Oxfam concluded.

"And maybe it will help people think better of Americans," said Marietta's Papp.

Bah, who said he has yet to make money on used clothing, plans for the future. Ukraine and Uzbekistan seem like profitable markets. Bah also plans to ship Tommy Hilfiger, Fubu and baggy jeans to Africa.

His industry's biggest challenge, though, is finding enough cast-offs to fill the world's sartorial demands. Bah has faith, though, that American profligacy and benevolence will make the world a better place.

"Even though brokers and thrift stores sell the clothes, the American people should be proud that they're making a difference in the world," he said. "Otherwise, some people would not have clothes to wear."

A young woman in a Mali village market wears a 50 Cent T-shirt with her smile. West Africans tend to admire Hollywood stars and African-American rappers. "They admire African-Americans that have made it big knowing where they came from

originally -- slavery," said Lamin Bah owner of Global Clothing Industries.

Lamin Bah, owner of Global Clothing Industries, says, "Wearing American clothes makes you feel like part of American culture."

For more information, visit:

http://www.fairwertung.de/fix/doc/0612_USA_SecondHandClothing.pdf

Natural Resources

6. What raw materials are used in the production of the iPhone?

7. Where are these raw materials found?

Manufacturing: “The iPhone as a Global Effort”

8. What does the term “subcontracting” mean?

9. Name some of Apple’s subcontractors. What part of the final product are they responsible for? Where are they located?

10. Which two firms are primarily responsible for “putting” the pieces together into the final product?

Consumption

11. How many iPhones has Apple sold since 2007?

Class Discussion: Global Labor and Ethics of Global Operations

12. How has the iPhone raised moral & ethical questions about global trade and labor?

13. Would you spend 10% more on products to ensure that they are produced without sweatshop labor? 20%? 50%?

Former Apple product manager recounts how Jobs motivated first iPhone team

By **Katie Marsal**, Published: February 3, 2012

This insight into the thought process during the early days of the iPhone's development was shared during a lecture at a California school by former iPhone product marketing engineer Bob Borchers, who may be best known for his appearances in some of the iLife and iPhone guided tour videos.

"What's interesting is that the challenge Steve laid out for us when we created the iPhone wasn't to make a touch-screen device that would play apps and do all of this stuff," Borchers told students. "His [charge] was simple. He wanted to create the first phone that people would fall in love with. That's what he told us."

"Now if you're an engineer, like I am by training, you're like 'what the heck does that mean?'," he said. "But he was right. The idea was, he wanted to create something that was so instrumental and integrated in peoples' lives that you'd rather leave your wallet at home than your iPhone."

Borchers noted that Apple's success largely stemmed from focusing on only a handful of fundamental concepts: break the rules but do so in an exceptionally well manner, pay attention to detail and make people "think differently" about the relationship they have with their device, especially given that smartphones already existed in the market.

The product had to be a revolutionary mobile phone, the best iPod to date, and also let users carry "the internet in their pocket," the latter of which was somewhat of a foreign concept at the time, Borchers said. Downloadable apps, advanced GPS capabilities, video and photography features, and voice integration weren't part of the original mandate.

Instead, those featured blossomed from Apple's successful formation of a platform that could continue to surprise and delight users over time, with Jobs in particular exercising his penchant for perfection and attention to detail every step of the way.

For instance, Borchers recounted how the original iPhone almost shipped with a plastic touchscreen but right before its debut, Jobs confronted his team with the concern that while the plastic would protect the underlying LCD, it would scratch when users kept it in their pocket with keys and other items. This prompted his team to improvise on the spot, convincing Corning to resume production of its then-abandoned Gorilla Glass, which turned out to be the superior solution.

[...]

For more information, visit:

http://appleinsider.com/articles/12/02/03/former_apple_product_manager_recounts_how_jobs_motivated_first_iphone_team



Editorial: iPhone as a Global Effort

Published: Tuesday, November 18, 2014

The iPhone is a global effort. Tens of thousands of people at more than 30 companies around the globe work together to make Apple's phone possible. Apple, of course, designs the phone itself, as well as the operating system iOS, and many of the chips found within iPhone, but the story of the iPhone is one that brings together key players around the globe and presents a unique look at the global commodity chain.

While Apple may design many of the chips found in iPhone, there are still many others which are sourced from a host of other companies. Some of the companies are well known, like LG Display, or Sony, who supply the iPhone's display and iSight camera system, respectively, while others are less famous, like NXP from the Netherlands, Bosch Sensortec from Germany, and Murata from Japan.

When it comes to putting the phone together, assembly happens at two primary manufacturing centers: Foxconn and Pegatron. Foxconn Technology Group is a multinational business group headquartered in Tucheng, Taiwan that produces consumer and professional technology goods for many major technology firms, including Samsung, HP, and Dell. Pegatron is another Taiwanese firm, headquartered in Taipei, which serves as one of the major assemblers for the world's technology firms.

Foxconn is currently Taiwan's No.1 manufacturing conglomerate by market revenue, and was founded in 1974 by Terry Gou. Workers who assemble iPhone and other consumer electronics are expected to live on-site. The facilities boast a

hospital, fire station, swimming pool, athletic field, a separate area for the basketball courts, and even a bookstore.

iPhone pulls together the skills of developed and developing nations. Developed nations more often than not provide the knowledge and design behind the product, while developing countries provide the labor necessary to assemble it all. This is not dissimilar to the travels of a t-shirt; both products represent a collection of skillsets from the different levels of development around the world.

For more information, visit:

http://press.ihb.com/sites/ihb.news/bq.businesswire.com/files/press_release/file/6_Plus_Key_Vendors.jpg

Name: _____

Period: _____

Where is iPhone 6S Made?

Contribution	Manufacturer	Manufacturer Headquarters
Accelerometer	Bosch	Germany
	Invensense	United States
Audio Chipsets and Codec	Cirrus Logic	United States
Baseband processor	Qualcomm	United States
Batteries	Samsung	South Korea
	Huizhou Desay Battery	China
Cameras	Sony	Japan
	Omnivision	United States
Chipsets and Processors	Samsung	South Korea
	TSMC	Taiwan
Controller Chips	PMC Sierra	United States
	Broadcom Corp	
Display	Japan Display	Japan
	Sharp	
	LG Display	South Korea
DRAM	TSMC	Taiwan
	SK Hynix	South Korea
eCompass	Alps Electric	Japan

Fingerprint sensor authentication	Authentec	China, but outsources to Taiwan for manufacturing
Flash memory	Toshiba	Japan
	Samsung	South Korea
Gyroscope	STMicroelectronics	France and Italy
Inductor coils (audio)	TDK	Japan
Main Chassis Assembly	Foxconn	China
	Pegatron	
Mixed-signal chips (such as NFC)	NXP	Netherlands
Plastic Constructions (for the iPhone 5c)	Hi-P	Singapore
	Green Point	
Radio Frequency Modules	Win Semiconductors	Taiwan
	Avago Technologies	United States
	TriQuint Semiconductor	
	Qualcomm	
Screen and Glass (for the display)	Corning	United States
Semiconductors	Texas Instruments, Fairchild	United States
Touch ID sensor	TSMC	Taiwan
	Xintec	
Touchscreen Controller	Broadcom	United States
Transmitter and Amplification Module	Skyworks	United States
	Qorvo	

For more information, visit:

<http://www.macworld.co.uk/feature/apple/are-apple-products-truly-designed-in-california-made-in-china-iphonese-3633832/>

Name: _____

Period: _____

Teacher: _____

Comparing the Wealth of Nations
Assignment: Apple's Corporate Social
Responsibility

Apple's Corporate Social Responsibility

Prompt: Is Apple directly or indirectly responsible for the working and living conditions of subcontracted workers in foreign lands?

- Read the provided article: "Something's Not Right Here"

Create a 1- page word document. Make sure your observations reflect the assigned reading.

This assignment is due _____.

Be sure to bring a printed copy to class on the due date.

Something's Not Right Here

Poor working Conditions Persist at Apple Supplier Pegatron

Published: Thursday, October 22, 2015

In an interview with PBS journalist Charlie Rose in September 2014, Apple CEO Tim Cook was asked what values he considers most important beyond those of Apple. Mr. Cook responded:

Treating people with dignity. Treating people the same. That everyone deserves a basic level of human rights, regardless of their color, regardless of their religion, regardless of their sexual orientation, regardless of their gender. That everyone deserves respect.

Right now, in Shanghai, China, a factory owned by the Taiwanese Pegatron Group is pushing out millions of units of the iPhone 6s for Apple. There, its young production workers toil six days a week in 12-hour shifts. Each day they are paid for 10 and half hours of work, not counting 15 minutes of unpaid meetings. The mandatory overtime shift runs from 5:30 pm until 8:00 pm. Most workers will not eat dinner before doing overtime because the 30-break given for a meal is not enough time.

Before overtime pay, workers making the iPhone earn only the local minimum wage of \$318 per month, or about \$1.85 per hour. This is not a living wage. Even if the factory did not mandate overtime as it does, workers would still depend on their 60-hour workweeks to get by.

After their long shifts, workers take a 30-minute shuttle bus back to their dorms where up to 14 people are crammed into a room. Mold grows pervasively along the walls. Bed bugs have spread throughout the dorm, and many workers are covered in red bug bites.

In his interview, Mr. Cook went on:

One of the best ways you can make sure that things are happening well is if people stand up and say, "Something's happening that's not right here." We've audited so deep in our supply chain. We do it constantly, looking for anything that's wrong, whether it's down to the -- there's a safety exit blocked.

While working undercover at the Pegatron factory in Shanghai, CLW's investigator was never told the locations of emergency exits and never participated in an emergency drill. In fact, at the massive production facility, which employs up to 100,000 people, the investigator never even located an emergency exit.

Despite providing only about eight hours of pre-job safety training—where Chinese law requires 24 hours—Pegatron forces each new worker to sign a form that “certifies” that she has undergone 20 hours of safety training. A worker also must sign a trainer's name on the form. The factory has workers quickly copy answers to the safety information quiz. These falsified forms are the types of documentation that are provided to Apple in their audits.

The production of an iPhone involves a great number of chemicals. Pegatron gives new workers an information sheet that contains a short list of toxic substances, including cadmium, mercury, hexavalent chromium, and arsenic. Yet no one tells workers anything about the location of these or other substances in the production process or how a person should protect herself from injury.

Something's Not Right Here

Apple earned about \$40 billion in profit last year. Its final quarter in that year, during which the company pulled in \$18 billion, was the most lucrative quarter in the history of mankind. Apple is on course to earn over \$50 billion in 2015.

Mr. Cook is right when he encourages people to stand up and say, "Something's happening that's not right here." But Mr. Cook has yet to clearly hear and respond when we say it: Something's not right about the way Apple is doing business.

A portion of Apple's historical profits is squeezed out of the low pay and illegally poor working conditions of over a million Chinese workers. In February 2015, a CLW report suggested that even using the most conservative estimates, Apple would need to invest up to 10 percent of its profits to ensure that workers making its products enjoy fundamentally improved working conditions. Yet the low pay, long hours, unpaid work, poor workplace safety, and despicable living conditions persist.

Something's not right here.

Half of the workers hired at Pegatron are temp workers, though Chinese law only permits 10 percent of a workforce to be temporary labor. Under short-term contracts, these workers are treated as though they are disposable.

Something's not right here.

Two Years with Little Progress

In July 2013, CLW published an in-depth investigative report on working conditions in Shanghai and Suzhou-based factories of Pegatron Group. The report, *Apple's Unkept Promises*, detailed an array of serious labor rights violations and compared the reality of working conditions in Pegatron plants to the commitments that Apple publicizes in regard to labor rights.

In the two years subsequent to the report, CLW also documented several cases of the sudden deaths of young iPhone workers due to abnormal or unexplained causes at Pegatron Shanghai. One instance was that of a child worker, Shi Zhaokun,

who often worked 13 hours a day before his sudden death from pneumonia in October 2013. Another worker, 26-year old Tian Fulei, died in February 2015 of what the hospital deemed "sudden death." Both workers had been employed on Pegatron's iPhone production lines.

In September and October 2015, CLW conducted a new investigation of the working conditions at Pegatron's Changshuo factory in Shanghai, which is currently producing the iPhone 6s. Findings are based on undercover research by a CLW investigator who was hired at Pegatron as a production line worker, as well as the calculation of data from 127 Pegatron worker pay stubs, about two-thirds of which cover working hours and wages from September 2015. During the investigation, CLW conducted dozens of interviews with Pegatron workers.

CLW's newest investigation reveals 23 categories of legal and ethical labor rights violations at Pegatron Shanghai.

Applicants must pay for their mandatory pre-job physical exam. Despite Pegatron forcing workers to sign forms verifying that they have undergone 20 hours of pre-job safety training, workers only participate in eight hours of training. The Chinese statutory minimum is 24 hours. Moreover, the training does not touch upon the specific toxic chemicals which workers may handle every day. Pegatron even hands out information to new workers that lists a number of hazardous chemicals, including arsenic, hexavalent chromium, mercury, cadmium, and lead. Despite the significant toxicity of these chemicals, factory personnel provided no further information about the way in which these chemicals are used at Pegatron, the possible harm to human health, or how workers can protect themselves. Workers do not always receive protective equipment, and even if they do, a lack of awareness leads many people to use the equipment improperly.

Part of the risk to workers' health is posed from excessive working hours. CLW's investigation shows that in 2015, Pegatron Shanghai workers' median overtime per month was 80 hours (83 hours in the busy season). During their 12-hour

shifts, workers are given only 50 minutes for lunch and 30 minutes for dinner; the second meal break is so short that most workers forego dinner until they clock-out after 8 pm. CLW's investigator worked on one iPhone motherboard unit every 3.75 seconds, standing for the entirety of his 10.5 hours of daily work. When the worker next to them takes lunches and dinners, workers must pick up their neighbor's workload. Laboring under this schedule six days per week, during the busy season Pegatron workers earn about 4,000 RMB (\$629) per month, of which approximately 1,750 RMB (\$275) is overtime pay. In addition to this low-wage exploitation, the workers are required to attend unpaid meetings, equating to 15 minutes of unpaid overtime each day (6.5 hours per month).

Pegatron tells its employees that it pays for both the employer and employee portions of mandated insurance contributions. Yet workers cannot verify the insurance contributions through their pay stubs, which no longer include any information about workers' insurance. Pegatron's employee service center also does not provide insurance figures. Furthermore, Pegatron does not contribute to workers' housing funds, a mandatory benefit under Chinese law. The poor conditions do not end in the workshop. Pegatron workers' dorms house up to 14 people per room, where dark mold spreads along the walls and bed bugs are rampant.

[...]

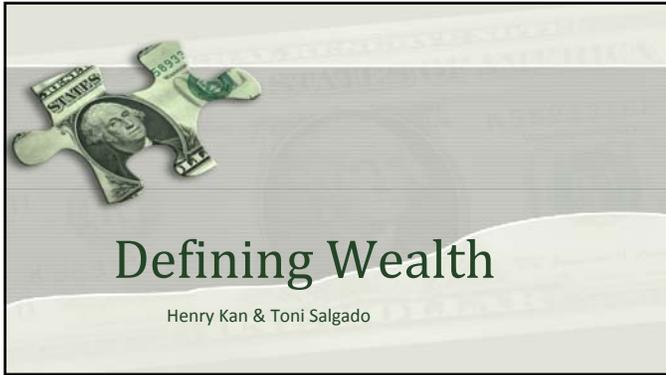
For more information, visit:

http://www.chinalaborwatch.org/upload/2015_10_21/2015.10%20Apple%20Pegatron%20report%20FINAL--compress.pdf

WEALTH OF NATIONS

Unit II: Defining Wealth





Examples of Personal Wealth

Material Wealth	Non-material Wealth
<p>Possessions:</p> <ul style="list-style-type: none"> • Cars • Houses • Clothes • Assets <p>• Think QUANTITY</p>	<ul style="list-style-type: none"> • Health • Relationships • Values • Beliefs • Happiness <p>• Think QUALITY</p>



Gross Domestic Product

Gross Domestic Product

"GDP is the **market value** of all **final goods and services** produced **within a country** in a given **period of time**."

Gross Domestic Product

- The final count of how much money a country made from selling its **goods and services**
- Used to determine the **SIZE** and **HEALTH** of the economy at a point in time

Breaking down GDP...

We can define **GDP** by looking at the following terms entirely...

Let's use Apple as an example.



Breaking down GDP...

Goods: something you can see, use, and hold (tangible items)



Breaking down GDP...

Services: something done for someone else (intangible)



Breaking down GDP...

Final Good and Service: the end product being sold to a consumer (customer)



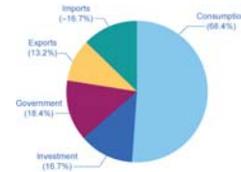
Breaking down GDP...

Market Value: how much the final good or service charged and sold for in the marketplace (e.g. price)



Breaking down GDP...

Within a country: everything made inside a state's geographic boundaries



Breaking down GDP...

Period of time: usually reported quarterly (every three months)



Per Capita GDP

GDP per Capita is sometimes a more accurate representation of a state's wealth

$$\text{GDP per Capita} = \frac{\text{GDP}}{\text{Total Population}}$$

GDP per capita literally means GDP "per head" and is good for comparing countries

What Does GDP Not Measure?



Standard of Living

Standard of Living: the level of wealth, comfort, material goods and necessities available to a certain socioeconomic class or a certain geographic area



Standard of Living

Based On:

1. Income
2. Employment opportunities
3. Poverty
4. Costs of goods and services
5. Life expectancy
6. Climate

Quality of Life

Quality of Life: the subjective standard of health, comfort, and happiness experienced by an individual or group



Quality of Life

In the *Universal Declaration of Human Rights* the UN considered the following when evaluating quality of life:

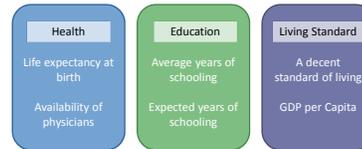
- Freedom from slavery and torture
- Equal protection under law
- The right to privacy and to marry
- The right to have a family and vote

Things that make life *meaningful*

- Happiness level
- Quality education
- Lasting friendships

Quality of Life

The Human Development Index (HDI): a measure of average achievement in 3 key dimensions of human development



What is NOT part of GDP?

Unpaid Duties

- Stay-at-home parents
- Work that is not paid (e.g. helping out at a parent's office, mowing the lawn, cleaning your room)



Unreported Activities

- Underground economy ("under the table" work)
- Illegal activities (narcotics trade, black market arms deals)
- Reselling items (garage sales)



Problems with GDP

GDP doesn't measure:

- *Health of the environment*
- *Cost of living*
- *Equity/Income Distribution (Recall the GINI Index)*
- *Happiness*

Can you define these key terms?

1. Domestic Product
2. Good
3. Service
4. Standard of Living
5. Quality of Living
6. Per Capita GDP
7. FINAL Good or Service
8. 2 Measurements of Welfare
9. Material vs NON-material Wealth
10. Market Value vs TOTAL Market Value



We hope you enjoyed this preview of

Comparing the Wealth of Nations.

For a complete edition, please contact:

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