

The Idaho Economic Summit

Martha C. Yopp

University of Idaho Center on Economic Education

Jody Hoff

Idaho Council on Economic Education

Background

The Idaho Economic Summit evolved from a program which originated at Borah High School in Boise, Idaho in the early 1990's. It proved to be very popular with students and faculty and grew to include students in other Boise schools. On April 25, 2000, Kali Kurdy, the teacher who developed the Economic Summit project, was named the First Grand Winner of the NASDAQ National Teaching Awards, and received a \$25,000 cash award. Kali Kurdy, one of five previously announced Regional Winners, was chosen number one by a distinguished panel of judges.

Planning & preparation

Preparation of teams to participate in the Economic Summit is an eight to ten week activity. Participating students may be enrolled in an economics class, a business or marketing class, or they may be members of a student organization. Teams are made up of three to five students. Each team is assigned a country for which they become the economic advisors. As economic advisors, each team must assess the social, political, and economic conditions within the country and determine a course of action which will increase the standard of living of the population. They become an expert on that country, its people, its economic and political system, the standard-of-living, and economic base. They become familiar with what resources the country has and what products it produces and what products and services it imports and exports. Students also explore basic economic concepts related to international trade.

Economic summit planning grid

The Economic Summit Project includes 12 lessons. They are:

1. Introduction to the Summit Project.

2. Research country in relation to living standards and the country's classification as a 1st world, 2nd world, or 3rd world country.

3. Explore the relationship between factors of production, choice, and living standards.
4. Explore the concepts of comparative advantage and the benefits of specialization.
5. Barriers to Trade
6. Developing a Strategic Plan
7. Currency and Exchange Rates
8. Develop a Trade Issue suitable for discussion.
9. Explore the Balance of Payments issue.
10. Review Summit activities & Goals.
11. The Economic Summit Event
12. Summit DebriefC How did it go? What did they learn? What might they do differently?

Country classification

The 1st World Country category represents those countries that have the highest standards of living. First World Countries have the largest number of export coupons, cash endowments, and foreign aid obligations. The United States is represented at the Summit but not by a student team. The United States is a vital trading partner for virtually all the countries and the Economic Advisors are a team of adults. Their goal is to help facilitate trade and the awarding of foreign aid to all of the other countries.

The 2nd World Country category is made up of countries that have a fairly decent standard of living but are not as well developed

as the 1st world countries. The 3rd World Country category is made up of poor countries with low standards of living.

The 3rd world countries have the fewest exports and the least amount of cash of the three but they do receive foreign aid coupons they can exchange for additional cash.

Export/import categories

Team members for each country are assigned export coupons based on actual export data. The type and quantity of exports assigned is based on 14 export/import categories. The quantity of exports range from a minimum of 15 coupons for a 3rd World Country up to 60 coupons for a 1st World Country. Each team selects the number and type of imports they need to improve the living standards within their country. Their pre-summit research helps them make these decisions. Each team attempts to import coupons to meet their goals. To do this they must exchange export coupons with other countries.

The export/import categories for the Summit include: unprocessed food, processed food, consumer goods, capital goods, energy, raw materials, electronics, media, banking, defensive military goods, offensive military goods, foreign aid, science and technology, and tourism. These categories are broad and contain many different types of products.

The Economic team members research and study the economic strengths and weaknesses of their country. They determine what the country does well and what resources they need to import. The common theme is improving life for the average citizen. The import goals are included in the team's strategic plan.

Trade alliance

During the Summit, teams have several opportunities to score points. Establishing a trade alliance with several other countries means that countries can trade with each other without having to pay a tariff. All members agree to help each other meet trading goals and obtain cash for internal improvements. All members agree to support each other's trade issues. Each country is limited to two Trade Alliances.

Trade issue discussion & voting

Ten teams are selected to discuss their trade issue at the Summit. Each of them receive 15 points that are not available to teams who are not selected. Each team is given five Signature Cards. Students trade signature cards to show support for their issue. The 10 teams with the most signature cards at the end of the session present their trade issue and respond to questions. Teams receive an additional five points for turning in their ballot and five points for having their trade issue passed.

The trading session

When teams arrive at the Summit they receive a packet for their country containing their export coupons with their country's name on them. Each country will sell or trade these export coupons during the trading session. No coupons are to be exchanged prior to the trading system. The goal during the trading session is for teams to exchange their export coupons for the imports they selected in their strategic plan. Each team that meets or exceeds their import goals will receive 20 points. At the end of the trading session, teams may have some left over coupons. This means they have a trade surplus but these coupons do not count toward their import goals.

Student assessment

Student assessment is based on several criteria. Students prepare a written report on their country together with a map, the flag, and other information about the country and the people. They also prepare an oral report suitable for presentation to the class. They prepare a Strategic Plan detailing what recommendations they have for improving the standard of living in the country particularly in the areas of education, health care, and infrastructure. They actively prepare for and participate in the one-day Economic Summit in their region. Extra points are given if the students are dressed as a team.

Competitive point structure

The day of the Economic Summit, teams of students come together with their strategic plans to negotiate and trade their way toward achieving their economic goals. Each team participates in several rounds of negotiation and trade. Points are assigned based on the following criteria:

\$		All Economic Advisors	
		Dressed as a Team	20 points
\$	Flag Quiz	(1 point for each correct answer)	
\$	Being a Member of a Trade Alliance	maximum 20 points	
\$	Trade Issue Discussed at the Economic Summit	15 points	
\$	Submitted Voting Sheet	5 points	
\$	International Trade Written Quiz	(2 points for each correct answer)	
\$	Import Goals Met or Exceeded	20 points	
\$	Ending Cash Balance = or > to Beginning Amount	10 points	
\$	Purchase of Internal Improvements	(5 points for each)	
\$	Trade Issue Passed	5 points	
\$	Bank Loan Completed	10 points	
\$	Breaking a trade alliance	Minus 10 points	
\$	Failure to repay bank loan	Minus 10 points	
	Currency & Exchange Rates		

Currency & exchange rates

Teams receive currency at the beginning of the trading period based on whether they are a first, second, or third world country.

Third world countries are eligible to receive foreign aid from first world countries.

The SEU (Summit Exchange Unit), pronounced Asee-you@ is the basic unit of value for the Summit. Industrialized first world countries receive SEU's as their currency. Second world, or developing countries receive DEVCO's. The third world or underdeveloped countries are given POORCO's.

1 SEU =2 DEVCOs

1 DEVCO =2 POORCOs

1 SEU = 4 POORCOs

Cash transactions must be conducted in the currency of the exporting country. Each country must end the trading session with their own currency. The Economic Summit Bank will issue loans with collateral of 1 coupon equal to 5 SEUs. All loans will be valued in SEUs and may be issued in the currency of choice. A loan fee of 5 SEUs is charged for each loan.

Each loan must be kept for a minimum of 15 minutes and all loans must be settled prior to the end of the trading summit. Ten points are awarded to each team that completes a loan. Ten points are deducted for failure to repay a loan.

Written paper

The written paper should address the following issues:

1. Facts such as: Population, area, density of population, urban population, GDP, unemployment, percentage of working population in agriculture, manufacturing, services, literacy rate, life expectancy, age distribution, infant mortality, hospital beds, automobiles, physicians, television sets, years of compulsory education, their economic system, human development, economic freedom.
2. Factors of production.
3. What economic system is in place and who owns and controls the economic resources of the country.
4. What type of products and services are imported and exported. What is the monetary unit and its exchange rate with the dollar.
5. List major trading partners as well any trade sanctions or bans.
6. Describe the infrastructure in terms of roadways, airports, railroads, bridges, and dams. Availability of electricity and other public utilities.
7. Health care and education available.
8. What colonial influences exist and is the country free from famine, civil war, depressions, outside aggression.
9. Cultural events, holidays, festivals, celebrities.
10. Include a colored map showing physical characteristics, surrounding countries, important cities, harbors, states or provinces.

11. Include one current event about the country each week.

12. Prepare a 500-word Standard of Living essay about the country and its quality of life.

During the trading session the first world countries are required to give foreign aid to the third world countries. This helps level the playing field. During preparation activities students have a lesson on comparative advantage, trade barriers, trading issues, foreign currency and exchange, and balance of payments.

Additional information

For up-to-date information on the Idaho Economic Summit visit the web site at <http://csi.boisestate.edu/summit>.

An additional resource

Another Idaho project is useful to help students prepare for the Summit and learn about international business and economics. The *International Business, Marketing & Economic Education Curriculum Guide* (1997) brings together information on contemporary business issues from many sources. The information and activities presented in this curriculum guide are comprehensive, user friendly, and free. All of the statistical information was updated in the Spring of 2000.

The entire text of the *International Business, Marketing, and Economics Curriculum Guide* (100+ pages) can be printed or downloaded from our web site located at <http://www.uidaho.edu/edieconomics>.

From the economics page, select ACurriculum@ and then select AInternational Business, Marketing and Economic Education Curriculum.@

Those of us involved with the Economic Summit Project in Idaho are excited about and proud of this award winning international economic activity. Interest has been expressed by the National Council on Economic Education to make the information and the materials available nationally.

For more information about the Idaho Economic Summit Project contact Jody Hoff at jhoff@boisestate.edu or Marty Yopp at myopp@idaho.edu

Bibliography

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