

How does global competition affect resource allocation?

Content	<p>This instructional task engages students in content related to the following grade-level expectations:</p> <ul style="list-style-type: none"> • C.6.2 Describe the role of the factors of production as part of the circular flow of goods and services model. • C.6.3. Assess factors that influence productivity and evaluate the relationship between productivity, standard of living, and GDP. • C.6.5. Evaluate how different economic systems allocate resources in terms of their benefits to society. • C.7.4. Explain the effects of technology and innovation on global economy interdependence and competition.
Claims	<p>In this instructional task, students develop and express claims through discussions and writing which examine how various factors of production are affected by global competition and how resources are allocated differently due to global competition.</p>
Unit Connection	<p>This instructional task helps students explore and develop claims around the content from unit 5:</p> <ul style="list-style-type: none"> • How do the different types of economies allocate resources to meet the needs of their societies? (C.6.5) • How do technology, global economic interdependence, competition, and unemployment impact an economy? (C.7.4)

Supporting Question 1
What are the four factors of production?
Formative Performance Task
Listen to the podcast and determine the factors of production and provide examples of each.
Featured Source
Source A: " The Economic Lowdown ," Federal Reserve Bank of St. Louis

Supporting Question 2
Do market economies allocate resources optimally?
Formative Performance Task
Annotate texts to develop a claim to the supporting question.
Featured Source
Source B: " Controversy: Do Market Economies Allocate Resources Optimally? ," Center for Economic Personalism

Supporting Question 3
Is the United States globally competitive?
Formative Performance Task
Analyze and annotate a secondary source to participate in a Socratic Seminar.
Featured Source
Source C: " Global Competition – The New Reality ," John A. Young

Summative Performance Task	<p>Using the sources and your knowledge of free enterprise, write a multi-paragraph response to discuss the extent to which various factors of production are affected by global competition and how resources are allocated differently due to global competition.</p>
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Formative Performance Task 1

Supporting Question	What are the four factors of production?
Formative Performance Task	Students listen to the podcast to determine the factors of production and provide examples of each.
Featured Source	Source A: “The Economic Lowdown,” Federal Reserve Bank of St. Louis
Content and Claims	This formative performance task requires students to identify the four factors of production in economies. (C.6.2.)

Featured Source

Source A: [“The Economic Lowdown,”](#) Federal Reserve Bank of St. Louis

Steps

1. Play Source A: “The Economic Lowdown” podcast and have students listen the first time through.
2. Have students make note of information about the four factors of production.
3. Play the podcast a second time, and have students complete the graphic organizer on the next page with a partner to identify and explain the factors of production and provide examples other than the ones included in the podcast.
4. Direct students to draw or sketch examples or symbols to represent each factor of production.
5. In pairs, have students share their graphic organizers with the class highlighting their examples of each factor of production and explaining their sketch, drawing, or symbol.

Student Look-Fors

1. In the graphic organizer, the students should have recorded the following as factors of production and examples of each. A sample completed graphic organizer is included below.

Factors of Production

<p>1. land</p> <p>Examples:</p> <ul style="list-style-type: none">• coal• forests• fish• natural gas	<p>2. capital</p> <p>Examples:</p> <ul style="list-style-type: none">• factory• forklift• vehicles• buildings
<p>3. labor</p> <p>Examples:</p> <ul style="list-style-type: none">• waiter• engineer• doctor• teacher• farmer	<p>4. entrepreneur</p> <p>Examples:</p> <ul style="list-style-type: none">• Michael Dell• Steve Jobs• Bill Gates

Formative Performance Task 2

Supporting Question	Do market economies allocate resources optimally?
Formative Performance Task	Annotate texts to develop a claim to the supporting question.
Featured Source	Source B: " Controversy: Do Market Economies Allocate Resources Optimally? ," Center for Economic Personalism
Content and Claims	In this formative performance task, students explore arguments for and against market economies allocating resources optimally and organize evidence for both sides. (C.6.5.)

Featured Source

Source B: "[Controversy: Do Market Economies Allocate Resources Optimally?](#)," Center for Economic Personalism

Steps

1. Present students with the supporting question for this formative performance task: "Do market economies allocate resources optimally?" Have students work with a partner to paraphrase the question into their own words.
2. Have volunteers share their paraphrased supporting question.
3. Project Source B: "Controversy: Do Market Economies Allocate Resources Optimally" for students, and read through the source as students follow along.
4. While reading, direct students to record factors which support both sides of the argument: "Do market economies allocate resources optimally?"
5. Have students record their evidence in the chart on the next page.
6. Once students have completed their charts, initiate a discussion to identify both sides of the argument.
Possible discussion questions:
 - Would you agree that limited resources are always allocated in a responsible way?
 - Are consumers always the best choice to drive resource allocation? Why or why not?
 - Is it always beneficial to replace workers with technology to increase productivity? What are the advantages? What are the disadvantages?
 - What modifications can be made to better allocate resources to best benefit consumers, producers, workers, etc.?

Evidence Chart: Do market economies allocate resources optimally?

Evidence FOR market economies allocating resources optimally.	Evidence AGAINST market economies allocating resources optimally.

Student Look-Fors

1. In the paraphrased question, it should be clear that students understand the term *allocate* and what it means to “allocate resources optimally.”
2. Students identify evidence for and against market economies allocating resources optimally. A sample completed graphic organizer is included below.

Evidence Chart: Do market economies allocate resources optimally?

Evidence FOR market economies allocating resources optimally.	Evidence AGAINST market economies allocating resources optimally.
<ul style="list-style-type: none"> a. Consumers control what is being produced in a free market. b. According to Henry Ford, the “Struggle for existence” drives out unprofitable industries. c. Limited resources are allocated in a “people-serving” responsible way. d. When consumers pursue their own interests, they promote optimal resource allocation in society. 	<ul style="list-style-type: none"> a. Market economies are not allocating resources optimally due to simple “intellectual mistakes”. b. Market economies are making “functional mistakes” which prohibit resources from being allocated optimally. <ul style="list-style-type: none"> i. Causes a shift to a near workerless economy as technology seeks to increase productivity ii. Creates higher levels of inequality

Formative Performance Task 3

Supporting Question	Is the United States globally competitive?
Formative Performance Task	Analyze and annotate a secondary source to participate in a Socratic Seminar.
Featured Source	Source C: " Global Competition – The New Reality ," John A. Young
Content and Claims	This formative performance task requires students to make claims supported by evidence of whether the United States is globally competitive. (C.7.2., C.7.4.)

Featured Source

Source C: "[Global Competition – The New Reality](#)," John A. Young

Steps

1. Project Source C: "Global Competition – The New Reality" for students, and read through the source as students follow along. Read pages 1-3, up to the section titled "Factors That Affect Competition."
2. While reading, allow time for students to pause and record the challenges to U.S. competitive performance. Students should record their own list of these challenges on notebook paper.
3. Discuss briefly to clarify main points regarding global competition. Possible guiding questions include:
 - Within the past 20 years, has the country's ability to compete flourished or declined?
 - According to the author, what is at stake if the U.S. does not continue to be globally competitive?
 - What are some of the trends the author noted as contributing to the United States' inability to compete?
 - When comparing the United States' global competitiveness, which country or region does the author claim we should compare ourselves to?
4. Divide the class in to four groups (or more, depending on numbers) using an established classroom routine.
5. Give each group one of the following sections from the text from pages 4-10: Technology, Capital Resources, Human Resources, International Trade.
6. Direct each group to read and annotate their section and share their thoughts on how their topic affects U.S. global competition.
7. Then arrange the classroom into a "fishbowl" discussion layout for a [Socratic Seminar](#).
8. Begin the discussion by posing the question: "Is the U.S. globally competitive?" If students get off topic and redirection is needed, ask possible guiding questions:
 - What factors have reduced the United States' ability to remain competitive?
 - Of the factors identified that reduced U.S global competition, which are factors of production?
 - What are ways the U.S. can increase their global competition?
 - What changes should be made to our factors of production to best utilize them to increase competition?
9. Direct students in the "outer bowl" to record main points of the discussion. Students will track the discussion by using the "Student Discussion Guide" on the following page. "Outer Bowl" students will tally each time their "inner bowl" student speaks (uses specific evidence from the source), or is off-task.

Student Discussion Guide

Number of Times Person Speaks	Use of Specific Evidence (documents/textbook)	Time Off-task

1. Did the person you were following develop an analytical argument? Give an example.

2. What was the best argument the person you were following made? Give an example that is different than your answer to #1.

3. Who do you believe was the best speaker in the circle (the person who developed most convincing argument using specific evidence, respectful of others, etc.)? Explain.

Student Look-Fors

1. Possible discussion questions from Step 3.
 - Within the past 20 years, has the country's ability to compete flourished or declined?
 - Declined
 - According to the author, what is at stake if the U.S. does not continue to be globally competitive?
 - Standard of living
 - National security
 - What are some of the trends the author noted as contributing to the United States' inability to compete?
 - Productivity, real hourly wages have remained stagnant, the manufacturing section is not generating real returns that encourage investment, U.S. trade deficits are at an all-time high, and U.S. technology industries have lost world market share.
2. According to the text, the four factors that affect competition are: Technology, Capital Resources, Human Resources, and International Trade.
3. Socratic Seminar discussion:
 - "What factors have reduced the United States' ability to remain competitive?"
 - Slower growth in productivity
 - Productivity higher in other countries
 - Real hourly wages have remained stagnant
 - Manufacturing sector not generating real returns on investments
 - U.S trade deficits at all time high
 - High technology industries losing world market shares
 - "Of the factors identified that reduced U.S. global competition, which are factors of production?"
 - Human resources and capital resources
 - "What are ways the U.S can increase their global competition?"
 - Invest more in technology
 - Find ways to increase productivity without replacing laborers (possible increase wages)
 - Effectively utilize trade to maximize competition
 - Invest in patents early
 - "What changes should be made to our factors of production to best utilize them to increase competition?"
 - Since competitiveness is defined as "our ability to succeed in world markets while maintaining our standard of living", wages must remain competitive in industries to stabilize productivity.
4. A sample discussion tracker for use during the Socratic Seminar is included below.

Summative Performance Task

Compelling Question	How are resources allocated differently due to global competition?
Summative Performance Task	Using the sources and your knowledge of free enterprise, write a multi-paragraph response to discuss the extent to which various factors of production are affected by global competition and how resources are allocated differently due to global competition.

Teacher Overview

In this summative performance task, students are asked to write a response to the compelling question using evidence from the sources they explored throughout the four formative performance tasks.

Throughout this instructional task, students have explored the role of resource allocation in global competition; this information will be an essential part of a well-developed essay. Before the summative performance task, it may be helpful for students to review the sources provided and the writing/graphic organizers created during the formative assessment tasks. Doing so should help them to develop their interpretations and to highlight the appropriate examples and details to support their writing.

Student Prompt

Using the sources and your knowledge of free enterprise, write a multi-paragraph response to discuss the extent to which various factors of production are affected by global competition and how resources are allocated differently due to global competition.

Student Look-Fors

1. Scoring Notes

- An exemplar response may include but is not limited to:
 - Several factors of production can affect the ability for a country to compete globally
 - Technology (capital factor of production) can aid global competitiveness but also hinder global competitiveness if laborers are replaced with mechanization which results in larger inequality gaps
 - Limited resources should be allocated in non-wasteful manners to serve the needs of a populous
 - The United States' ability to compete globally is declining

2. A strong response:

- References documents appropriately.
 - The four factors of production are: land, labor, capital, and entrepreneur. (Source A)
 - True laissez-faire economies do not always allocate resources optimally and can increase unemployment and societal inequalities. (Source B)
 - The United States' global competitiveness is declining. (Source C)
- Applies the provided evidence as well as additional information about resource allocation.
 - Knowledge of various economic systems
 - Basic understanding of supply and demand

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- The roles of scarcity and competition in an economy and how they affect consumers