

Slide 1

Resources and World Trade

- **Natural Resources** – products from the earth that people use to meet their needs
 - Raw materials for industry, energy, and food.
- **Renewable Resources** – resources that cannot be used up
 - Sun, wind, forests, grasslands, plants, animals, etc.
 - Must be managed properly to remain useful.
 - Can renewable resources be used to produce energy?

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Resources and World Trade

- **Nonrenewable Resources** – in limited supply and they cannot be replaced.
 - Fossil fuels like coal, natural gas, and oil are examples of nonrenewable resources.
 - Nuclear energy is nonrenewable and controversial. Why?

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Resources and World Trade

- **Economic System** – it sets rules for deciding what goods and services to produce, how to produce them, and who will receive them.
- **Traditional Economy** – based on customs handed down from generation to generation.
 - **Barter** – trading goods for goods, instead of using money.
- **Command Economy** – government makes all of the decisions. An example:
 - **Communism** – system of government that controls all aspects of the government and economy.

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Resources and World Trade

- **Market Economy** – individuals make their own decisions about what to produce, how to produce it, and for whom to produce it.
 - **Supply and Demand** – what does this mean?
 - **Free Enterprise** – you have the right to own property or businesses and to make a profit without the government interfering. (**Capitalism**)
- **Mixed Economy** – most common economic system.
 - A mix of command and market economies.
 - Example: China – *But Mr. Veliz, didn't you say that China was a communist country?*

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Resources and World Trade

- **World Trade** – why do countries trade?
 - An unequal distribution of resources.
 - **Import** and **Export** – what are they and why do countries do them?
- **Barriers to Trade** – government policies intended to protect local industries or punish other countries.
 - **Tariff** – a tax added to imported goods.
 - **Quota** – a limit on the quantity of a particular good imported from a particular country.
 - **Trade Embargo** – to stop all trading with a particular country – intended to punish that country.

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Resources and World Trade

- **Free Trade** – a removal of all barriers to trade.
 - Regional trading organizations and agreements:
 - NAFTA – U.S., Mexico, and Canada
- **Developed Countries vs. Developing Countries**
 - Developed = Manufacturing and Industry
 - U.S., Europe, Australia, and Asia
 - Developing = Agricultural
 - Africa, Asia, and Latin America
- Natural Resources do not always indicate wealth.

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Technology “Shrinks” the world

- What do we mean when we say that “the world is shrinking”
- What is technology?
- Advances in Transportation
 - From steamships to trains and jets.



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Technology “Shrinks” the world

- Advances in Communication
 - Telephone service changed the world
 - 36 calls then – 300,000 calls today
 - Satellites spread culture and information around the world.



Slide 9

Globalization

- What is it?
 - The development of a world culture and an interdependent economy.
 - What does that mean?
 - What is interdependence?
- Rights and Responsibilities in a globalized world.
 - Civic participation – what is this?
