

Economic Analysis of Asia in Middle Schools

By Inder P. Nijhawan and Beth S. Eckstein

INTRODUCTION

A middle grades social studies course with content on Asia typically includes the following economic competencies:

- ◆ Identify resources found in Asia and explain the relationship between the location of resources and economic activities.
- ◆ Analyze the effect of the unequal distribution of resources; explain how people have modified and adapted to their physical environment.
- ◆ Analyze causes and consequences of misuse of the physical environment and propose alternatives.
- ◆ Describe the characteristics of economic systems and how they have changed over time.
- ◆ Define and identify developing and developed regions.
- ◆ Compare the physical and cultural characteristics of regions.
- ◆ Define the effects of interdependence on economies.
- ◆ Assess the causes and effects of increasing international interdependence.
- ◆ Analyze the impact of absolute and relative location of places.
- ◆ Evaluate the influence of beliefs, religious practices, and individuals associated with the major religions.

Embedded in these competencies are the following economic concepts as listed in Table 1.

Teaching these competencies/concepts to a sixth or seventh grader is a daunting task. These concepts should be taught thematically, and not in isolation. Any society's cultural setting reflects the interaction of its values, institutions, traditions, customs, religions and economic forces. Asia is a mosaic of different cultures, varied religions, different economic structures, and a diverse mixture of different races and ethnic groups. Customs, traditions, and institutions in Asia are very different from those in Western cultures.

PURPOSE

Our experience as teachers suggests that the use of the graphically organized map of economic concepts is one of the best ways to help younger students understand different societies. The purposes of this article are (1) to develop an economic model and a graphic organizer that will enable young students to grasp the complex information about different Asian societies; (2) to show the relationships among economic concepts; and (3) to show how economic concepts can be woven into the fabric of social studies.

In what follows, we present a model and a graphic organizer to analyze a society. Sample Web addresses are also included where the most current information can be accessed to facilitate the lessons. The graphic organizer includes most of the economics concepts included in the social studies competencies of the standard course of study of world cultures.

TABLE 1

Wants and needs

Productive resources (land, labor, capital, entrepreneurs)

Choices

Opportunity costs

Trade-offs

Decision-making

Economic systems

Economic institutions

Productivity

Investment

Human capital

Capital

Division of labor

Specialization

Interdependence

Trade

Barter

Money

Markets

Gross domestic product

Developed and developing regions

Economic growth

Employment

Equity

Efficiency

Economic stability

The role of government

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THE GRAPHIC ORGANIZER

The graphic organizer begins with an analysis of the pervasive condition of scarcity that affects all societies. As indicated by the arrows, scarcity can lead to a discussion of choices or productivity. In the remainder of this section the economics concepts map is utilized to better understand elements of sample Asian societies.

Scarcity results from the imbalance of relatively limited resources and unlimited wants. Wants can be collective or individual. Societies may be distinguished based on their relative emphasis on the collective and individual wants. For example, the Japanese place relatively less emphasis on individual than on group or social needs. According to a well-known Japanese aphorism, "the nail that stands out, gets bent over." This predilection in favor of collectivization may in part stem from extreme scarcity of resources and hence the need to compromise individual interests relative to those of society. Students should study various societies and discuss the causes and consequences of over-emphasis on individual or collective wants.

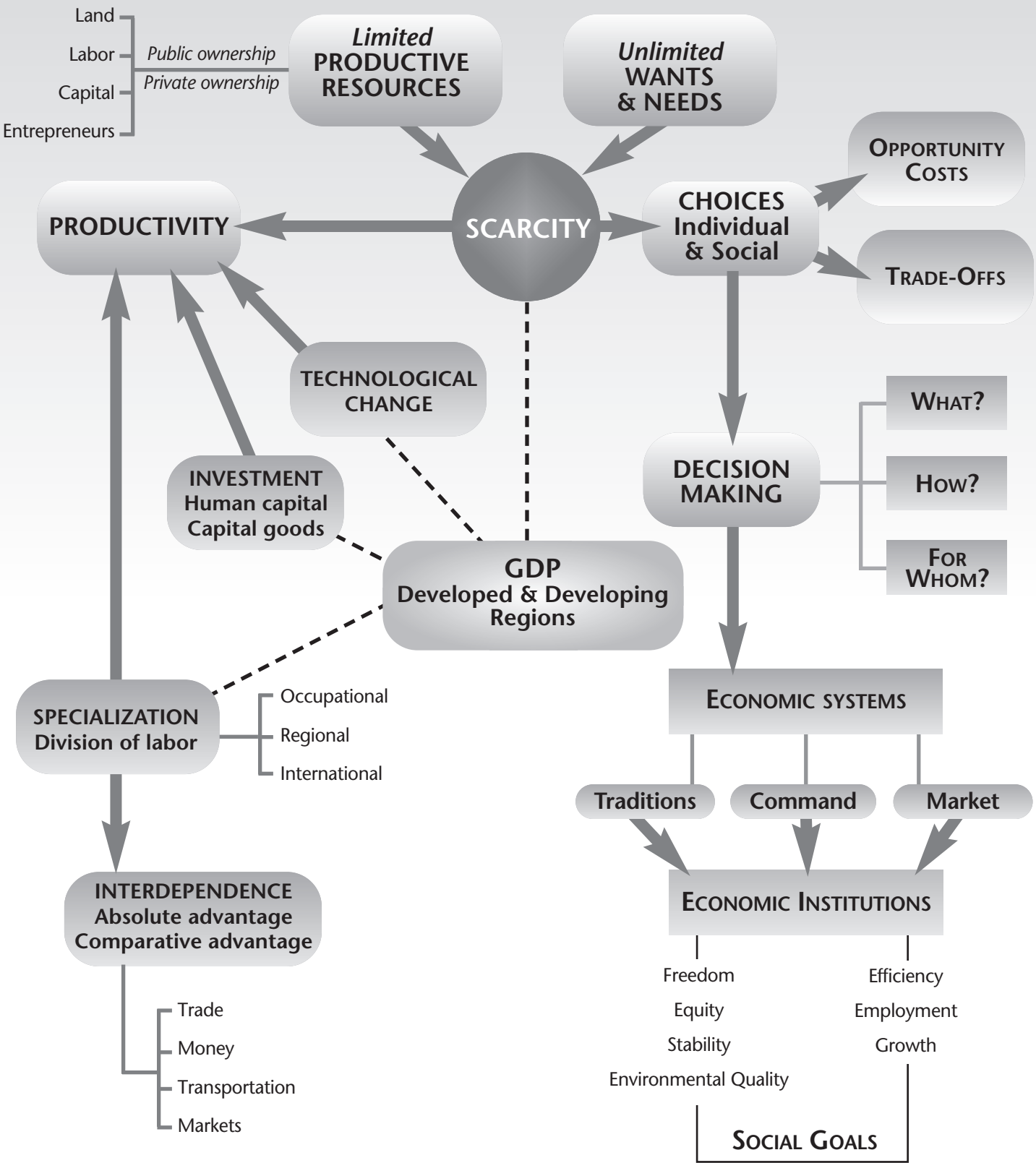
All societies have a resource base consisting of inputs to the production process, which results in desired goods and services. A common way to analyze productive resources is to divide them into four broad categories: land, labor, capital, and entrepreneur. The resource base of a society has definite implications for the wealth of a region as well as its customs, traditions, and attitudes toward life. For example, a dominant feature of India's natural resources is the monsoon. If the seasonal monsoon winds do not arrive on time or bring sufficient rain, the land dries up and the food crops are poor. More than two thirds of India's population depend directly on the land for their livelihood. Since the great majority of Indian farmers are poor, they are unable to invest in capital resources that would provide a measure of control over an uncertain climate. The fatalistic attitude of Indians is often attributed to the lack of irrigation facilities and the dependence of farmers on nature. The hard work of farmers in itself does not guarantee bountiful crops because the outcome depends on the monsoons, which are unreliable and uncertain.

The resource base of different societies will vary considerably. Some societies have more land and less labor; others have more labor and less land. Similarly, capital and entrepreneurial skills are unequally distributed. Students should study how the relative scarcity of resources varies among societies. For example, it is instructive for students to explore how the strong Japanese emphasis upon conformity and the Indian caste and joint family systems' discouragement of occupational mobility might inhibit entrepreneurial activities in each country.

Not only the *quantity* but also the *quality* of resources varies from country to country. Some societies are blessed not only with bountiful resources but also superior resource quality. Mountains are barriers to transportation, while plains usually present few obstacles. Usually, a country broken up topographically is handicapped in economic development. Climate may affect human energies and achievement. Admittedly, natural resources are not

ECONOMICS CONCEPTS MAP

A GRAPHIC ORGANIZER



ESSAYS

In most Western nations, contract rather than tradition plays a more important role in mediating human relationships and economic transactions. By contrast, in some areas of Asia, rural India for example, human relationships and economic transactions are still based on time-honored traditions and customs.

the only determinant of economic development. India is often described as a country endowed with rich natural resources but inhabited by poor people. Japan, on the other hand, has amassed enormous wealth despite poor natural resources. Still, Japanese culture and decision making are greatly influenced by scarcity of land and high population density. Japan's trade patterns, government regulation, high savings rates, choices of production methods, group consciousness and proclivity toward thinking about the long term are all to some extent influenced by low resource quantity and quality.

Most decisions entail choices among alternatives. The foregone benefit of the next best alternative is referred to as the opportunity cost of a decision. In some decisions, the choice is not as clear cut as choosing one alternative over another. It may mean choosing less of one thing in order to get more of another. In economics the process of choosing between alternatives is called trade-offs. In India, for example, material and religious values often conflict, and entail an opportunity cost. It is not uncommon to see a highly successful entrepreneur refusing to make a major business deal on a certain day simply because it is considered inauspicious.

Scarcity of resources also compels individuals and nations to answer three fundamental questions regarding resource use: what and how much of goods and services should be produced; how should the resources be allocated to produce goods and services; and, once goods and services are produced, how should they be distributed? Nations must also choose how dependent they will be on other nations to satisfy production and consumption needs. Will consumers and producers be free to import and export goods and services from other nations? For example, the Japanese, faced with inadequate arable land and low levels of natural resources, rely upon trade and a highly trained labor force to foster economic development. Similarly, the economies of Singapore and Hong Kong thrive on international trade. China, until a few decades ago, was not very dependent on international trade.

How these choices are made depends upon the resource base, history, culture, legal, political, economic and social framework that a society establishes. Some societies use tradition, while others rely more on central authority to make decisions. In other societies, contract replaces tradition, and individuals are given considerable freedom to make these decisions. While virtually no society makes decisions based entirely upon tradition, central authority, or free choice, relative emphasis varies from nation to nation. In most Western nations, contract rather than tradition plays a more important role in mediating human relationships and economic transactions. By contrast, in some areas of Asia, rural India for example, human relationships and economic transactions are still based on time-honored traditions and customs. In Pakistan, the market interest rate determination must be consistent with the pronouncements in the *Quran*. China remains politically authoritarian, despite recent liberalization.

Resource scarcity requires that all societies must choose an appropriate method of resource ownership. Some societies such as China, and to some degree India, for example, posit that since resources (especially land and capital) are not enough to permit ownership by all individuals, they should be owned collectively. Other societies recognize the right of individuals to own resources, and accordingly develop elaborate legal systems and institutions to protect individual property rights. Students should be encouraged to explore how the mode of resource ownership influences the growth and development of different societies.

Government and other specialized institutions (caste system, extended family, arranged marriages, cooperatives, etc.) facilitate decision making. Government intervention occurs to provide infrastructure, legal framework, internal and external security and remedy and/or correct outcomes that are inconsistent with social and economic goals. Of course, government intervention is not without cost. Governmental laws and regulations often tend to

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corrupt the political and social milieu. Excessive government regulation, for example, resulted in widespread corruption in Japan and Indonesia, and created a system in India where bribes are accepted as perks of civil service.

Because resources are scarce, it is important to use them efficiently and avoid waste. Methods to increase the productivity of resources are division of labor; occupational, regional, and international specialization; investment in capital goods and human capital; and technological changes. The caste system in India is a classic example of the division of a society based on functional or occupational specialization. This function-based division of society is not without an opportunity cost and trade-off. It can restrict freedom and inhibits entrepreneurial activities. The caste-based labor allocation can be compared in some ways to occupational prejudices against burakumin in Japan and Tamilians in Sri Lanka.

Division of labor and specialization, however, create interdependence. Well-developed monetary and banking systems, markets, and transportation networks are necessary to mediate interdependence. Societies that are self-sufficient exhibit minimal interdependence, and therefore have a limited need for paved roads, extensive transportation networks, well-developed banking, and efficient markets. Rural India is a classic illustration.

USING THE MODEL

Some measurement concepts such as gross domestic product (GDP) per capita, inflation, life expectancy, literacy rates, etc. are necessary to compare societies and assess their growth and development. An example of how to incorporate some of the concepts of the graphic organizer into a classroom activity might include the following:

1. Prepare a set of country data cards containing per capita gross domestic product (GDP) and freedom index score, as defined by the Fraser Institute (see Appendix I), for selected Asian countries and for the USA. Pertinent data is available from *World Facts and Maps* (Skokie, Illinois: Rand McNally, 1999) or other sources such as an up-to-date world atlas and Internet sites. See our suggested Internet site listings in Appendix I.
2. Distribute one prepared country card to each student. Ask students to stand in a circle around the classroom. The teacher should keep the USA card.
3. Instruct students to sort themselves by regions. Ask the groups to report the names of the countries in their regions and tell what they have in common.
4. Explain the definition of GDP per capita, and have students sort themselves according to their countries' per capita GDP. Allow each student to announce his country's name and its per capita GDP. Announce the per capita GDP of the United States and ask if anyone has a higher per capita GDP. Have students discuss why some countries have higher GDP than others.

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5. Define the freedom index and have students speculate how this index may be related to the level of GDP per capita.
6. Ask students to line up by the freedom index score for each country, and have them observe and discuss if the order in which they were standing has changed.
7. Ask students which countries they would categorize as developed and which as developing. Have them discuss whether the developed regions have higher freedom index scores than the less developed regions.

This activity can be used to discover and discuss whether countries with high GDP per capita also have high literacy and life expectancy rates. Ask students to discuss what factors other than GDP per capita must be considered in categorizing countries as developed and developing regions. Students should understand that both economic concepts such as GDP per capita and non-economic concepts, e.g., literacy and life expectancy rates, may be appropriate in describing countries as developed or developing regions. By using additional activities and lessons to teach other concept clusters in the model, the teacher provides students with opportunities to exercise their critical, creative and reflective thinking skills.

ADDITIONAL ASPECTS OF THE MODEL

The following are some examples of how economic concepts can assist students in developing a rational approach to the study of a particular society.

MUSEUM QUALITY EXHIBITS

"MY LIFE IS MY MESSAGE"—40 panels (2' x 4') of photographs with captions on the life of Mahatma Gandhi.


"INDIA—THE PEOPLE AND THEIR LAND"—more than 100 color photographs taken over 40 years by Beatrice Pitney Lamb.

"BEAUTY IN STONE"—Hindu, Buddhist, and Islamic architecture of India; color photographs by Beatrice Pitney Lamb.

Also—smaller portable (sent by mail) exhibits, video cassettes (including biographical documentaries of Gandhi), and other resources available for loan.

Undergraduate-level CORRESPONDENCE COURSE on Gandhi (study materials from the Gujarat Vidyapith University in India founded in 1920).

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First, instead of simply requiring students to memorize the items that China and Japan export and import, encourage them to deduce patterns of international specialization from the relative distribution of resources. Japan's land scarcity induces the importation of land-sensitive goods and services, while China finds it advantageous to export those goods and services that use more of its abundant resource—labor.

Second, the vegetarian diet of Hindus is often attributed to religion. Students should be encouraged to reason how conspicuous absence of meat in Hindu diet could also be reflective of land scarcity. Animals compete with humans to eke out their sustenance from land. The input/output ratio for dairy products is much higher than that of nondairy products. It is estimated that an animal consumes approximately eight and a half pounds of food to produce one pound of meat. In a country where land is scarce, it is understandable that vegetables are substituted for meat products because the former use less of scarce land. In the same vein, students should use their reflective skills to understand why the people of Japan use so much fish in their diet.

Third, students can seek an explanation of a country's choice of methods of production in terms of its resource distribution. The picture of a Chinese worker using a shovel instead of an earth moving machine can be explained, to a large extent, by the relative scarcity of capital and abundance of labor. By the same token, students can learn to reason why it would be wise for an American farmer, but unwise for a Japanese farmer, to use heavy equipment on a farm. The average size of a farm is 400 acres in the United States, and approximately four acres in Japan. Japanese farmers often employ tractors that are approximately the same size as American riding lawnmowers. Heavy equipment such as harvesters and full-size tractors are more cost effective on large rather than small farms. Similarly, the Indian farmer's refusal to use a tractor instead of a wooden plow can be explained by moisture content of the soil, which makes shallow plowing more cost effective than deep plowing.

Fourth, students should be encouraged to explore reasons why, on average, Japanese are more frugal than Americans. Curiously enough, among other factors, paucity of natural resources may provide a deeper understanding of the parsimonious behavior of the Japanese people. Because of scarcity, the average price of land for residential structures in Japan is several times higher than in the United States. Most Japanese, in order to own a home, must save larger portions of income than Americans.

CONCLUSIONS

Using the graphic organizer in analyzing Asian societies has some obvious advantages. It allows middle school students to: (1) organize complex information about a society into some easily understandable categories; (2) compare and contrast countries; (3) use the same model from grades four through

seven; (4) comprehend and appreciate how economic concepts can be woven into the fabric of social studies; (5) understand the relationships among economic concepts; and (6) master the information in small segments. The graphic organizer is flexible and should be presented in a piecemeal fashion. For example, when teaching about scarcity, only the *wants/needs* and *resources* portions of the graphic organizer should be highlighted and presented to the students. Similarly, only the *choices*, *opportunity costs*, *trade-offs* and *decision-making* portions of the graphic organizer should be highlighted when addressing the competency related to the causes and consequences of misuse of the physical environment and proposed alternatives. Blocks related to *division of labor*, *specialization*, and *interdependence* may be highlighted when discussing competencies related to interdependence.

The caveats of the graphic organizer should also be noted. It is essentially an economic approach to the study of a culture. While the interaction between sociological and economic factors is discussed, it is implied that economic forces may play a paramount role in determining social structures and values. ■

APPENDIX 1—INTERNET WEB SITES

We list below sample Web sites that can be used to obtain current information to reinforce economic concepts included in the model.

The C.I.A. World Factbook 1999 Reference Maps

<http://www.odci.gov/cia/publication/factbook/ref-frame.html>

Provides a high resolution map of Asia.

The C.I.A. World Factbook 1999 by Country

<http://www.odci.gov/cia/publications/factbook/country-frame.html>

Provides current data and information about the resource base; GDP per capita; literacy rate; life expectancy; occupational, regional, international specialization; transportation network; political and economic systems of decision making; monetary and banking development; poverty; functional distribution of income and labor force, etc. The comparative data is available for any country in Asia.

Penn World Tables—Countries Listed Alphabetically

<http://arcadia.chass.utoronto.ca/pwt/docs/country.html>

Provides data regarding productivity (GDP per worker), stock of capital (capital stock per worker) exports and imports for all the countries in the world.

The Fraser Institute—Economic Freedom Index

http://www.fraserinstitute.ca/publications/books/econ_free_2000/section_06.html

Provides data about the 2000 index of economic freedom and shows the relationship between high levels of economic prosperity and the freedom index scores.

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