Social Studies 10-2

Unit 3: Globalization and sustainable prosperity

Trade challenges and opportunities

Four people around one parts plant

- A worker in a Canadian parts plant learns that an assembly task is moving to a sister plant in Mexico.
- A consumer in Lethbridge sees a lower sticker price on boots after a tariff cut.
- A provincial government courts a battery investor from abroad, and a river town downstream asks about effluent.

Stakeholders in trade

- A tariff cut can open a wider market. That is trade liberalization.
- Money from outside the country that builds activity here is foreign investment.
- Rising output and rising incomes are economic growth.
- Outsourcing can lower a firm's costs and can move a worker's task to another workplace or country.
- The knowledge economy pays people for specialized skill, such as designing software or running a lab.
- A river town can carry the pollution that comes with the same wider trade.

Key terms

trade liberalization

Trade liberalization is a government choice to lower tariffs, quotas, or similar official barriers on cross-border goods and services.

foreign investment

Foreign investment is money from outside a country used to build, buy, or expand a productive activity inside that country.

outsourcing

Outsourcing is a firm's decision to move a task to a different supplier or a different country while the firm sells the result.

knowledge economy

The knowledge economy is economic life organized around specialized skill, research, and services.

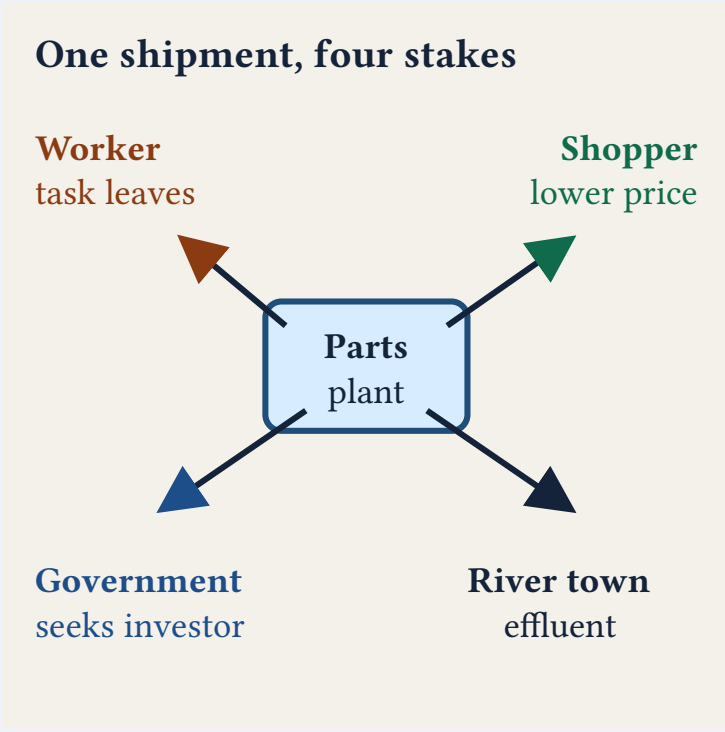
Key terms

CUSMA

CUSMA is the Canada-United States-Mexico Agreement, in force since 2020, which sets trade rules among those three countries and replaced NAFTA, in effect since 1994.

Four people, four stakes

- The worker whose task moves carries an outsourcing challenge. The shopper who pays a lower price meets an opportunity from trade liberalization.
- A government seeking a battery investor treats foreign investment as an opportunity. A river town living with effluent carries an environmental challenge.
- Economic growth can raise incomes and public revenue. The knowledge economy pays people for specialized skill, a different pattern from a routine task that moves.



Stakes in CUSMA

- A classroom case follows auto parts moving among Canada, the United States, and Mexico under CUSMA, the trade agreement among those three countries.
- NAFTA, the North American Free Trade Agreement, took effect in 1994. CUSMA came into force in 2020 as the agreement that replaced it.
- The worker, the shopper, the government, and the river town each keep a different course term.

Two trade cases

- A premier offers a site to a battery investor from another country, beside a town that drinks from the river downstream.
- A Lethbridge shopper finds a lower price on imported boots after a tariff cut.
- Write the opportunity and the challenge for each scene, with the program term named.

Review

- A tariff cut trims the sticker price of imported boots for a shopper in Lethbridge.
- From memory, name the program term and one person who meets an opportunity.
- Add one person who can meet a challenge from the same cut.

Stakes for each person

- Trade liberalization, foreign investment, and economic growth are opportunities when you name who gains a market, capital, or income.
- Outsourcing moves a task to another workplace or another country.
- That move challenges the worker who loses the task at the original plant.
- The firm or the place that receives the work can gain from it.
- The knowledge economy sells specialized skill. A community can carry environmental risk beside any of these patterns.