

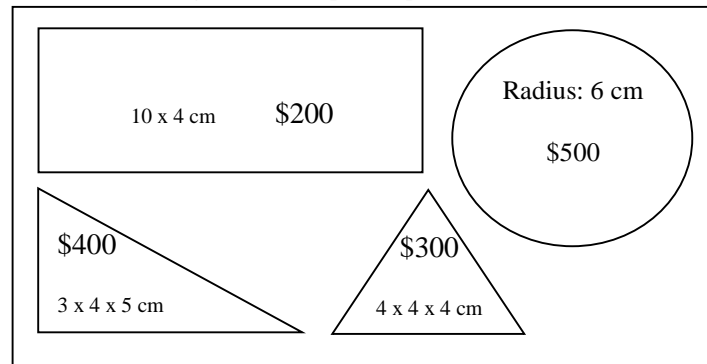
THE TRADE GAME

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GAME PREPARATION

The Trade Game simulation allows students to act as states seeking prosperity through material wealth. Within the simulation, raw resources (i.e., copy paper and construction paper) are manipulated with technologies (e.g., pencils and scissors) to create specified material goods (represented by paper products with dimensions discussed in Figure 1) to trade on the international market. Because of the active and creative nature of the activity, some preparation by the instructor is required.¹ The students will compete with each other to create and sell paper-based products. To accomplish this, each group will require basic supplies, such as rulers, paper, and pencils. See Figure 2 for a sample supply list.

Figure 1. Sample Paper Products



Some of the paper products require compasses and protractors to construct. To avoid having to secure multiples of these items, we recommend creating templates of some of the more complex shapes beforehand and distributing them instead. For ideas regarding the paper goods, see Figure 1. Also, the trading aspect of the game requires that the groups have hard currency. We recommend creating a design for a \$50 note electronically and printing several sheets of them before the simulation day. The necessary amount of bills will depend on the number of groups; for our suggestion contingent on 40 students, see Table 2. Furthermore, the necessary amount of bills will correlate with the predetermined, initial prices for the products and the materials on the “open market”; see Figure 1. Finally, the furniture of the classroom may have to be rearranged to accommodate the groupwork.

Figure 2: Sample Distribution of Students and Resources

	Classification	Students	Initial Allocation of Resources	Initial Cash on Hand / Initial Account Balance
Group 1	Developed State	4	3 pairs of scissors, 2 rulers, 2 templates of compass-drawn goods, 2 triangle templates, 4 sheets of copy paper, & 4 pencils	\$500 / \$1000
Group 2	Developed State	4	3 pairs of scissors, 2 rulers, 2 templates of compass-drawn	\$500 / \$1000

¹ All of the tables in this paper reflect a simulation designed for 40 students; of course, supplies and allocations can be altered to accommodate other class sizes.

			goods, 2 triangle templates, 4 sheets of copy paper, and 4 pencils	
Group 3	Mid-Range State	6	8 sheets of copy paper, 5 sheets of construction paper, 2 pencils, and 2 glue sticks	\$250 / \$500
Group 4	Mid-Range State	6	8 sheets of copy paper, 5 sheets of construction paper, 2 pencils, and 2 glue sticks	\$250 / \$500
Group 5	Developing State	7	20 sheets of copy paper and 3 pencils	\$0 / -\$1000
Group 6	Developing State	8	20 sheets of copy paper and 4 pencils	\$0 / -\$1000
Group 7	MNC / Open Market	5	Any “open market” materials	\$250 / \$500

CONDUCTING THE SIMULATION

The students will be divided into groups that represent different types of actors within the international system. Most groups will perform as states, though their size and initial allocation of resources will reflect varying levels of wealth. Developed countries will begin with relatively few people and raw materials (e.g., copy paper), but they will possess more technologies, such as scissors and templates. Developing countries will contain more people and raw materials, but they begin with fewer technologies. Mid-range states fall between the other two categories. The states may allocate internal duties and responsibilities as they wish, but one member of each group must serve as that state’s representative to the World Trade Organization. The WTO can be called into session throughout the simulation by the instructor to address trade grievances.

Figure 3. Sample Rules of the Game

- All products must have sharp ends, be cut with scissors, and have the exact dimensions as the products drawn on the chalkboard.
- When your group has produced 5 examples of one product, you can present this to the commodities broker. If the quality is acceptable, the amount of money your products are worth will be added to your bank account.
- You are only allowed to use distributed resources and equipment.
- One member from each group will represent the group at the World Trade Organization. The WTO will mediate trade disputes between and among countries, and the facilitator can call it into session at any time.
- Only the money in your bank account when the game ends counts toward your final total.
- You are allowed to trade with other nations for technology or resources. Also, your group is allowed to impose restrictions or taxes on trade with other countries and to create trade agreements and treaties with other countries.
- Report all trade restrictions and agreements to the WTO upon implementation.
- You can withdraw and/or deposit money from your bank account at any time free of penalty.
- Once the game begins, the instructor will not answer any questions.

Figure 4. Sample Simulation Timeline

Time	Activity
Start	Group 4 gets an offer for a loan from the IMF. Group 5 discovers that it has already accepted a loan from the IMF for \$300. Group 5 is placed simultaneously under sanctions for human rights violations and can no longer trade with other states, nor receive new IMF loans until 20 minutes into the simulation. However, it can still trade with the commodities broker. Group 3 is notified of its ability to circumvent sanctions regime if it so chooses.
5 Minutes	Group 1 is advised to flood the market with triangles in order to lower their price and thus punish Group 5 for producing goods in light of the sanctions placed on it.
20 Minutes	Deliver notes to Group 1 and Group 2 regarding the use of colored paper and glue to increase value of goods by 4 times the value. Deliver notes to Groups 4 and 5 regarding new IMF guidelines for loans (i.e. structural adjustment policies).
30 Minutes	Deliver note to Group 1 regarding the development of the protractor technology (give them semi-circle template) and the new 15cm semicircle product worth \$300/unit. Deliver note to Group 2 regarding new competitive advantage in producing 12x7 rectangles now worth \$500/unit.

DEBRIEFING AND REFLECTION

At the completion of the simulation (about 30-45 minutes), the instructor should ask students to take a few minutes to reflect on the events of the activity with their other group members. At this point, the instructor can either have groups answer the following sample discussion questions mentioned in Figure 5 as a class or have students use the questions and their observations to write a reflection essay for homework. Either way, the primary objective to ensure students reflect upon the events of the game and to connect the activity with content from the course on the subject of global trade.

Figure 5: Sample Discussion Questions

- What did the paper, scissors, rulers, and compasses represent during the game?
- Who owns the world's natural resources? Who owns the world's technology? What does this say about how the global trade system will, does, and should function?
- Who 'won' the game and why?
- What kind of country were you in the game? Why do you think that?
- Which country would be closest to what the United States is today? Why?
- What was not fair about the game?
- What does the game inform us about the real world and how global trade works?
- What does it feel like to be poor or rich in regards to game and how trade was conducted?
- Would you change the system of global trade? Why? How would you do it?
- Why might it be difficult to alter the system?
- What roles did international organizations such as the World Trade Organization (WTO), World Bank, or United Nations (UN) play in the game?
- What role did the black market play in the game? Why was it significant/insignificant?