

FROM GRASSROOTS TO GOVERNMENT:

Embedding Financial Justice in the Leaving
Certificate Politics and Society Curriculum



*An education resource for Leaving Certificate
Politics and Society Teachers*

This resource was written by Lydia McCarthy, Financial Justice Ireland.

Revisions by Deirdre Kelly, Financial Justice Ireland.

Advice and support from the following contributors is greatly acknowledged:

Project Advisory Committee: Maeve Bateman (Financial Justice Ireland), Annette Honan (NCCA),
Dr Mary Murphy (Maynooth University)

Teacher Advisory Committee: Michael Finnegan, Elaine Murray McGowan, Frank Kelleher,
Gearóidín O Dwyer, John Lyons, Claire Cunnane

Pilot Teacher Group: Niamh Byrne, Donal McCarthy, Robert Clougher, Robert Keogh,
Kathy Loughrey, Edel Quinn, Tom McDonald

Website Developer: Eimhin O'Reilly (Financial Justice Ireland)

Methodology contributions from the National Youth Council of Ireland (NYCI) and
Youth Connect, a project of the Irish Congress of Trade Unions (ICTU)

INTRODUCTION

This resource is designed to support Leaving Certificate Politics and Society teachers explore the themes of *globalisation* and *sustainable development*. The focus of the resource is Strand 4 of the curriculum: Globalisation and Localisation, with links to each of the other three strands. This resource aims to:

- Examine the positive and negative aspects of globalisation
- Analyse the global financial system and power of the supranational bodies
- Support students to bring about change through their citizenship project

DEVELOPMENT EDUCATION¹

The resource takes a Development Education (DE) approach to exploring these themes. Development Education, also known as Global Citizenship Education, is an educational process aimed at increasing awareness and understanding of the rapidly changing and interdependent and unequal world in which we live. By challenging stereotypes and encouraging independent thinking, DE helps students critically explore the root causes of global justice issues and how they interlink with our everyday lives.

Development Education engages our head, heart and hands and includes 5 key components:

- Knowledge
- Skills
- Values and attitudes
- Taking action
- Active and participatory learning methodologies

The DE key skills of critical thinking and analysis are fostered throughout this resource in the application of participative and learner centred methodologies. Students are encouraged to question and challenge the messages and information that they receive. This resource contains a critical action component to enable students put their learning into practice in their everyday lives.

WEBSITE

Log onto www.financialjustice.ie/education to access the online platform that supports this resource. Videos, reports, case studies, newspaper articles, photographs and data are available to download for use in the classroom, and for student's research.

A NOTE ON LANGUAGE

Throughout the resource the terms North/South or Global North/Global South are used as well as developed/developing countries. When we write about countries of the 'North'/developed we are broadly describing countries in the continents of Europe, North America and Australia. When we write about countries of the 'South'/developing we are broadly referring to countries in the continents of Africa, Asia and Latin America. None of these terms fully describe the diversity within our global society. However in using them we seek not to imply superiority or inferiority between people.

¹ World Wise Global Schools definition



Financial Justice Ireland (originally called Debt and Development Coalition Ireland) is a global financial justice organisation. We want a fair and just society for everyone. We want a financial system that serves the needs of all people and which does not take the planet for granted. We were set up in 1993 as a response to the debt crisis in the Global South. Since that time, we have continued to lobby and campaign for sovereign debt relief, while examining different ways the structures of the international financial system can perpetuate poverty and inequality. In 2018, on our 25th anniversary, we changed our name to better reflect our expanded areas of work. As well as working in solidarity with the Global South, we also raise awareness of how these financial issues affect people living in Ireland.

Through our Development Education work we critically engage people to understand the structural causes of global inequality and power relations. We aim to empower people in Ireland to take informed action for a greater economic justice globally.

To find out more about us and our work, please visit www.financialjustice.ie



This project has been undertaken with funding from Irish Aid's WorldWise Global Schools. Irish Aid's World Wise Global Schools is the national programme of Development Education (DE) for post-primary schools in Ireland. It is funded by Irish Aid and implemented by a consortium of organisations: Gorta Self Help Africa, Concern Worldwide and the City of Dublin Education and Training Board Curriculum Development Unit. The programme was set up in 2013 as the key channel through which Irish Aid support for DE in post-primary schools is to be coordinated. Their aim is to increase the number of post-primary schools engaging in quality development education by providing a broad range of supports.

You can find out more about World Wise Global Schools and the work they do at www.worldwiseschools.ie

The ideas, opinions and comments in this resource are entirely the responsibility of its authors and do not necessarily represent or reflect WorldWise Global Schools and/or Irish Aid policy.

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CURRICULUM LINKS

Section One Globalisation

Theme: Globalisation

Learning Outcome: 7.6 Globalisation and political power

Links with other learning outcomes: 7.5 Understanding interaction between western and non-western culture

Students should be able to:

- Identify positive and negative impacts of globalisation

Key questions: *What is globalisation? How do countries depend on each other? What are the positive and negative aspects of globalisation?*

Section Two Sustainable Development

Theme: Sustainable Development

Learning outcome: 8.2 Arguments concerning sustainable development

Links with other learning outcomes: 6.3 International cooperation and human rights

Students should be able to:

- Apply in their own words arguments about sustainable development

Key questions: *What are the causes and effects of underdevelopment? What are the different viewpoints on sustainable development? Which of the arguments would be considered a 'left wing' and 'right wing' position? What are the main elements of the UN Declaration on the Right to Development?*

Section Three Globalisation and Political Power

Theme: Supranational Bodies

Learning Outcome: 7.6 Globalisation and political power

Students should be able to:

- Describe the role of supranational bodies (the International Monetary Fund, World Trade Organisation, World Bank and the United Nations Development Programme)

Key questions: *What is the role and structure of the International Monetary Fund, World Trade Organisation, World Bank and the United Nations Development Programme? What relationship and power does Ireland have with these institutions?*

Theme: IMF and World Bank

Learning Outcome: 7.6 Globalisation and political power

Students should be able to:

- Describe the role of the International Monetary Fund and the World Bank in the process of decision-making in relation to a policy that impacts on young people
- Evaluate the argument that power is moving from national governments to supranational bodies

Key questions: *What impact do IMF and World Bank policies have on young people's lives? Do the IMF and World Bank have more power than national governments?*

Theme: The World Trade Organisation and Trade

Learning Outcome: 7.6 globalisation and political power

Links with learning outcomes: 6.1 rights in the wider world; 6.3 international cooperation and human rights; 8.1 actions that address sustainable development

Students should be able to:

- describe the role of the WTO
- evaluate the argument that power is moving from national governments to supranational bodies
- link global trade rules with international cooperation and human rights

Key questions: *How do countries depend on each other for the production of a T-shirt? Does the WTO have more power than national governments? Is child labour an effect of globalisation? How might trade rules impact human rights?*

Theme: The UNDP and Sustainable Development Goals

Main learning Outcome: 7.6 globalisation and political power

Links with learning outcomes: 6.3 international cooperation and human rights; 8.1 actions that address sustainable development

Students should be able to:

- describe the role of the United Nations Development Programme in the process of decision-making in relation to a policy that impacts upon young people
- evaluate the argument that power is moving from national governments to supranational bodies

Key questions: *How does the UNDP influence the process of decision-making in relation to a policy that impacts upon young people? Does the UNDP have more power than national governments?*

Section Four Active Citizenship

Theme: Effectively Contributing to Communities

Learning Outcome: 3.3 the range of means of taking action at local, national or international level

Links with learning outcome: 3.4 identifying, evaluating and achieving personal and collective goals, including developing and evaluating action plans

Students should be able to:

- Undertake a form of action
- Justify the form of action
- Cooperate with group members to construct and implement an action plan
- Monitor and evaluate the action plan targets

Key questions: *What action do I want to take? What initiatives, groups or organisations are working in this area? What are the goals and targets of my action? What is my role in the group? Is my plan working? What did I learn?*

SECTION ONE

GLOBALISATION



LEARNING OUTCOME:

7.6 GLOBALISATION AND POLITICAL POWER

Links with learning outcome: 7.5 understanding interaction between western and non-western culture

Students should be able to:

- Identify positive and negative impacts of globalisation

Key questions: *What is globalisation? How do countries depend on each other? What are the positive and negative aspects of globalisation?*

ASSESSING PRIOR KNOWLEDGE

- Assess students' prior knowledge by asking them to fill out their own initial responses to globalisation by using a 3-2-1 bridge
- Facilitate a class discussion by asking them to share their responses
- Ask students to fill it out again at the end of this section. Have their responses changed?

	Your initial response to 'globalisation'	Your new response to 'globalisation'
3 thoughts/ideas		
2 questions		
1 analogy		

DEFINING GLOBALISATION

Methodology

- Divide students into groups and give a set of definitions to each. Two sets of definitions are available; one with more complex language and the other with more simplified language.
- Ask students to categorise the definitions into social, economic, political and cultural. Explain that there is no correct way to categorise them, the exercise is to encourage the students to discuss and interpret each definition.
- Ask them to select the definition of globalisation that they align themselves with. They should be able to explain why.
- Using the underlined key words, ask the groups to come up with their own definition, write on large sheets of paper and stick on the wall. Encourage students to walk around and read each definition.

GLOBALISATION DEFINITIONS



<p>Globalisation describes different world cultures becoming incorporated into one <u>dominant culture</u> which will eventually cover the whole world.²</p>	<p>Globalisation refers to the <u>process</u> of the world being seen more and more as <u>one place</u> and the <u>awareness</u> that it is happening.³</p>
<p>Globalisation is a term to describe the rapid <u>flow</u> of capital (money), people, goods, images and ideas across countries in an <u>interconnected web</u>, compressing our sense of time and space, making the world seem smaller.⁴</p>	<p>Globalisation brings faraway places closer together by the strengthening of worldwide <u>social relationships</u>. The affects from <u>events</u> happening many miles away can be felt locally.⁵</p>
<p>Globalisation refers to the intensification and expansion of <u>political interrelations</u> across the globe.⁶</p>	<p>Globalisation refers to the linking of countries, the <u>expansion of the market economy</u>, and society becoming more <u>integrated</u>.⁷</p>
<p>Globalisation refers to all the contemporary processes that make <u>distance irrelevant</u>.⁸</p>	<p>Write your own definition...</p>

² Featherstone, M. 1995. *Undoing culture: Globalization, post-modernism and identity*. Sage Publications.

³ Robertson, R. 1992. *Globalization*. Sage Publications.

⁴ Inda, J. X and R. Rosaldo (eds), 2002. *The Anthropology of Globalization*. Blackwell.

⁵ Giddens, A. 1990. *The consequences of modernity*. Polity Press.

⁶ Manfred B. S. 2003. *Globalization: A Very Short Introduction*. Oxford University Press, UK.

⁷ Lechner, F. J and J. Boli 2000. *The Globalization Reader*. Blackwell.

⁸ Eriksen, T. H. 2014. *Globalization: The key concepts*. Bloomsbury Press.

SIMPLIFIED LANGUAGE DEFINITIONS



<p>Globalisation describes different world cultures coming together to form one main culture which will eventually cover the whole world.⁹</p>	<p>Globalisation describes how the world is being seen more and more as one place.¹⁰</p>
<p>Globalisation is a term to describe the movement of money, people, goods, images and ideas across countries in an inter-connected web, which makes the world seem smaller.¹¹</p>	<p>Globalisation means the effects from events happening far away are felt locally.¹²</p>
<p>Globalisation refers to the growth and increased importance of political inter-relations across the globe.¹³</p>	<p>Globalisation refers to the linking of countries, the growth of the global economy and society becoming increasing joined together.¹⁴</p>
<p>Globalisation means that distance is now irrelevant.¹⁵</p>	<p>Write your own definition...</p>

⁹ Adapted from Featherstone, M. 1995. *Undoing culture: Globalization, post-modernism and identity*. Sage Publications.

¹⁰ Adapted from Robertson, R. 1992. *Globalization*. Sage Publications

¹¹ Adapted from Inda, J. X and R. Rosaldo (eds), 2002. *The Anthropology of Globalization*. Blackwell.

¹² Adapted from Giddens, A. 1990. *The consequences of modernity*. Polity Press.

¹³ Adapted from Manfred B. S. 2003. *Globalization: A Very Short Introduction*. Oxford University Press, UK.

¹⁴ Adapted from Lechner, F. J and J. Boli 2000. *The Globalization Reader*. Blackwell.

¹⁵ Eriksen, T. H. 2014. *Globalization: The key concepts*. Bloomsbury Press.

PICTURING GLOBALISATION

Photographs are a great resource for exploring global issues and developing empathy amongst your students. A critical examination of photographs encourages students to challenge their perceptions of an issue and enables them to come to their own conclusions. Photograph methodologies allow students to be creative, and can often give quieter students an opportunity to be heard.

Log onto www.financialjustice.ie/education to access further photographs for the following activities. Alternatively, you can ask students to bring their own photographs that represent globalisation.

Methodology

Categorising the Photographs

- Share photographs with students. Ask students to pick what they think captures globalisation and why
- Examine the photographs through the lens of the different categories of globalisation – social, economic, political and cultural. Encourage students to give their own examples of social, economic and cultural globalisation

HINT!



Social globalisation – a mosque in Ireland

Economic globalisation – global trade enables us to wear clothes that are made in different countries around the world

Political globalisation – the European Union, multiple countries come together to make decisions and establish policies

Cultural globalisation – Justin Bieber is popular in many countries around the world, not just Canada where he is from

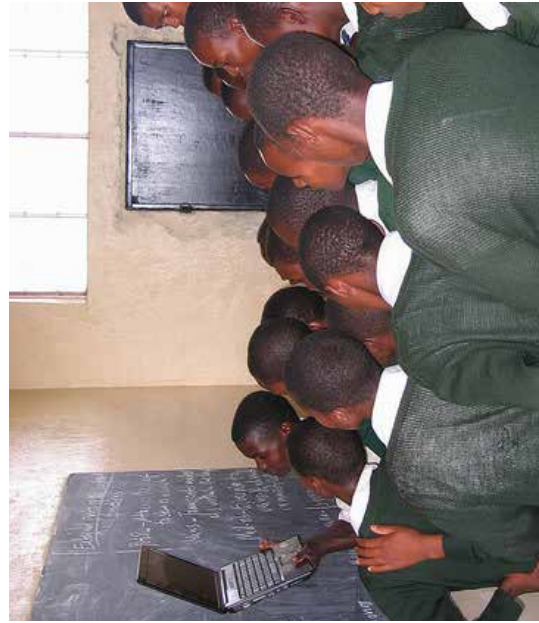
- Place a flashcard saying 'positive' on one wall and a flashcard saying 'negative' on the other side of the room. Ask students to stand at the positive side if they think their picture represents a positive aspect of globalisation, on the negative side of it represents a negative aspect, and in the middle if they think both. They must justify their decision. Encourage other students to debate their position. Allow them to move if they are convinced by an argument.

PHOTOS¹⁶



¹⁶ EU Flag, Friedemann WW, Creative Commons License, <https://bit.ly/2HOhKwg>
Dublin Mosque, William Murphy, Creative Commons License, <https://bit.ly/2vLPV2M>
McDonald's, Morocco, Irene Mangion, Creative Commons License, <https://bit.ly/2Fg5vmR>
Workers at this garment factory in Gazipur, Bangladesh, Solidarity Center, Creative Commons License, <https://bit.ly/2qSwT67>

PHOTOS¹⁷



¹⁷ Ryanair plane, Jeroen Stroes, Creative Commons License, <https://bit.ly/2qYBGID>
 Justin Bieber Day, Creative Commons License, <https://bit.ly/2HqCEHb>
 Lehman collapse sends shockwaves around the world, The Times, <https://bit.ly/2HqVtoL>
 Powering Potential and Technology in Schools in Tanzania, Jaffar Mjasiri, 2016, distributed under CC-BY-NC-4.0, <https://opensource.org/node/823>

CASE STUDY: SMARTPHONES

Smartphones are very popular in Ireland. However, did you know that globalisation has a key role to play in the production of a smartphone? The minerals that enable the phone to work are only available from countries such as Democratic Republic of Congo (DRC) and Rwanda in Africa. These minerals are sold to other countries, such as China, to produce the mobile phone. The minerals are in high demand around the world. Therefore local people working in the industry mining the minerals are often exploited.



Watch Sky News report on cobalt mines in DRC www.youtube.com/watch?v=JcJ8me22NVs



Why do you think the workers are treated so badly?

Discuss how globalisation can have a positive and negative influence on this situation.

What is your role in this situation?

FAIRPHONE

Fairphone is a company that has produced the world's first ethical smartphone. The company aims to only use fair materials in their phones. They trace where the phone's parts come from and create a demand for materials that are good for people and the planet. The company also strives to ensure that the people involved in producing the phone have good working conditions. By opening up the phone's supply chain Fairphone want to start a discussion about where products come from and how they are made.

Watch the video of tin and tantalum mines in DRC www.vimeo.com/107812653



Are there differences between the mine Sky News visited and the mine Fairphone visited?

What are the benefits and drawbacks of such a company?

MAPPING THE FAIRPHONE PRODUCTION TRAIL

Methodology

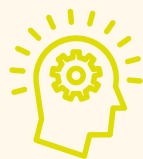
Remind the students that once the tin, tantalum and cobalt minerals are mined, they are not yet ready to go into their phone. They will travel through many countries around the world on the smartphone production trail.

- Write out continent labels, and map them out on the ground.
- Ask a student, holding a ball of string, to stand at where they estimate DRC to be located to represent the tin and tantalum mines.
- Ask students to stand at other countries they think are part of the mobile phone production trail. Use the string to represent the trail that the phone travels on its production trail.
- Alternatively this trail could be traced with string on a large world map.
- After discussion, show them 'the journey of tin and tantalum' image and map out the production trail of the mobile phone.

What would happen if one of the countries fell out of the production trail? Is this interdependent production a good or a bad thing? How does it impact on people/the environment? Would it be possible to make a mobile phone from start to finish in Ireland?

THE JOURNEY OF TIN AND TANTALUM





Globalisation encourages the movement of goods, but the movement of people in our world is restricted. Do you agree with this? What are the impacts of the restriction of people? What would the world be like if there was no restriction on the movement of people?

How does this relate to the lives of young people in Ireland?

According to the KOF Globalisation index, Ireland was the 13th most globalised country in 2015. Belgium was ranked in 1st place.

Where can I find different perspectives?

Forbes article 'The Pros and Cons of Globalisation' May 6, 2015

<https://www.forbes.com/sites/mikecollins/2015/05/06/the-pros-and-cons-of-globalization/#5e1d9c6ccce0>

What research data or evidence is relevant?

The KOF Globalisation index measures the economic, social and political dimensions of globalisation. Economic globalisation refers to flows and restrictions of goods and services. Social globalisation measures the spread of ideas, images, people and information. Political globalisation refers to the spread of political policies.

Use the interactive map to see how globalisation in Ireland and globally has changed over time, globalization.kof.ethz.ch/

Rankings and graphs are available at <https://www.kof.ethz.ch/en/news-and-events/media/press-releases/2018/01/kof-globalisation-index-globalisation-down-worldwide-in-2015.html>

Discuss evidence from Irish society that justifies Ireland's ranking

What theorist has a relevant view on this?

Thomas Hylland Eriksen explains that globalisation existed long before the term became popular in the 1980s. He suggests the Hellenistic Empire and the Roman Empire are examples of transnational networks that existed over 2000 years ago. The British Empire, he explains, marks the high point of modern globalisation. However, globalisation as we know it today was influenced by three factors:

1. The end of the Cold War created one global block, opening up trade opportunities
2. The growth of the internet and mobile phones broke down communication barriers
3. Identity politics were at the forefront of the international agenda. States created ethnic, religious and territorial tensions between different cultural groups. This caused minority groups to fight back, demanding equal rights.

This increased trade, faster communication networks and increased tensions between and within cultural groups are the driving forces of transnational economic, political and cultural dynamics.

SECTION TWO

SUSTAINABLE DEVELOPMENT



LEARNING OUTCOME:

8.2 ARGUMENTS CONCERNING SUSTAINABLE DEVELOPMENT

Students should be able to:

- Apply in their own words arguments about sustainable development

Links with learning outcome: 6.3 international cooperation and human rights

Key questions: *What are the causes and effects of underdevelopment? What are the different viewpoints on sustainable development? Which of the arguments would be considered a 'left wing' and 'right wing' position? What are the main elements of the UN Declaration on the Right to Development?*

DEFINING DEVELOPMENT

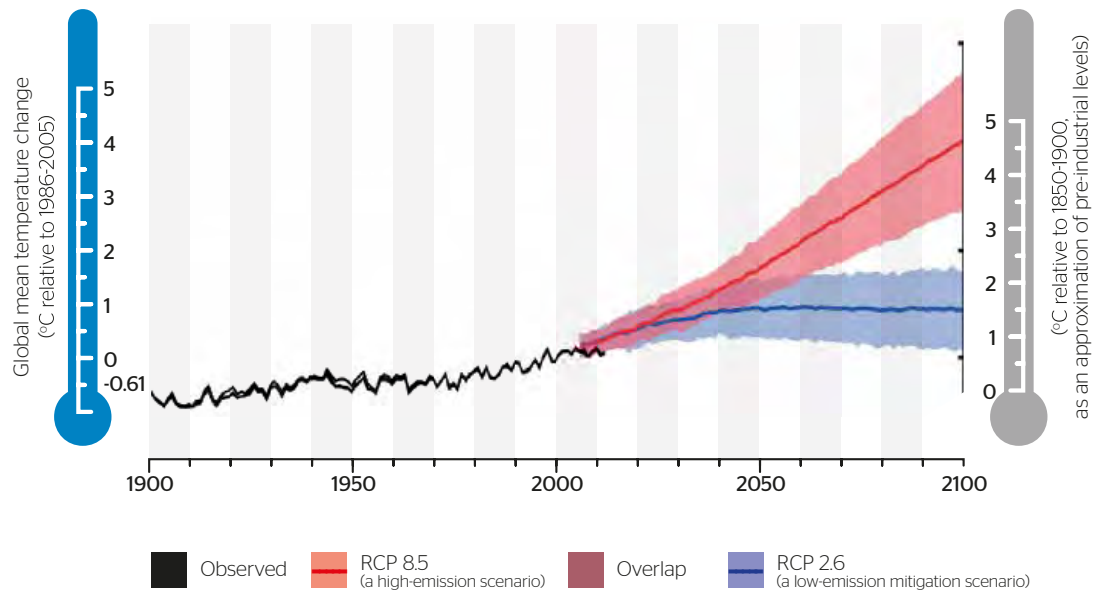
Development can be described as change. Development is not confined to the developing world, it is something that all countries and regions experience. The nature and meaning of development has evolved over time. The main issue in current development debate is the effect development and globalisation is having on the environment. An increase in carbon emissions since the industrial revolution is causing our earth to heat up, which is causing our climate to change.

The graph below shows the projected changes in global temperature published by the Intergovernmental Panel on Climate Change (IPCC)¹⁸. The red line shows what would happen to global temperature if we continue with 'business as usual' – no reduction in emissions – and the blue line shows temperature increase if governments take immediate action to reduce carbon emissions. Sustainable development, it is argued, is necessary to prevent this warming. This is development that meets the needs of the present without compromising our future¹⁹.

¹⁸. IPCC (2014) Climate Change 2014: Impacts, Adaptation, and Vulnerability.

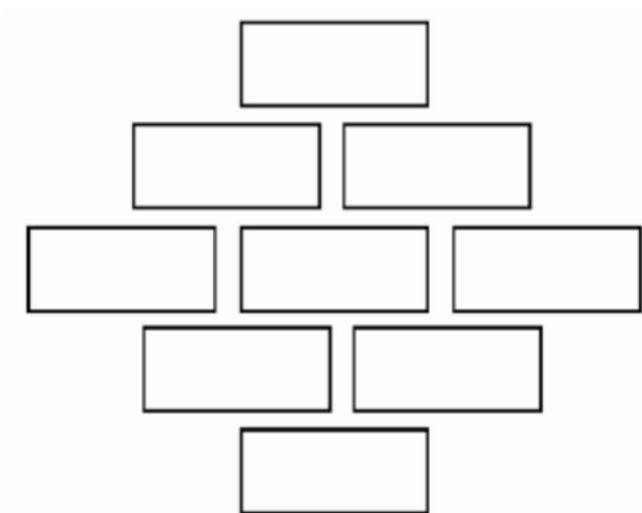
¹⁹. From 'Our Common Future (The Brundtland Report)' – Report of the 1987 World Commission on Environment and Development.

PROJECTED CHANGES IN CLIMATE



Methodology

- Photocopy and cut out a set of statements for each group.
- Ask them to arrange the statements in a diamond pattern, with the one they most strongly agree with at the top, the next two in a row below them, then the next three, the next two, and the one they least agree with, or most strongly disagree with, at the bottom.
- Explain that there is no 'right' answer, but that the point of the exercise is to encourage discussion and debate among the group and explore different perspectives.



DIAMOND RANKING STATEMENTS



In order for a country to develop the government should be free of corruption	In order for a country to develop it should have modern technology and industry
In order for a country to develop it needs to benefit from unfair trade rules	In order for a country to develop its women must be treated equally to men
In order for a country to develop it should use renewable resources	In order for a country to develop it must move away from urbanisation, towards small scale, self-reliant communities
In order for a country to develop, its citizens should be educated	In order for a country to develop it needs rich and powerful elites who own multinational corporations
In order for a country to develop it should disregard its impact on the environment	Write your own...

MODELS OF DEVELOPMENT

There are different schools of thought on how countries should develop. While neo-liberalism has been the dominant development model over the last few decades, it is now being challenged by post development perspectives and sustainable development. The interconnectedness of globalisation and environmental decline is important to consider when exploring global issues such as debt, trade, human security.

Five models of development are outlined below²⁰.

Methodology

- Divide the class into five groups and give a model of development to each. Adding to the information with online research, students should build arguments to defend their model of development.
- One volunteer from each group will 'attend a dinner party' in role as their thinker. Throughout the dinner party they will have to defend their own arguments, and critique the ideas of others at the table. Encourage students to draw in the key thinkers from the course to support/challenge the arguments made, as relevant.
- Set 6 chairs up in a circle for the 5 volunteers to 'attend the dinner party,' leaving one chair spare to allow other students to join later on. Invite other students in the class to join this dinner party by sitting in the 6th chair if they have a point to make. Explain to the students that one chair must always be left empty so if a new student joins the empty chair, one of the 5 students must vacate their chair.
- After the dinner party, discuss with the whole class: which argument do you support? Which model do you think Ireland has followed? Which of these arguments would be associated with a 'left wing' position, which would be associated with a 'right wing' position, and which could be associated with either?

How might a country's development deny its citizens access to economic, social and cultural rights? Watch Amnesty International's video '*Economic, social and cultural rights for all*' to provoke discussion and debate www.youtube.com/watch?v=mm2zDEYmplg



²⁰ The information has been summarised from the book *Understanding Development*, Paul Hopper, 2013.

MODERNISATION THEORY

WALT ROSTOW



Modernisation theory, popular in the 1960s, argues that development happens when countries move from being traditional to modern societies. There is therefore a strong cultural dimension to modernisation theory. It is assumed that the values and practices of the West are more suited to development. This linear development model demands continuous economic growth. Science and technology is used to advance industry. Wealth is accumulated through trading with other countries.

In his book *The Stages of Economic Growth: A Non-Communist Manifesto* (1960), economic historian Walt Rostow presents modernisation as a five-stage process.

1. Countries begin with a 'traditional society', largely dependent on farming, with almost no economic growth
2. The 'preconditions' stage involves the building of infrastructure and services to set up the country for industrial growth
3. The 'take off' of the manufacturing sector increases national income, that is then invested to make more money
4. 'The drive to maturity' is the period of time that the growth in the economy is sustained
5. The stage of 'high mass consumption' is when the country's citizens are earning enough income to buy what they are producing, and the government has more money to spend on public services.

Criticism of modernisation theory

Critics of this theory argue that societies can take other routes to development, different from the traditional to modern, outlined by Rostow. It is also argued that even the most modern societies still contain some elements of their past traditions. In addition, it cannot be assumed that the Western model of development, including its values and practices, is best suited for countries in the Global South.

Consider:

- Is modernisation theory compatible with sustainable development?
- How might Vandana Shiva respond to Rostow's idea of moving away from traditional society towards one of mass consumption?

DEPENDENCY THEORY

ANDRE GUNDER FRANK



The dependency theory emerged in response to dissatisfaction with many claims made by modernisation theorists. In the 1970s, political economist Andre Gunder Frank led the dependency theory. He argues that in our interconnected, globalised world, some countries are winners of global trade, whilst others are losers. Countries become wealthy by exploiting the poorest nations through unfair trade. Underdevelopment is therefore directly linked to development elsewhere in the world. According to dependency theorists, free trade always favours the more developed countries because they are able to produce goods at a faster, and cheaper, rate than developing countries. This causes inequality between nations and makes developing countries more dependent on wealthy countries. This dependency was created in the colonial period, when production in the colonies were tailored to suit European markets. As a result many of the countries to this day remain a one product economy (such as coffee, sugar cane and cotton) and are very vulnerable to price fluctuations in global markets.

It is also argued that the global trade system is unfair because western countries control the import and export prices in world markets. Commodities from the Global South tend to be cheaper than manufactured goods from the Global North. This causes debt to grow in poorer countries resulting in the borrowing of loans from richer countries. Another way in which the Global South countries are dependent of countries in the Global North.

Criticism of dependency theory

Arguments against the dependency theory claim that this dependency is exaggerated. The theory focuses too much on economic factors, and does not take into consideration the country's internal political, social, cultural and environmental factors that could be contributing to its underdevelopment. Critics also argue that the dependency theory is very pessimistic and does not offer any hope. The dependency theory suggests developing countries need to disconnect from the global economy in order to develop. Critics would argue that this is impossible in our globalised world.

Consider:

- How does the portrayal of the oppressed differ in Dependency Theory to Freire's idea of critical consciousness? Critics say that Dependency Theory doesn't offer any hope. Could Freire's ideas around critical consciousness be used to bring more hope to the situation?

NEOLIBERAL THEORY MARGARET THATCHER AND RONALD REAGAN

Neoliberals argue that the role of the state should be kept to a minimum, because big businesses profit more without government intervention. Private ownership, free markets and free trade are seen as necessary for development. This means an end to protectionist measures such as tariffs, quotas, and subsidies that restrict trade. Entrepreneurship and competitiveness is encouraged and countries rely on markets for economic development. Neoliberalism as a development theory took off during the 1980s as it was promoted by Prime Minister of the United Kingdom, Margaret Thatcher, and President of the United States, Ronald Reagan. The neoliberal model was taken up by the international financial institutions such as the International Monetary Fund and the World Bank.



Criticism of neoliberalism

Critics of the neoliberal approach argue that the free market is not a tool for development, and that it produces comparatively low levels of economic growth. Exposure to global markets make it difficult for producers in the South to compete with richer producers in the North, who have more technology, enabling them to produce more. It is also argued that wealth accumulated through this neoliberal approach does not trickle down to the poor. It makes a small percentage of the rich, richer, while the poor get poorer, increasing inequality. Neoliberalism also, it has been argued, has an environmental cost. Poor countries diminish their stock of resources to compete in the global marketplace. A competitive industry increases carbon emissions, contributing to climate change.

Watch the video 'Neoliberalism explained' www.youtube.com/watch?v=2_ruEbn4jU0

Consider:

- How does neoliberal theory fit with Nozick's idea of the minimal state?
- Nussbaum disagrees that interference from the state should be kept to a minimum - what argument might she make against neoliberalism?

SUSTAINABLE DEVELOPMENT

GRO HARLEM BRUNDTLAND



The sustainable development model aims to meet the needs of people living today without compromising the lives of future generations. For this to be achieved it is essential to include social and environmental factors, rather than solely focusing on economic growth. It became popular in the late 1980s in response to concern about development practices upon the global environment since World War II. The concept underpinned the report *Our Common Future*, also known as *The Brundtland Report*, from the United Nations World Commission on Environment and Development (WCED), published in 1987. Gro Harlem Brundtland chaired the commission that presented the report. Sustainable development acknowledges that the Global South must develop economically, but that a balance has to be struck with the protection of environmental resources. It also considers issues of social justice, focusing on poverty reduction and gender equality. It is seen as a moral, rather than a market, concept. It is a guiding principle, rather than a set of policies.

On the 1st of January 2017, the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development officially came into force. These 17 goals were adopted by world leaders in September 2015 at a UN World Summit. They aim to end global poverty, fight inequality and tackle climate change. The goals are not legally binding, but governments are expected to work to develop national frameworks to meet the goals.

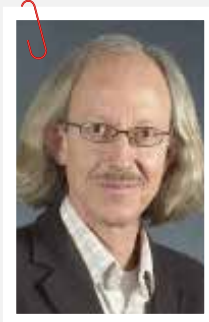
Criticisms of sustainable development

Some would argue that the Global North was freely able to pursue, and benefit from economic growth based development. It is unfair that the condition of the planet now dictates that they must pursue sustainable development. At the same time the richer countries continue to produce disproportionately high carbon emissions which is causing climate change. In a globalised world, it is difficult to implement sustainable development strategies, if all countries are not willing to work to develop sustainably.

Consider:

- Is Sustainable Development compatible with Neoliberalism?
- How does the concept of Sustainable Development fit with Gunder Frank's view that the capitalist system is a cause of but not a solution to underdevelopment?

POST DEVELOPMENT ARTURO ESCOBAR



The nature and purpose of development was increasingly questioned in the 1990s. The cultural bias of development was emphasised. It was argued that previous models were very Eurocentric and that local knowledge should be more valued. Arturo Escobar, a Colombian anthropologist, argues that development is a mechanism of cultural control, like colonialism once was. Escobar notes in his book *Encountering Development: The Making and the Unmaking of the Third World* that the development agenda identifies poverty as abnormal and associated it with the Third World, so that the West could intervene. Some post development theorists emphasize that development has been destructive of local traditions and indigenous cultures. Escobar says that the rich cannot lift the poor out of poverty. People should develop themselves by using their own ideas, and local knowledge and expertise, rather than by using culturally inappropriate ideas from other countries.

Criticism of post development thinking

Post development writers have been criticised for giving a one dimensional account of development, overlooking the many practical benefits of development such as improvements in water, sanitation and access to education. It has been argued that post development theory is only a critique of other models, and does not provide an alternative model.

Consider:

- How does Vandana Shiva's work on agriculture relate to post-development theory?
- Escobar says that the rich cannot lift the poor out of poverty - what other thinkers might agree with this stance? Do you agree with it?

THE RIGHT TO DEVELOPMENT

The United Nations *Declaration on the Right of Development* was proclaimed in 1986. It puts an emphasis on economic, social, cultural and political development, with people at its centre.

Watch the video '*The Right to Development for everyone, everywhere*' produced by the UN Human Rights www.youtube.com/watch?v=I5x8clbKq5A



Accessing the *Declaration on the Right to Development* online, ask students to read and discuss the full 10 articles.

Article 1.1 states that “the right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized”.

However, it has been argued that development is having a negative effect on our environment. In 2015 the United Nations Framework Convention on Climate Change (UNFCCC) brought world leaders together to find a solution to climate change. The Paris Agreement was negotiated by representatives from 195 countries. Its aim is to strengthen the global response to climate change by keeping temperature rise this century well below 2 degrees Celsius, and to try to limit the temperature to increase to 1.5 degrees Celsius²¹.

Governments from Global North and Global South countries may have different perspectives on the relationship between development and the environment. Some would argue that regulatory regimes such as the Paris Agreement put restrictions on Southern countries ability to develop, something Northern countries never had to face. India is an emerging economy and is developing at a fast rate. In 2015 it was the fourth largest emitting country/region of carbon emissions, after China, The United States and the European Union²². Investigate if this is still the case.

Methodology

- Evaluate the argument that India should not be allowed to develop because of the negative affect it is having on our environment.
- Assign different roles to students and encourage them to argue from their perspective.

Roles: Indian government, Indian solar panel company, Indian farmer whose crop is failing, Indian coal company owner, Irish environmentalist, Indian environmentalist, Irish government.

²¹ From 'Paris Agreement', United Nations 2015

²² From 'Trends in Global CO2 Emissions, 2016 Report' - PBL Netherlands Environmental Agency, European Commission Joint Research Agency.



Bhutan is the first carbon negative country in the world. Thanks to its tree cover Bhutan absorbs over 6 million tonnes of carbon each year, but only produces 1.5 million tons. Political decisions are made based on a model called Gross National Happiness which promotes people's well-being, rather than purely economic growth. Investigate the role of carbon neutral cities in other parts of the world.

How does this relate to the lives of young people in Ireland?

Our Sustainable Future is a plan for sustainable development for Ireland. It looks at how Ireland can transition to a low carbon and climate resilient future. Read Ireland's vision for a sustainable future on page 10

www.housing.gov.ie/sites/default/files/migrated-files/en/Publications/Environment/Miscellaneous/FileDownload%2C30454%2Cen.pdf

Irish Aid is the Irish Government's programme for overseas development. Each year the Government allocates a certain percentage of money raised through Irish taxes in Official Development Assistance (ODA). The money is spent using different approaches to support development programmes, the work of international organisations such as the UN or World Bank and the work of Irish non-governmental organisations. Investigate for what purposes Irish Aid money was spent last year at dfa.ie

Where can I find different perspectives?

United Nations fact sheet on the right to development www.ohchr.org/Documents/Publications/FSheet37_RtD_EN.pdf

United Nations Fact Sheet on economic, social and cultural rights www.ohchr.org/Documents/Publications/FactSheet33en.pdf

What research data or evidence is relevant?

United Nations Development Programme *Human Development Reports* hdr.undp.org

Feeling the Heat: How climate change is driving extreme weather in the developing world, a report produced by Trócaire trocaire.org

What theorist has a relevant view on this?

Andre Gunder Frank looked at past social and economic history to try to understand underdevelopment.

Edward Said's view of the way in which colonising discourses like Orientalism operate, echoes that of Escobar's critique of the development agenda.

Thomas Hylland Eriksen studies the contradictions between growth and sustainability. Watch him discuss climate change https://www.youtube.com/watch?v=7WK_87x65GY

Vandana Shiva on climate change <https://www.youtube.com/watch?v=fF-jssENcJQ>

SECTION THREE

GLOBALISATION AND POLITICAL POWER



Part A: Supranational Bodies

Part B: International Monetary Fund and World Bank

Part C: World Trade Organisation and Trade

Part D: United Nations Development Programme and the Sustainable Development Goals

Part A: SUPRANATIONAL BODIES



LEARNING OUTCOME:

7.6 GLOBALISATION AND POLITICAL POWER

Students should be able to:

- Describe the role of supranational bodies (the International Monetary Fund, World Trade Organisation, World Bank and the United Nations Development Programme)

Key questions: *What is the role and structure of the International Monetary Fund, World Trade Organisation, World Bank and the United Nations Development Programme? What relationship does Ireland have with these institutions?*

FINANCIAL SYSTEMS

The global financial system refers to the actors, institutions and rules that govern the way money and capital move around the world.

A key part of how the global financial system affects ordinary people is the way in which countries manage their money:

- Earning money through tax and trade
- Paying for public services such as healthcare and education
- Borrowing money to build infrastructure such as roads and schools

Background

After the Second World War, the global financial system was in crisis. Europe needed to be rebuilt. In the year 1944, 730 people from 44 nations came together for a conference in Bretton Woods, United States. The IMF and the World Bank were set up to create financial stability and to rebuild post war Europe.

In 1945 an intergovernmental organisation called the United Nations was set up to promote cooperation between countries and to prevent another conflict. The General Agreement on Tariffs and Trade (GATT) was negotiated at a United Nations Conference in 1948. It was an agreement between countries to regulate global trade. 23 nations signed the agreement in Geneva. The agreement stayed in effect until 1995 when the World Trade Organisation (WTO) was established.

The United Nations Development Programme (UNDP) was established in 1965 by the General Assembly of the United Nations. It advises developing countries on aid management and development effectiveness.

The monitoring and implementing of financial and trade policies by these institutions can have both positive and negative effects on a country. Some countries have more powerful voices than others depending on their voting power.

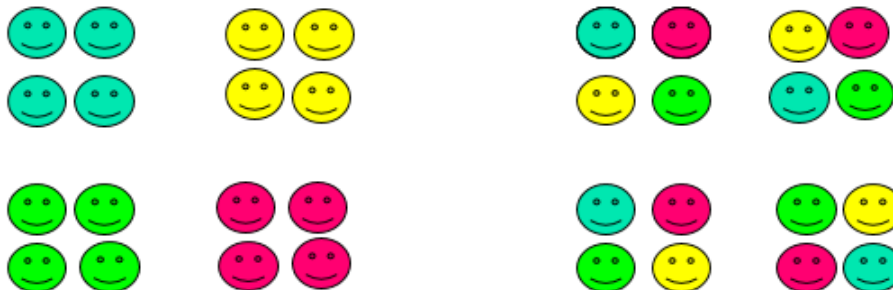
SUPRANATIONAL BODIES

Methodology

Students become experts in the structure and role of a global institution. Using the jigsaw methodology they will share what they have learned with their class mates.

Questions for students to consider:

- How do our global financial systems work?
- Do some countries and people benefit more than others?
- What institutions have the power within these financial systems?
- Do some countries have more powerful voices within these institutions than others?



- Students are arranged into groups. This is their home group. Number each student 1 – 4 (if there are more than 4 students in the group, put some in pairs, but each pair only has one number). Assign a supranational body to each group (WTO, World Bank, IMF, and UNDP).
- Encourage students to brainstorm anything they already know about the institution on a sheet of flip chart paper. Write down what they would like to find out about it.
- Photocopy and distribute an information sheet from the following pages to each group. The students read and discuss the information. Have they found answers to any of their questions? Encourage online research to gain further information on the topic.
- Rearrange the groups. All of the 1s from each home groups meet to form a new group, as well as all of the 2s and so on. Students ‘teach’ their area of expertise to the rest of the group.
- Bring the original groups back together and they can share and explore many dimensions of the topics explored.

WHAT IS THE ROLE OF THE INTERNATIONAL MONETARY FUND (IMF)?



The IMF was created in 1944 with the aim of creating global economic stability and improved global cooperation. The institution surveys national economic policies and discourages policies it believes have negative effects on the global economy. It also provides short term and long term loans to countries.

How does the IMF work?

It is funded by its 189 member countries, which pay a subscription when they join. This amount is based on the size of the country's economy, which also determines the size of their vote – the richer the country the bigger the vote. The United States has 17% of the votes, while countries of the whole African continent have only 6% of the vote. Ireland has 0.5% of a vote.

The headquarters is in Washington D.C., United States. The 24 member Executive Board is responsible for selecting the Managing Director.

How are countries impacted by the IMF?

The IMF often acts as a 'gatekeeper' to debt relief and aid. Because the IMF has such a powerful voice, sometimes donor countries have to hold back their aid to Southern countries until the IMF gives approval. The IMF impose Structural Adjustment Programmes (SAPs) on countries that they loan to such as the privatisation of public services. Ireland's water charges are an example of this. The IMF is sometimes referred to as the 'lender of last resort'. The IMF and World Bank often work together in deciding policy conditions.

HOW IS IRELAND REPRESENTED AT THE IMF?



Ireland's Minister for Finance is Governor for Ireland at the IMF and World Bank. Governors and officials from the two institutions have joint spring and autumn meetings. Ireland is part of a constituency made up of Canada, Ireland and 11 Caribbean countries. Ireland is represented in the IMF and World Bank by Canadian Executive Directors.

Go to the IMF's website to research further information about the institution.

www.imf.org/

- Who is the current Managing Director?
- What countries are the biggest borrowers?
- The IMF promotes policies of privatisation and trade liberalisation– find out more about each of these.



WHAT IS THE ROLE OF THE WORLD TRADE ORGANISATION (WTO)?



The WTO was set up in 1995 when it took over the General Agreement on Trade and Tariffs (GATT). The institution manages globalisation from a trade perspective at a global level, by setting trade rules. It tries to get rid of trade barriers and trade tariffs (tax on imports and exports) and sets the terms at which trade agreements between countries can be agreed. It also settles trade agreement disputes.

How does the WTO work?

The WTO currently has 164 members. It is run by a secretariat (department) of over 600 people in Geneva, Switzerland. The Director General is the head of the organisation. All major decisions about trade rules are made by the government ministers from the member countries at Ministerial Conferences, who meet at least every two years.

Decisions are normally taken by consensus. Gaining consensus among 164 countries is difficult. Some negotiations that started in a meeting in Doha in 2001 have still not come to an agreement. As a result, it has been suggested that the WTO system of decision making needs to be changed.

How are countries impacted by the WTO?

The WTO encourages trade liberalisation, the removal of barriers (such as import quotas and tariffs) that restrict the importation and exportation of goods and services between countries. This favours wealthy countries. For example Ireland's agriculture industry is protected. However, for small farmers in Southern countries, the opening of trade markets has made it more difficult to earn a livelihood through farming. Poor countries are often forced to specialise in commodity production, such as growing coffee or tea. The commodities are sent to richer countries to be developed and sold, therefore the richer country makes the profit. WTO rules can be enforced through sanctions (penalties for breaking rules).

HOW IS IRELAND REPRESENTED AT THE WTO?

Irish man Peter Sutherland was Director General of GATT, and the WTO from 1993 -1995. Irish ministers attend the WTO Ministerial Conference held at least once every two years. It brings together all members of the WTO to make decisions on all matters of trade agreements.



Go to the WTO's website to research more information wto.org

- Who is the current Director General?
- How are decisions made at the WTO?
- What are trade tariffs and trade negotiations?



WHAT IS THE ROLE OF THE WORLD BANK?

The World Bank was created in 1944 to rebuild the economies of Northern countries after World War II. The World Bank tackles world poverty by lending money for development projects, and providing technical assistance to Southern countries. It provides money for large infrastructure projects (e.g. building roads), and for social projects in the area of health and education.



How does the World Bank work?

It is funded by the governments of the 189 member countries, and by the interest paid on loans it gives to Southern countries. A country's influence in the World Bank is determined by the amount of money they pay in. Each member government is a shareholder of the Bank, and the number of shares a country has is based on roughly the size of its economy. The more money a member country pays in, the greater influence it has on making decisions. The most powerful members are the G8 countries - they have the most seats on the board of directors at the World Bank. The G8 countries are Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States. 48% of the votes come from G8 members.

The headquarters are in Washington D.C., United States. The president of the World Bank is usually appointed by the United States government.

How are countries impacted by the World Bank?

It is the world's biggest lender of money. The loans to Southern countries come with conditions attached to them. This means that in order to get loans, countries must agree to make changes such as privatisation of public services.

HOW IS IRELAND REPRESENTED AT THE WORLD BANK?

Ireland's Minister for Finance is Governor for Ireland at the IMF and World Bank. Governors and officials from the two institutions have joint spring and autumn meetings. Ireland is part of a constituency made up of Canada, Ireland and 11 Caribbean countries and is represented in the IMF and World Bank by Canadian Executive Directors.



Go to the World Bank's website to research more information about the institution. worldbank.org

- Who is the current president of the World Bank?
- The World Bank consists of five organisations, what are they?
- Look at the annual report to find out more about the work.



WHAT IS THE ROLE OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)?



The United Nations is an intergovernmental organisation that promotes cooperation between countries. It was set up in 1945 after World War II to replace the League of Nations and to prevent such a conflict from happening again. The UNDP is the global development network within the United Nations. It works towards the reduction of poverty, inequality and exclusion in the world's poorest countries, by providing advice, training and grants. The Sustainable Development Goals (SDGs) guide the work of the UNDP. Each year the UNDP produces a Human Development Report - an important tool for raising awareness about human development around the world.

How does the UNDP work?

The organisation works with local governments in 177 countries. The UNDP Executive Board is made up of representatives of 36 countries around the world who serve on a rotating basis. It is responsible for supervising the activities of the UNDP. The Administrator is the highest ranking person in the UNDP. Funding from the organisation comes from governments, international financial institutions (e.g. World Bank), the private sector and foundations. Its headquarters are in New York City, United States.

How are countries impacted by the UNDP?

The UNDP helps improve people's livelihood (means of securing life's basic necessities such as food, water, medicine, shelter). The programme also helps people gain access to legal aid and energy. It works with communities to develop plans to be better prepared when a disaster happens, in particular relating to the climate.

IRELAND'S RELATIONSHIP WITH THE UNDP



The UNDP does not work in Ireland. But the Irish Government supports the UNDP to widen the reach of Ireland's own development programme, Irish Aid. The relationship between Irish Aid and the UNDP can contribute to tackling development issues in countries where Ireland does not have a programme. The Irish government contributed €29 million to the UNDP in 2016.

Watch 'UNDP - Connecting the Dots for People & Planet' www.youtube.com/watch?v=IEIwRV49o-Q



Go to the UNDP's website to research more information undp.org

- Who is the current administrator?
- Look at the most recent human development report.
- What other United Nations programmes are there?



The voting systems of the World Bank and the IMF that were established after WWII are still used today. Do you think the voting systems are fair today?

Part B: INTERNATIONAL MONETARY FUND AND WORLD BANK



LEARNING OUTCOME:

7.6 GLOBALISATION AND POLITICAL POWER

Students should be able to:

- Describe the role of the International Monetary Fund and the World Bank in the process of decision-making in relation to a policy that impacts on young people
- Evaluate the argument that power is moving from national governments to supranational bodies

Key questions: *What impact do IMF and World Bank policies have on young people? Do the IMF and World Bank have more power than national governments?*

SOVEREIGN DEBT²³

Sovereign debt is the amount of money that a country's government has borrowed. Countries always have debt. Public services are funded through the collection of taxes. However, the money generated from taxes is not always enough at the time it is needed. In the same way that a person may take out a mortgage to pay for a house, a country may take a loan to pay to build a road or hospital. These projects are usually financed on the international markets i.e. richer countries giving loans. The IMF was set up to ensure the stability of this international financial system and to give loans to countries that cannot borrow money from anyone else – making the IMF the 'lender of last resort'.

Changes in the global financial system can affect the country's ability to pay the loan back. For example country A raises revenue from cotton exports. They receive a loan from the government in country B to build a road. They manage to repay the loan for two years, but then the global price of cotton falls. Country A is no longer making enough money to pay back the government of country B. This is when a country may request financial assistance from the IMF. The money from the IMF aims to provide a cushion that eases the adjustment policies that the government needs to implement to correct its balance of payments problem to restore conditions for economic growth.

Some countries owe hundreds of billions of dollars to rich countries, banks and international institutions like the IMF. Many poor countries pay more money out in debt repayments than they receive in aid. Throughout history, excessive debt accumulation has been blamed for exacerbating economic problems, from the Great Depression right up to the 2008 global financial and economic crisis.

The IMF promotes policies of trade liberalisation and privatisation to countries in debt. Trade liberalisation involves removing barriers to trade between countries and encouraging free trade. Privatisation involves selling state owned assets to the private sector.

²³ This information has been adapted from *Getting Into Debt*, an education resource produced by Jubilee Debt Campaign. jubileedebt.org.uk/get-involved/education.

DEBT DIAMOND

Methodology

- Introduce key concepts related to debt. What is debt? What is interest? What is the difference between personal and international debt?
- Divide students into groups of 4/5 and give them a set of debt statements. Ask them to rank the statements, with the statement they strongly agree with at the top, the two they feel next strongly underneath and so continue until the statement they disagree with the most is at the bottom. The statements should form a diamond shape. There is no correct order to put the statements. This aim of this activity is to start a discussion and to come to a democratic decision of how to order the statements. Students should be able to explain way they ordered the statements the way they did.
- Ask students to feed back to the wider group the statement that they put at the top and the bottom. Facilitate a discussion: Did any group find it difficult to come to an agreement. Was there any similarities between the groups?
- Elaborate on the discussion of each statement by sharing the information given on the next page.



DEBT DIAMOND STATEMENTS



<p>If countries adopt the economic policies of the IMF (such as trade liberalization and privatisation) their problems will be solved.</p>	<p>Debt is a cause of environmental damage.</p>	<p>When banks give loans, they should only have to think about profits. It is not their responsibility to think about the person/country taking out the loan.</p>
<p>Women are most affected by debt burdens.</p>	<p>Debt is the result of bad planning and corruption, those in charge shouldn't be allowed to get away with it.</p>	<p>Today's generation of indebted people should not be held responsible for the mistakes of those who went before.</p>
<p>It is always morally wrong not to repay a debt.</p>	<p>Global North countries should pay off their debt regardless of the consequences.</p>	<p>Global South countries should pay off their debt regardless of the consequences.</p>
<p>The debt crisis is a major cause of social unrest and war.</p>	<p>We can't get rid of poverty or inequality without debt cancellation.</p>	<p>Write your own...</p>

DEBT INFORMATION (TEACHER'S NOTES)



<p>If countries adopt the economic policies of the IMF (such as trade liberalisation and privatisation) their problems will be solved.</p>	<p>Borrowing from these financial institutions can give short term relief for governments to pay for public services. However it is argued that the loans come with conditions that often have detrimental effects on those countries. The Irish loan from the IMF enabled the Irish Government to pay for public services during the recession, but amongst the conditions attached were cutbacks to public services and privatisation (eg. setting up of Irish Water).</p>
<p>Debt is a cause of environmental damage.</p>	<p>When countries need to raise money to pay off debts they often exploit their natural resources, such as over intense farming of cash crops, over allowing companies logging rights thereby destroying forests etc. On the other hand it is argued that countries in recession tend to have less carbon emissions. For example in Ireland, so many people lost their jobs that there was less traffic on the roads, less people had money to take holidays on planes etc.</p>
<p>When governments and banks give loans, they should only have to think about profits. It is not their responsibility to think about the person/ country taking out the loan.</p>	<p>Governments and banks, particularly in rich countries, can make huge profits on loans they give to people or countries, winning political influence or lucrative contracts. Many loans financed useless or overpriced projects. Private banks or rich governments gave loans or credits without ensuring that the project was useful or affordable.</p>
<p>Women are most affected by debt burdens.</p>	<p>Women tend to be affected by spending cuts or lack of public services more than men. For example if cuts are made to healthcare it may have an impact on women during pregnancy and birth. If school fees are introduced, girls are often kept at home and the boys sent to school. It is also argued that lack of clean water and sanitation has a greater impact on women as they are usually the ones who have to fetch water.</p>

<p>Debt is the result of bad planning and corruption, those in charge shouldn't be allowed to get away with it.</p>	<p>There is no doubt that some regimes in some countries have been corrupt, but many issues arise here. Is it fair to punish all for the crimes of the few? Many indebted countries have had honest governments. Western banks sometimes knowingly accept corruptly gained money. Are they not also responsible? Do you think that financial regulators and governments should be held responsible for decisions that they make while in power?</p>
<p>Today's generation of indebted people should not be held responsible for the mistakes of those who went before.</p>	<p>Sometimes corrupt dictators who took out large loans have fled, but it is the present government and people who live in the country who are left to pick up the tab. In the Irish context people will be making debt repayments until the year 2053 because of a decision made by the Irish government in power during the financial crisis. Do you think this is fair?</p>
<p>It is always morally wrong not to repay a debt.</p>	<p>Individuals and companies default on debts all of the time: we call it bankruptcy. Law allows companies which are in debt to declare themselves bankrupt, have the slate wiped clean, and the individuals involved can start again. No such law exists for countries that are in debt. In some cases, countries have cut essential services, such as education and healthcare in order to service debts. In those cases, there are questions to ask about whether it is more morally wrong to deny a child an education or deny a creditor the money they are owed.</p>
<p>Global North/South countries should pay off their debt regardless of the consequences.</p>	<p>It is argued that some countries will never be able to get out of debt, or build adequate infrastructure and services if they are forced to make debt repayments. Public pressure led to debt cancellation for many Highly Indebted Poor Countries (HIPC) over the last 3 decades. Should the same have been done for Global North countries such as Ireland and Greece? One argument against debt cancellation is that it encourages countries to borrow irresponsibly. However, a counterargument is that poor countries are in debt crisis because they were lent money irresponsibly.</p>
<p>The debt crisis is a major cause of social unrest and war.</p>	<p>As countries become poorer because of debts, one route that people take is protest and sometimes violence. This may escalate into civil war, and even to cross-war borders.</p>
<p>We can't get rid of poverty or inequality without debt cancellation.</p>	<p>Some countries pay more in servicing their debt than they receive in aid, often repaying the debt multiple times due to interest rates. This is a cycle that may never end unless we find a way to reduce or eliminate the debts of some poor countries.</p>

DEBT TIMELINES

Methodology

Photocopy and distribute the Global North and the Global South debt timelines on the following pages and discuss with your students.

- How does globalisation impact a country's debt situation? Encourage positive and negative suggestions.
- Are there differences between the Global South timeline and the Global North timeline?
- What power did the IMF and World Bank have in the control of the world's debt?
- How would the debt timelines look if the IMF and World Bank did not exist?



GLOBAL SOUTH DEBT TIMELINE



1940s, 50s, 60s: Independence	Many Southern countries gain independence from colonialism and take loans to develop their economies.
The Cold War	The US and their allies the USSR lend recklessly to Southern countries to buy political alliances.
1973 Oil Crisis	Oil producing countries increase their prices, make lots of profits, and deposit the cash in Western banks. Western banks lend recklessly and massively to Southern countries. Southern countries' debt spiralled from US\$70 billion in 1970 to US\$580 billion in 1980.
Late 1970s	Southern countries are dealt a triple blow by global economy – an unprecedented rise in interest rates; a huge reduction in the prices of their commodities (such as copper and coffee); another increase in the price of oil. Southern countries are receiving less money than ever, but paying out more.
1982 Debt Crisis	Mexico threatens to default on its debts. The global crisis is exposed. Lenders reschedule Mexico's debt.
1980s Campaigning	The debt cancellation campaigning movement springs up in countries around the world.
1996 First Debt Cancellation	After much pressure the G8 countries agree to launch the Highly Indebted Poor Country Initiative (HIPC). Certain Southern countries are allowed cancellation of some debts owed to governments and lenders. But participating countries have to implement 'policy conditions' in order to qualify.
1999 Second Debt Cancellation	The G8 countries agree to include some more countries in the HIPC initiative.
2006 Third Debt Cancellation	The G8 countries agree to additional debt cancellation for countries that have completed HIPC through a scheme called the Multilateral Debt Relief Initiative (MDRI). The HIPC and MDRI schemes will cancel over US\$120 billion once they are fully implemented.
2006 – 2013 Illegitimate Debt Cancellation Campaign	The external debt of Southern countries is almost US\$ 5 trillion. Campaigners continue to call for the cancellation of all unjust debts of Southern countries so that lenders are held to account for giving bad loans.
2016 New Debt Crisis	A new debt crisis has begun in impoverished countries. The crisis comes from a boom in lending and borrowing since the global financial crisis, followed by the crash in the price of commodity exports

GLOBAL NORTH DEBT TIMELINE



2006 Housing Bubble	Housing bubble peaks in the United States
September 2008 Stock Market Collapse	The US subprime crisis causes the stock market to collapse. Subprime means making loans to people who may have difficulty making the repayment schedule. The stock market collapse means that there was not enough money circulating in the US banking system, and between US banks and banks all over the world. This triggers a global crisis.
September 29 th 2008 Irish Blanket Bank Guarantee	The Irish Government guarantees all bank deposits in six Irish banks.
December 2008 Nationalisation	The Irish Government puts €1.5 billion into Anglo Irish Bank in return for 75% stake, effectively nationalising it. This means that the government owns it.
October 2008 Financial Crisis Iceland	Britain, Germany and other countries start bailing out Icelandic banks. Iceland, Pakistan, Hungary, Russia, Serbia and Ukraine request financial aid from the IMF. This is unprecedented in Global North countries.
2009 The Recession	It is difficult to get credit, sales fall, job losses rise. The Irish Government announces its first austerity budget.
February 2009 Civil Unrest in Ireland	120,000 Irish people demonstrate against cutbacks, which are linked to repaying Ireland's massive banking debts.
2010 Greece threatens to default	Greece's credit rating is lowered and lenders stop lending, which creates possibility of a default. Default means the failure or refusal to repay one's debts. This sparks speculation that other EU countries (Ireland, Spain, Portugal and Italy) may default.
May 2010 Financial Aid for Greece	There are fears that further defaults will cause insolvency in every European bank and bring down the euro. Insolvency is when the banks do not have enough cash to repay debts and pay out to customers. Therefore EU leaders and IMF agree a financial aid package for Greece and a €750 billion bailout fund
2010 The Troika	In September the Irish Central Bank announces that the Anglo Irish Bank bailout alone will cost people in Ireland €35 billion. The total cost of the banking crisis is €64 billion. In November the Troika arrived in Ireland. The word Troika refers to The European Central Bank (ECB), the IMF and the European Union (EU). Ireland signs up to the EU IMF loan agreement.
February 2013 Government Bonds	The Irish government closes down Anglo Irish Bank completely, and changes its remaining debt into government bonds. These will be paid over an average of 34 years. The first payment on principal of the Anglo debt will be paid in 2038, the last repayment in 2053.

PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

A PPP is a medium or long term contractual agreement between a government and a private sector company to deliver public infrastructure. Infrastructure refers to the buildings, facilities and organisational structures needed for society to function (e.g. roads, schools, power supplies, and water and sanitation systems). These are traditionally provided by the government and financed by taxes. The World Bank promotes PPPs to countries with large amounts of sovereign debt that cannot afford to provide adequate infrastructure. It provides advice and finance for PPP projects. PPPs are promoted as a key tool to reach the 2015 sustainable development goals.

In PPPs the private companies take on the up-front costs of the project in return for guarantees from the government that they will make profits from their investments over the lifetime of the contract. The past few decades have seen a rise in governments and private companies working together to deliver infrastructure. This has been driven by a rise in economic growth and thus the need for infrastructure development. One of the big attractions of PPPs to governments is that the cost of borrowing does not appear on the national balance sheet, meaning it doesn't appear to increase the government's debt.

Arguments for PPPs

- Governments do not need to provide the funds upfront, so projects can be completed in a timely manner
- A low risk investment for the private sector as they guarantee income for a long period of time
- The private sector has the capacity to deliver high quality infrastructure

Arguments against PPPs

- As private investors are guaranteed a return on investment, they can often be the most expensive method of financing, increasing the cost to the public purse
- Can pose a huge financial risk for the public sector
- Private companies have a greater incentive to strip out any elements that might reduce profits, including cutting jobs and using methods that are harmful to the environment

Discuss PPPs in Ireland E.g. Irish Water, Irish motorways, some schools are built under a PPP

The Lesotho case study (p. 48) can be used to stimulate a class discussion on PPPs.

Impact of Supranational Bodies: CASE STUDIES

Methodology

- Divide the class into groups and distribute an *impact of supranational bodies* case study to each.
- Ask students to prepare a summary, laying out the impact the World Bank and/or the IMF has had on people in their country. Present to the class.
- Through a class discussion, evaluate the argument that the institutions have more power than national governments.
- Encourage the students to back up their statements with evidence from the case studies.
- Explanations for the underlined words can be found in the glossary at the back of the resource. Photocopy a glossary for each group.

IMPACT OF SUPRANATIONAL BODIES

CASE STUDY: LESOTHO



Geography

Lesotho is a landlocked country in Southern Africa, completely surrounded by South Africa. Its population is 2.1 million, with 27% living in cities. Its capital is Maseru. Life expectancy in Lesotho is 50 years and the infant mortality rate is 69 deaths per 1,000 live births.

Politics

Lesotho declared independence from the British on the 4th October 1966. It is a parliamentary constitutional monarchy. The Prime Minister is head of government and has executive authority. The King of Lesotho serves a largely ceremonial function and does not possess any executive authority. *Find out who is the current Prime Minister.*

Economy

Lesotho is one of the poorest countries in the world. Its economy is linked with its bigger and more developed neighbour South Africa. The economy is dependent on agriculture, livestock, manufacturing and mining.

Lesotho's Trade

Lesotho's top export destinations are South Africa, United States and the European Union. The country's top import origins are South Africa, Chinese Taipei and China. *Log onto the WTO website to find Lesotho's top exports and imports this year.*

Healthcare in Lesotho

Lesotho has the third highest rate of HIV and AIDS in the world. The Queen Mamohato Memorial Hospital was built in the capital city Maseru, under a public private partnership (PPP). The government in Lesotho signed the PPP with the private Tsepong consortium led by South African private healthcare company, Netcare, in 2009. The hospital opened in 2011, replacing Lesotho's old main public hospital. It is the first of its kind in Africa – and in any low-income country – because all the facilities were designed, built, financed, and operated under a public–private partnership (PPP) that includes delivery of all clinical services.

The PPP was developed under the advice of the International Finance Corporation (IFC), the private sector investment arm of the World Bank Group. The promise was that the PPP would provide vastly improved, high-quality healthcare services for the same annual cost as the old public hospital. In 2016 the Ministry of Health in Lesotho was spending half of its health budget on the hospital. The private health partner is at the same time receiving 25% returns on their investment. This scarcity of funds for healthcare is being felt in the rural areas, where almost three quarters of the country's population lives.

Discuss

- Watch the video and read the article to find out more about the PPP www.theguardian.com/world/2014/apr/07/lesotho-health-budget-private-consortium-hospital
- What are the positive and negative aspects of the World Bank getting involved?
- How did this impact on people living in the country?
- Who had more power - the Lesotho government, the World Bank, or the private company?

IMPACT OF SUPRANATIONAL BODIES

CASE STUDY: IRELAND

Ireland is an island in Western Europe. It is divided between the Republic of Ireland and Northern Ireland, which is part of the United Kingdom. The following facts apply to the Republic of Ireland only, and it will be referred to as Ireland throughout.



Geography

Ireland has a population of 4.7 million people. 37% of the population live in rural areas. Life expectancy is 81 years. The infant mortality rate is 3 deaths per 1,000 live births.

Politics

In 1922 both the Irish and British parliaments ratified the Treaty, formalising independence for the 26-county Irish Free State (which renamed itself Ireland in 1937, and declared itself a republic in 1949). The six county Northern Ireland, gaining Home Rule for itself, remained part of the United Kingdom.

Economy

In the 1990s Ireland's economy saw the 'Celtic Tiger' phase. The economy grew by 5% - 6% annually, fuelled by foreign direct investment and a property bubble. By 2000 it became one of the world's wealthiest nations. Unemployment was only at 4%. Machinery and chemical products were the largest exports.

In 2008 the country fell into recession. An economic slowdown was caused by the 2007 - 2008 international financial crash. The unemployment rate reached 15% in 2012. Economic growth post 2012 was not felt by all citizens of the country, due to austerity measures brought in by the government to repay the country's financial debt.

Ireland's Trade

Ireland's top export destinations are the EU, United States, Switzerland and Japan. Ireland's top import origins are the EU, US, China and Japan. *Log onto the WTO website to find out Ireland's top exports and imports for this year.*

Why is Ireland in so much debt?

The huge economic growth during Ireland's Celtic Tiger created an increase in incomes and huge public investment in services and infrastructure such as education and roads. However, at the same time house prices quadrupled. Banks were lending to people to fund mortgages. In 2008 the global economic crisis froze lending between banks all over the world. Irish banks no longer had enough money to lend to people. This caused the Irish property bubble to burst. Many businesses and companies were losing money and had to close. Huge amounts of people lost their jobs. The country was in recession. In 2008 the 'Blanket Bank Guarantee' was issued by the Irish Government - this was a promise by the Irish state to cover liabilities of the six main banks.

By 2012, two banks, *Anglo Irish Bank* and *Irish Nationwide Building Society (INBS)*, could not pay their debts. The Irish Government negotiated a deal with the Irish Central Bank to give emergency assistance to Anglo/INBS. This deal required the permission of the European Central Bank. The Irish Government created a 'promissory note' - a written promise that the Government would repay the debt if Anglo/INBS could not.

Anglo could not fund the repayments so the government provided the money instead. This left the government short of money to pay for public services such as schools, hospitals and Garda stations. The Irish government requested a bailout of €90 billion from the IMF, European Central Bank and the European Commission (Troika), which went towards refunding the banks. An austerity package was imposed on the country to pay this debt back. The Irish Government had to make cuts to its public services budget and increases in taxes in order to make the debt repayments to the IMF.

According to a report commissioned by Oxfam, Ireland had the highest level of income inequality in Europe in 2013. A fall in income and increase in taxes caused almost 1000 Irish people to emigrate a week in 2013. In 2016 it was estimated that over 7000 people in Ireland were homeless.

Discuss

- What are the positive and negative aspects of the IMF stepping in?
- How did this impact on people living in the country?
- Who had more power, the Irish government or the IMF?

CASE STUDY: IRELAND



How is Ireland paying off its debt?

To repay the bailout of €90 billion from the IMF, ECB and European Commission, the Irish government needed to cut spending, and where possible bring in extra revenue. To do this they imposed austerity measures and introduced new taxes such as property tax and Universal Social Charge (USC), an extra tax on people's income. Water charges were also introduced but later taken away due to public protest against them. During this period Ireland's corporate tax rate was not increased.

Irish government net tax income - 2016	Amount (in millions)
Property tax	€463
Universal Social Charge	€3,968
Corporation tax	€7,352

(Figures from Revenue Annual Report, 2016)

Ireland has a 12.5% corporate tax rate which is the second lowest in the EU. Successive governments have kept Ireland's corporate tax rate low using the argument attracts foreign direct investment and jobs into the country.

However, not all companies pay 12.5%. In August 2016, the European Commission (EC) decided Apple received undue tax benefits from Ireland which meant their effective rate of taxation was 0.005%. Apple's European headquarters is in Ireland, where they employ approximately 6,000 people. The Irish government disputes this and is appealing their finding.

The European Commission case focused on the way Ireland treated profits from other jurisdictions where Apple do business, based on the relationships between different subsidiaries owned by Apple. When they were taken into account, the Commission found Apple paid only 0.005% tax in Ireland, and that this gave preferential treatment to Apple over other companies. They ordered the Irish government to recover the unpaid taxes from 2003-2014 which amounted to €13 billion.

The process by which money was moved through Apple's subsidiaries is called transfer pricing. For more information on how transfer pricing works, watch this 7 min video from the Khan Academy, www.youtube.com/watch?v=TLSYwkWCizA&t=1s

Apple is not the only company paying below the headline 12.5% tax rate in Ireland. A 2017 report by Comptroller and Auditor General (C&AG) found that of Ireland's top 100 companies, 13 were paying 1% effective rate of tax.

A misuse of transfer pricing has been highlighted as a key way companies avoid tax. Countries in the Global South are estimated to lose \$200 billion each year through tax avoidance. This is more money than they receive in overseas aid.

Discuss:

- Whose responsibility do you think it is to pay back Ireland's debt? Should corporations also contribute more tax during periods of austerity?
- Would Nozick agree with how the Irish government acted? How does this case relate to his work on the 'minimalist state'?
- How does Ireland's tax system affect sustainable development globally?



IMPACT OF SUPRANATIONAL BODIES

CASE STUDY: ZAMBIA



Demographics

Zambia is a land locked country in the southern region of Africa, with a population of over 16 million people. 59% of the population live in rural areas. Life expectancy is 61 years. The infant mortality rate is 43 deaths per 1,000 live births.

Politics

On the 24th of October 1964 Zambia became independent of the United Kingdom. The country has a good reputation for its political stability. It has had six successful democratic elections since 1991. *Find out who is the current Prime Minister of Zambia.*

Economy

Zambia's economy grew at an average annual rate of 7% between 2010 and 2014. Copper is the country's largest export. It is the second largest copper producer in Africa after the Democratic Republic of Congo. But its over-reliance on copper has made it vulnerable to falling commodity prices. A fall in copper prices caused a drop in economic growth to 3% in 2015.

The benefits of the growing economy has mainly affected the richer parts of the population in urban areas. Two thirds of Zambians are living in poverty – 60% of the population lives below the poverty line (\$1.25 a day) and 42% are considered to be in extreme poverty.

Zambia's Trade

Zambia's top export destinations are Switzerland, China, the Democratic Republic of the Congo, South Africa. The top import origins of Zambia are South Africa, the Democratic Republic of the Congo, China and the EU. *Log onto the WTO website to find out Zambia's top exports and imports for this year.*

With a growing economy, why is there so much poverty in Zambia?

Zambia is a highly indebted poor country. In the 1970s the price of copper fell whilst the price of oil rose. This meant Zambia had to borrow money to keep the economy running. Zambia's debt rose from \$800 million to \$3.2 billion. Most of this money was lent to Zambia by Western banks.

At the end of the 1970s a crisis began when the United States started to increase interest rates. It now became almost impossible for Zambia to pay back the loans. The International Monetary Fund (IMF) then intervened in 1983, lending Zambia the money to pay back the banks. Western banks were facing a crisis after lending recklessly to countries around the world. The IMF loans were effectively bailing out the banks.

The IMF and World Bank demanded various conditions in exchange for making these loans. These included large cuts in spending on public services, trade liberalisation and privatisation. Combined with high debt repayments and falling copper prices, these conditions made the Zambian economy shrink for most of the 1980s and 1990s making it ever harder to pay back the debt.



By 2004 external debt had reached roughly \$7 billion. Due to austerity, ordinary people suffered two decades of falling incomes. This would be hard in any country, but was especially tough for the majority of Zambians whose opportunities to make a living are constantly under threat from droughts and diseases like AIDS and malaria. In 2004 an IMF policy condition included a ban on hiring teachers to save money. This meant that thousands of teachers were unemployed and some schools had 100 students and one teacher in a classroom.

Debt relief has been provided to Zambia through the Highly Indebted Poor Country (HIPC) initiative, a programme run by the World Bank and IMF. The programme freed up a lot of money that could be used for education, health and social welfare. In 2005 the Zambian government began providing free anti-retroviral drugs to 100,000 people. Primary school fees were dropped, enabling more children to attend school. Free healthcare was introduced in rural areas in 2006.

However, despite a growing economy, Zambia's debt is on the rise. In 2016 the government had meetings with the IMF to discuss the conditions of a financial loan.

Discuss

- What are the positive and negative aspects of the IMF getting involved?
- How did this impact on people living in the country?
- Who had more power, the Zambian government or the IMF?

IMPACT OF SUPRANATIONAL BODIES

CASE STUDY: ARGENTINA

Geography

Argentina occupies most of the southern part of South America. Its population is a little more than 43 million, with 92% living in cities. The capital city is Buenos Aires. Argentina is one of the most developed countries in Latin America, with a life expectancy of 77 and an infant mortality rate of 11 deaths per 1,000 live births.

Politics

While Argentina today is characterised as a 'free' democracy, this was not always the case. Like many other countries in Latin America, Argentina suffered under United States-sponsored military dictatorships from 1976-1983. These regimes were particularly brutal, cracking down on opposition, and "disappearing" over 30,000 people who spoke out against the dictatorship. Democracy followed dictatorship. *Find out who is the current president.*

Economy

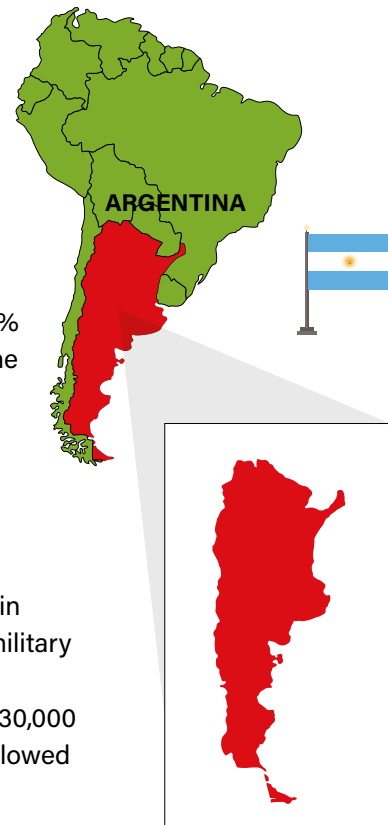
Although Argentina was one of the world's wealthiest countries at the beginning of the 20th Century, its position fluctuated throughout the 20th Century. Today it is classed as an "Emerging Market", like Chile, Poland, and Thailand. Its economy is well-diversified, with active agricultural, industrial, and service sectors. The country has lots of rich natural resources such as lead, zinc, tin and copper. Although lower than many other Latin American countries, economic inequality is still high, and roughly a third of its population live in poverty.

Argentina's Trade

Argentina's top export destinations are Brazil, China, the United States, Chile and Venezuela. The country's top import origins are Brazil, China, the United States, Germany and Bolivia. *Log onto the WTO website to find out this year's top exports and imports for Argentina.*

Why is there so much inequality in Argentina?

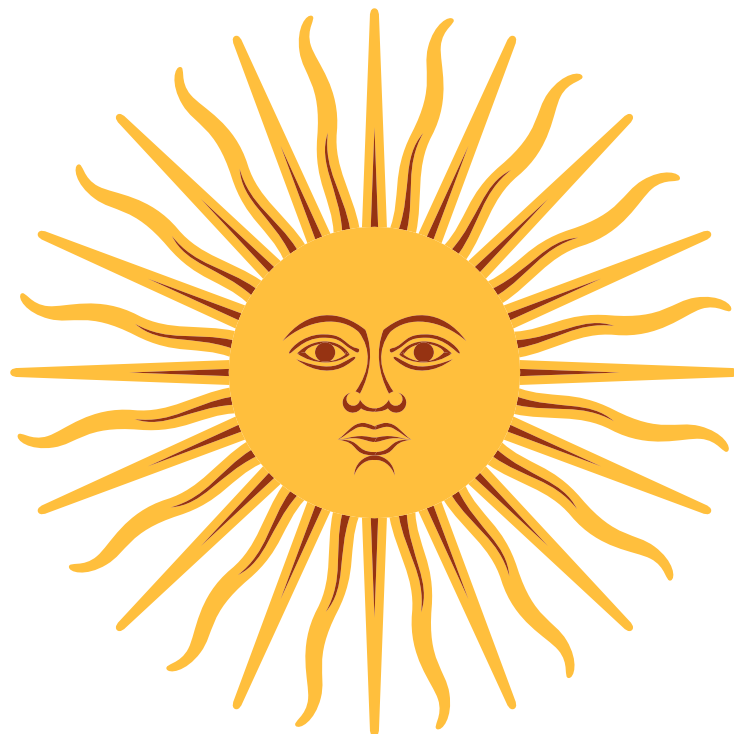
The country first accumulated high levels of debt during the dictatorship, when lots of money was spent on the military. Although the arrival of democracy brought huge changes to Argentine politics and society, its economic policies remained much the same. In the late 1980s and early 1990s the country had high levels of debt repayments. In an attempt to help, the IMF and the World Bank encouraged trade liberalisation and privatisation. This meant that Argentina was able to repay its debts, which prevented the foreign banks that they borrowed from going bankrupt. There was some success in the country, however, many of the workers in recently-privatised businesses were fired by their new bosses, hugely increasing unemployment.



Between 1991 and 2001, Argentina's public debt more than doubled from \$60bn to \$144bn, for a variety of reasons. Privatisations, meant that the government was not collecting as much taxes from its citizens. Foreign interest rates increased, which meant that Argentina was forced to pay more and more as part of its debt repayments. As the debt became unsustainable, Argentina again turned to the IMF for assistance. Just like in Europe during the recent crisis, the IMF lent, but with the condition that austerity measures be implemented.

The combination of these factors, in addition to economic downturns in Asia, Russia, and Brazil, led to an economic crisis in the late 1990s. Recession quickly became depression, and the Argentine economy collapsed entirely in 2001. The economy suffered its sharpest decline since 1930, unemployment reached 25%. It became clear that Argentina could not pay their debt. The government defaulted its debt.

Defaulting on the debt freed up the money that Argentina needed to recover. Social programmes were strengthened, employment increased, and many recently-privatised industries were re-nationalised. With the growth in its economy, the IMF and other lenders increased pressure on Argentina to repay its debts. Through two rounds of negotiations in 2005 and 2010, Argentina managed to restructure 92.4% of its debts, roughly halving their cost, extending their deadlines, and lowering their interest rates.



How does this relate to the lives of young people in Ireland?

According to the National Youth Council of Ireland, young people were hit hardest by the recession in Ireland²⁴.

- 7,000 young people emigrated
- Youth unemployment went from 13.3% to 28.6%
- Youth services were cut by 30% since 2008

Oxfam published a report in 2013 called "*The True Cost of Austerity and Inequality*". Read the Ireland case study to examine the impact on people in Ireland www.oxfam.org/sites/www.oxfam.org/files/cs-true-cost-austerity-inequality-ireland-120913-en.pdf

Where can I find different perspectives?

The IMF website imf.org

The World Bank website worldbank.org

PPP Knowledge Lab is a sister website of the World Bank www.pppknowledgelab.org

The Bretton Woods Project was established by a network of UK based NGOs. It's aim is to challenge the power of the IMF and World Bank www.brettonwoodsproject.org

Eurodad (European Network on Debt and Development) www.eurodad.org/Entries/view/1546450

Jubilee Debt Campaign www.jubileedebt.org.uk/reports-briefings/briefing/the-global-debt-iceberg

What research data or evidence is relevant?

Financial Justice Ireland reports examining the work of the World Bank and IMF www.financialjustice.ie/publications

Jubilee Debt Campaign has an interactive overview of debt across the planet www.jubileedebt.org.uk/countries

World Bank Private Participation in Infrastructure Database www.ppi.worldbank.org

Oxfam Report *A Dangerous Diversion* www.oxfam.org/en/research/dangerous-diversion

²⁴ NYCI 2014 Pre Budget Submission

Part C: WORLD TRADE ORGANISATION (WTO) AND TRADE



LEARNING OUTCOME:

7.6 GLOBALISATION AND POLITICAL POWER

Links with learning outcomes: 6.1 rights in the wider world; 6.3 international cooperation and human rights; 8.1 actions that address sustainable development

Students should be able to:

- describe the role of the WTO
- evaluate the argument that power is moving from national governments to supranational bodies
- link global trade rules with international cooperation and human rights

Key questions: *How do countries depend on each other for the production of a T-shirt? Does the WTO have more power than national governments? Is child labour an effect of globalisation? How might trade rules impact human rights?*

JOURNEY OF A T-SHIRT

Planet Money is a podcast that explores economic issues. The *Planet Money Makes a T-Shirt* episode follows a t-shirt around the world as it gets made. www.apps.npr.org/tshirt/#/title

Methodology

Divide the class into five groups. Assign a chapter of the episode to each group (cotton, machines, people, boxes, you). Using the information provided by the podcast, as well as online research, each group should present their topic to the class. Encourage the students to make connections to Ireland in their research.

WTO AND COTTON

In 2017, eight of the richest billionaires owned the same wealth as half of the people in the world²⁵. The second richest of those people was Amancio Ortega. He founded Inditex, the company that owns the Zara fashion chain. He changed the face of the fashion industry by introducing 'fast fashion'. This is a phenomena whereby new trends are brought to the market as quickly and cheaply as possible. Clothes are produced in huge bulk so that they can be sold very cheaply. Much of the clothes in Ortega's shops are made from cotton, yet many of the farmers who grow cotton in developing countries are struggling to survive.

Methodology²⁶

- Read Claire's story to the group.
- Form six groups and give a role card to each. Allow the groups 10 minutes to discuss their role in relation to the story. Possible questions are: Are you benefiting, or losing out in this situation? Do you have the power to change the situation?

²⁵ An Economy for the 99%, 2017 Report published by Oxfam

²⁶ This methodology is adapted from *More Power to Youth*, a resource produced by the National Youth Council of Ireland.

- Explain that a meeting has been called to try to find a solution that is acceptable to all parties. Ask for a volunteer from each group to act as a spokesperson. The volunteers sit in a circle in the middle of the room. The others sit around them in a wider circle. Explain that the WTO will chair the discussion. Beginning with the WTO character and going around the circle, each character introduces themselves and gives their opinion of the situation. Allow one minute per person.
- After the initial presentations, the chair opens the floor to discussions. Allow 15 minutes in total for this. After 5 and 10 minutes, pause the discussions and allow each group a minute to discuss progress and strategy with their representative.
- After the meeting is over distribute the US Cotton Subsidies Case Study to each student to read and discuss.

CLAIRE'S STORY



A few year ago I was in a village in Mozambique just after farmers had sold the cotton they had spent all year growing. Families of ten or so, who had shared a single room for years, were building more rooms onto their houses. Women were buying aluminium pots, which cook quicker and use less fire wood than traditional clay pots. People were purchasing bicycles so that they could travel to the nearest town to buy and sell goods.

One year later, the world cotton prices dropped like a stone. The company that bought the farmers' cotton decided that it was no longer worth making the trip to the remote village. Suddenly, the farmers lost a vital source of income. As a result, the farmers could no longer afford to send their children to school.

This village is not unique. In return for loans from the World Bank and other lenders, Mozambique has lowered trade barriers. This means that Mozambican farmers have to compete in the market with farmers in other countries, many of whom are given subsidies (payments from their government) to grow cotton and sell it more cheaply on the market.

Cotton subsidies have been declared illegal by the World Trade Organisation, however at this time rich countries such as the United States continued to pay subsidies to their farmers and the world prices kept falling.

Source: Claire Melamed

ROLE CARDS



Mozambican Farmer

You have been farming your land since you began working with your father as a child. Cotton is the only crop you can grow successfully in your fields. You have a wife and two young children. The global cotton prices have fallen. As a result of this, you must work longer hours because your cotton is not worth as much as it used to be. If you sell any cheaper you will be working for free and unable to feed yourself and your family.

Farmer in the United States

You have been working as a cotton farmer for several years since you changed from farming corn. There was more money to be made in cotton. This is mainly due to the subsidies that the government gives you to produce it. You have a wife and four children.

World Trade Organisation (WTO)

You work for the WTO in Geneva, Switzerland. You chair the meetings that make rules for countries trading with each other. Your organisation wants to make trade more open. Every member country of the WTO has the opportunity to come to your meeting and cast one vote. Your organisation has the power to make the rules decided in your meetings into law, which all member countries will have to follow. Your organisation also tries to settle trade disputes between countries.

Cotton Clothing Producer

You want to buy cotton as cheaply as possible. You have a very competitive business and you are always trying to make more money. The lower the price you can pay for the cotton, the better profit you will make. You want to find out why it is more expensive to buy from Mozambique than from the United States.

World Bank

You work for the World Bank. You are based in Washington D.C. You have given loans to Mozambique. A condition attached to the loan was that Mozambique had to lower trade barriers, so that other countries could trade with it.

Irish Young Person

You are in sixth year in secondary school. You work on Saturdays and earn minimum wage. You are interested to find out how you can buy clothes so cheaply in shops in Ireland, despite the fact that they are produced in countries very far away from you.

CASE STUDY: US COTTON SUBSIDIES



Cotton is grown in over 100 countries and over 150 countries are involved in importing and exporting the commodity. It is an especially important source of employment and income within India, Pakistan, Central Asia and Western Africa (especially the 'Cotton 4' countries of Benin, Burkina Faso, Chad and Mali). Many of these farmers are struggling to make a profit because of low cotton prices. It is also becoming more difficult to grow their crops because of unpredictable weather caused by climate change.

Government subsidies give support to farmers in their countries. This can include providing crop insurance and setting minimum price standards. Government subsidies for farmers in rich countries create a market with artificially low prices. Small scale farmers in developing countries are unable to compete. In 2002, Brazil argued that there was a link between United States cotton subsidies and the decline in global cotton prices. Brazil claimed that global cotton prices would be 12.6% higher if certain US subsidies were removed. The Food and Agricultural Programme of the United Nations and the IMF both estimated the rise in cotton prices to be at 2%. Brazil brought a case against the United States at the WTO's Dispute Settlement Mechanism (DSM).

The DSM of the WTO is often seen as one of the major achievements of the multilateral trading system. The dispute settlement panel meets with the concerned parties to hear each of their arguments. It then prepares an interim report, allowing each party an opportunity to comment. This is an opportunity for both parties to make a settlement. If no settlement is made, the dispute settlement panel issues a final report (ruling). This decision can be appealed through the Appellate Body (AB). The AB decides on the outcome and their decision is final. In the US cotton subsidies case brought to the WTO by Brazil, the dispute settlement panel and the AB ruled against the US on several issues. As a result the US had to stop all cotton export subsidies and had to reform many of their farm policies.

Discuss

- Do you agree or disagree with the WTO's ruling that the US had to stop all cotton export subsidies?
- Do you think some countries have more power than others in WTO negotiations?
- Who do you think has more power – national governments or the WTO? Do you think that should be the case?
- Do you think this is a positive or negative aspect of globalisation?

IMPACT OF SUPRANATIONAL BODIES

CASE STUDY: INDIA

Geography

India is a country in South Asia. Its population is almost 1.3 billion, making it the world's second-most populous country, after China. 33% of Indians live in cities. The capital city is New Delhi. Life expectancy in India is 68 years. The infant mortality rate is 38 deaths per 1,000 live births.



Politics

India was a colony of the British Empire from the 19th Century. The British left India in 1947. Since then, India has been the world's largest democracy. *Find out who is the current prime minister of India.*

Economy

Throughout most of its history, India was the world's wealthiest region. After centuries of colonial rule however, India was one of the most poverty-stricken countries in the world. After gaining independence, India's economic growth was quite slow, growing by an average of 3.5% a year between the 1950s and the 1980s. The country experienced an economic crisis in 1991, when a severe lack of foreign currency meant that India could no longer afford to pay for imports. The IMF granted an emergency loan of \$2.2 million, and the Indian economy was completely remodelled. Since then, India has had much higher rates of growth.

Today India is the world's seventh-largest economy with an average growth rate of roughly 7% per year. Nevertheless, India today is still plagued by many issues. Inequality continues to pose significant problems. According to *Forbes* magazine, India had 101 billionaires in 2017 while 21% of its population live below the poverty line. Although India has made several important strides in education since 2000, its 72% literacy rate is lower than the global average, and many students drop out of formal education.

Trade

India's main export destinations are the United States, the United Arab Emirates, China, Saudi Arabia and the United Kingdom. India's main import origins are China, Saudi Arabia, the United Arab Emirates, Switzerland and the United States. *Log onto the WTO website to find out India's top exports and imports for this year.*

Solar Power

India has also tried to develop along more "green" principles. In recent years, the country has made efforts to develop a solar power industry. The government wanted to make the project affordable and to boost local economy. They made it a requirement that companies who make solar panels in India have to buy the parts from other Indian companies. They could not import the parts from other countries.

The United States claimed that since 2011, when this requirement came in, their solar exports to India fell by 90%. The United States made a complaint about this to the WTO, on the grounds that India was unfairly discriminating against parts produced in other countries. Under WTO rules, countries are not allowed to discriminate against imports and favour local producers. India argued that the requirement should be allowed, because it was the only way the country could meet international obligations in climate change and renewable energy set by the United Nations and world leaders.

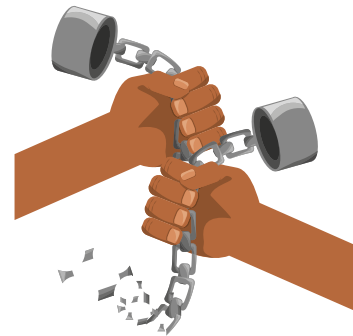
The WTO investigated the case. It came to the conclusion that India violated global trade rules by imposing local requirements on solar power developers. The United States won the trade dispute. The decision is final and India has to change its laws to meet the WTO's rules.

Discuss

- Do you agree or disagree with the WTO's ruling?
- Do you think some countries have more power than others in WTO negotiations?
- Who do you think has more power – national governments of the WTO? Do you think that should be the case?
- Do you think this is a positive or negative aspect of globalisation?

CHILD LABOUR

Cotton farming in poor countries sometimes depends on unpaid family labour. Child labour is most prominent on small scale farms and during planting and harvesting times. In India 400,000 children have been reported working on farms, some for 9 – 12 hours a day. Forced and child labour is a major issue in Uzbekistan, where children are out of school for several weeks a year to pick cotton to meet government imposed production quotas.



Methodology²⁷

Discuss with your students - how often do you do chores at home? Do you receive anything for doing them? How many of you have jobs outside your home? Do you work during school term, or only during the holidays? Do you think working affects your school work? How old do you have to be to work in Ireland?

Open Discussion

Give a child labour information sheet to each student. Allow them time to read it and discuss. Why does child labour exist? What are the problems with child labour? What impact does it have on countries that allow children to work? Does child labour only happen in global south countries? What role do young people in Ireland play in child labour, if any?

Research and Present

Divide the class in three and give the students a research task. Depending on the size of the class, assign the tasks to three groups or to pairs. The students should present their findings to the class in a PowerPoint presentation.

²⁷ This methodology was adapted from *The Working World*, a resource produced by Youth Connect, a project of the Irish Congress of Trade Unions (ICTU).

CHILD LABOUR INFORMATION SHEET



Article 1 of the United Nations Convention on the Rights of the Child defines a child as anyone under the age of 18. Child labour is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

It refers to work that is mentally physically, socially or morally dangerous and harmful to children. It also refers to work that interferes with a child's schooling by:

- Preventing them from attending school
- Obliging them to leave school early
- Requiring them to combine school attendance with long and heavy work

Whether or not or not particular work can be called child labour depends on the child's age, the type of work, the hours worked and the conditions under which the child has to work. The answer varies from country to country.

Child labour has many faces:

- Working in mines and quarries
- Working on farms for an employer
- Girls working in homes outside their own
- Slavery and forced labour, including child soldiers
- Prostitution and child trafficking
- Work in the informal economy such as shoe cleaning, begging

Child Labour Laws in Ireland

The working hours for young people in Ireland are regulated by the Protection of Young Persons (Employment) Act 1996.

Maximum weekly working hours for children under 16

Age	14 years of age	15 years of age
School term-time	Nil	8 hours
Holidays	35 hours	35 hours
Work experience	40 hours	40 hours

Working hours, time off and rest breaks for young people aged 16 and 17

Maximum working day	8 hours
Maximum working week	40 hours
Half hour rest break	After 4 ½ hours work
Daily rest break	12 consecutive hours off
Weekly rest break	2 days off to be consecutive as far as is practicable

Limits on night work and early morning work: In general young people aged 16 and 17 are not allowed to work before 6am in the morning or after 10pm at night. Any exceptions to this rule must be provided by regulation.

RESEARCH TASK 1

Child Labour Statistics

In what forms of work is child labour most prevalent? What countries have the lowest/highest rates of child labour? Are statistics increasing or decreasing? Can this be linked to globalisation?

Data

The State of the World's Children Report unicef.org

Child Labour Statistics ilo.org

Understanding Children's Work ucw-project.org

RESEARCH TASK 2

International Labour Organisation (ILO) Labour Standards

What is the role of the ILO? Does it have more power than national governments? Which conventions deal with this issue? What do the conventions state? Which countries have ratified those conventions? Which have not? What conventions are broken if child labour occurs? Can this be linked to globalisation?

Data

ILO Conventions and Recommendations ilo.org

RESEARCH TASK 3

United Nations Convention on Rights of the Child

Which conventions deal with this issue? What do the conventions state? Which countries have ratified those conventions? Which have not? What conventions are broken if child labour occurs? Does the United Nations have more power than national governments? Can this be linked to globalisation?

Data

Children's Rights Alliance childrensrights.ie

Convention on the Rights of the Child unicef.org



Child labour is the reason Ireland has long school holidays. Traditionally, students in rural Ireland were needed to work on the farm over the summer, so schools shut their doors. In Ireland's recent past it was acceptable for children to contribute to the livelihoods of families in rural communities. Today we see similar situations in other countries, where children contribute to family's livelihoods. Do we have a right to judge, when we did it ourselves at one time in this country? Should children have the right to contribute?

How does this impact on the lives of young people in Ireland?

Uzbekistan is the largest supplier of Cotton to Europe. Young people in Ireland probably own clothes made from cotton in Uzbekistan. The cotton industry is causing human rights abuses in Uzbekistan. The Environmental Justice Foundation published a report on this issue entitled White Gold: The True Cost of Cotton www.ejfoundation.org/report/white-gold-true-cost-cotton Ireland has signed up to the UN Convention on the Rights of the Child to protect children living in Ireland.

- Better Outcomes Brighter Futures is Ireland's national policy framework for children and young people 2014-2020. Achievement of outcome 4 'Economic Security' (p.85 of the report) will further Ireland's implementation of the UN Conventions on the Rights of the Child, including article 32: children have a right to be protected from harmful labour exploitation. www.dcy.gov.ie/documents/cypp_framework/BetterOutcomesBetterFutureReport.pdf
- The National Youth Strategy 2015-2020 sets out the Irish Government's aims and objectives for young people aged 10 to 24 years. Objective 7 (p.30 of the strategy) is that young people are better able to participate in the labour market through enhanced employability skills that complement formal learning and training qualifications and entrepreneurship opportunities. www.dcy.gov.ie/documents/publications/20151008NatYouthStrat2015to2020.pdf

Where can I find different perspectives?

A group of young workers in Bolivia, aged 10 – 18 formed a union called Unatsbo (Union of Child and Adolescent Labourers). Their main aim was to get the Bolivian government to lower the legal working age to ten years old. The union believes that instead of attempting to end many forms of child and adolescent work, the goal should be to end exploitation by creating part-time, safe and better paying jobs for young people who want them. In 2014 the Bolivian government lowered the legal working age to ten years old. www.independent.co.uk/news/world/americas/bolivia-becomes-first-nation-to-legalise-child-labour-9616682.html

What research data or evidence is relevant?

The State of the World's Children Report unicef.org
 Child Labour Statistics ilo.org
 Understanding Children's Work ucw-project.org
 Central Statistics Office Youth Employment Statistics cso.ie

What theorist has a relevant view on this?

André Gunder Frank argues that countries become wealthy by exploiting the poorest nations through unfair trade.

Part D: UNITED NATIONS DEVELOPMENT PROGRAMME AND THE SUSTAINABLE DEVELOPMENT GOALS



LEARNING OUTCOME:

7.6 GLOBALISATION AND POLITICAL POWER

Students should be able to:

- describe the role of the United Nations Development Programme in the process of decision-making in relation to a policy that impacts upon young people
- evaluate the argument that power is moving from national governments to supranational bodies

Links with learning outcomes: 6.3 international cooperation and human rights; 8.1 actions that address sustainable development

Key questions: *How does the UNDP influence the process of decision-making in relation to a policy that impacts upon young people? Does the UNDP have more power than national governments?*



SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a call to action, to everyone in our world, to end poverty, protect our planet and to ensure peace and prosperity for all. They were born at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012. The 17 goals build on the Millennium Development Goals (MDGs), which started a global effort to reduce poverty in 2000. Ireland had a central role in the process to agree the SDGs. In 2014, The President of the UN General Assembly appointed Ireland's UN Ambassador, David Donoghue, to facilitate the final intergovernmental negotiations. He shared the role with Kenya's UN Ambassador, Macharia Kamau.

The SDGs came into effect in January 2016. The agreement is not legally binding, but each UN member state has committed to achieving them. The goals provide clear guidelines and targets for all countries to adopt. They will continue to guide UNDP policy until 2030. UNDP provides support to governments to integrate the SDGs into their national development plans and policies. The UNDP emphasises that achieving the SDGs requires the partnership of governments, private sector, civil society and citizens.

Watch the United Nations video 'A Look at the Sustainable Development Goals'
www.youtube.com/watch?v=5G0ndS3uRdo



Methodology

Assign an SDG to each student (there are 17 goals, if you have more students assign a pair to some goals). Encourage students to research their goal online and design a poster presentation, illustrating the targets of each goal. Verbally present to the class. Display the posters in your school.

What is Ireland doing?

Coalition 2030 is an alliance of leading civil society groups working for the achievement of the United Nations Sustainable Development Goals by 2030 in Ireland and across the globe. The coalition represents over 100 organisations, working both in Ireland and in over 50 other countries.

Go to the website of the Department of Foreign Affairs and Trade to investigate how Ireland is planning to implement the SDGs.

Discuss: what power does the UNDP have over Irish policy?



Are the SDGs contradictory? Is it possible to achieve decent work and economic growth without having a negative impact on our climate and biodiversity?

How does this impact on the lives of young people in Ireland?

The Goals are universally applicable, which means that they are as relevant to Ireland as any other country. Ireland will need to consider SDG targets when designing and implementing national policy until 2030.

A Generation for Change: Spotlight Report on Young People, the Sustainable Development Goals and Ireland is a report by Ireland's UN Youth Delegates that details issues that are affecting young people at a local and global level; how these issues relate to the SDGs; and Ireland's commitments in relation to these. It is available at www.youth.ie/nyci/Generation-Change

Where can I find different perspectives?

For a critique of the SDGs, see The Economist article called *169 Commandments* www.economist.com/news/leaders/21647286-proposed-sustainable-development-goals-would-be-worse-useless-169-commandments

What research data or evidence is relevant?

SDGs Indicators www.unstats.un.org/sdgs/indicators/database
UNDP Data www.hdr.undp.org/en/data

What theorist has a relevant view on this?

Thomas Hylland Eriksen studies the contradictions between growth and sustainability.

SECTION FOUR

ACTIVE CITIZENSHIP



LEARNING OUTCOME:

3.3 THE RANGE OF MEANS OF TAKING ACTION AT LOCAL, NATIONAL OR INTERNATIONAL LEVEL

Links with learning outcome: 3.4 identifying, evaluating and achieving personal and collective goals, including developing and evaluating action plans

Students should be able to:

- Undertake a form of action
- Justify the form of action
- Cooperate with group members to construct and implement an action plan
- Monitor and evaluate the action plan targets

Key questions: *What action do I want to take? What initiatives, groups or organisations are working in this area? What are the goals and targets of my action? What is my role in the group? Is my plan working? What did I learn?*

ACTIVE CITIZENSHIP

"Activism is my rent for living on the planet" (Alice Walker)

Activism is the action of campaigning to bring about civic, social or political change. This involves students taking action in their communities to create change.

When deciding on an action, students should be able to:

- justify their activity
- plan it well
- evaluate their learning
- evaluate the action success.

Follow these six steps to undertake an action

Action

Change

Time

Implement

Organise the group


Narrative report

Action

- *What issue do I want to take action on?*
- *Why do I want to take action on this issue?*
- *What initiative, group or organisation is already working in this area?*

For an action to be successful it is vital that it arises from an issue of genuine interest and concern to the student. Reflecting on what the students have learned by exploring this resource, ask them to discuss in small groups what they would like to change. Facilitate a class discussion to recap on all of the issues explored. Make a list and ask students to individually rank them using the *Issue Ranking Grid*.

Issue Ranking Grid

Issues	How much does it affect me?	How much does it affect other people?	How urgent is it to act?	How interested am I in taking on the issue?	Score
	5=a lot 1=not much	5=a lot 1=not much	5=a lot 1=not much	5=a lot 1=not much	Add the numbers across for each issue
My top choice is:					

Students should highlight key points they find unfair about the issue. Encourage extra research and gathering of information about the issue. This will be important when communicating to others when they carry out the action.

Students may wish to undertake an action with an existing initiative, group or organisation, or develop a new action of their own. To help them decide, they should critically assess relevant organisations and their work. Do an internet search and gather a list of organisations working on the issue. Is their view the same as the students'? Do they collaborate with other organisations? Are they part of an international network? What is the organisation's origin and could this influence their view? Have they had any successful campaigns in the past? Develop a list of questions and make contact with the organisation.

Change

- *What goals do I want to achieve with my action?*
- *What personal, and group, targets do I need to achieve that goal?*

Ask students to identify what change they want to see. Their personal and collective goals should be realistic. For example the student may want the fashion industry to stop exploiting cotton farmers. The student cannot take on the entire industry. However, their action could be targeted at a specific shop, asking them consider where they buy their clothes from.

Time

- *What is my timeframe for achieving my targets and goals?*

Actions take time. Students should think about how much time they have to dedicate to the project. Is there class time to dedicate to it or will the work have to be done at home? Is there a time of year that would be better to carry out this action? If the action involves talking to lots of people, is there any festival or event coming up in your local area you could get involved with?

Implementation

- *What form of action will I take?*
- *Can I justify this form of action in light of available alternatives?*

The following includes some forms of actions. It is not an exhaustive list. Students should also consider other actions.

Consumer Led Action

Boycotts are an effective way to use your spending money to affect change. The purpose of the boycott is for the company to lose out on sales so that they will consider changing their behaviour. When boycotting a company, it is essential to let them know you are boycotting them and why. Companies tend to listen to their customers, especially if large numbers are complaining at the same time. Therefore the more customers involved in a boycott, the more effective it will be. It could be promoted in the newspaper, on the radio or through social media.

Lobbying

Politicians represent people in their local area. They want to know the issues that concern people that they represent. Lobbying is a way to influence decisions made by politicians. It can involve communicating with them face to face, by email, social media, or by writing and sending a letter. Lobbying is more effective the more people do it. The aim of the communication is to persuade TDs or anyone from the government involved in legislation to bring about the change you want to see.

Non Violent Direct Action

Protests, or public demonstrations, can be carried out to show a viewpoint on a political or social issue. It is our civil and political right to protest. A public demonstration can take multiple forms. A march is like a parade through a public street. A sit-in involves people occupying an area until they feel their issue has been addressed. A flash mob involves a large group of people dancing in a public space. A symbolic demonstration may use symbols, rather than people, to show the level of concern on an issue. Protests and public demonstrations are a non-violent tactic. However, if large numbers attend it may run the risk of turning violent.

Petitions

A petition is a document addressed to someone who has power in relation to the issue of concern and is signed by numerous people. It is a great way to raise an issue on a matter of public concern. The subject of the petition must relate to a matter on which the person it is addressed to has the power to act. Petitions are often addressed to members of the government or CEOs of companies, for example. Signatures can be collected in person or online. The more signatures collected, the more the issue will be listened to.

Online Activism

Social media sites such as Twitter and Facebook enable us talk directly to politicians and change makers. It is also easier for a campaign to gather momentum and increase followers when carried out online. Videos and photographs can be shared online to develop empathy. Using multiple online tools together can be more effective than using one. Such online petitions can gather large sign ups in a short time when promoted on social media.

Organise the group

- *How can different roles within the group contribute to the overall goals?*

Encourage students to work in groups, communicating ideas effectively. Assign different roles within their groups to work towards the common goal and targets.

Write a list of stakeholders – any person who will be involved in a big or small way. This includes the people leading the action, the people/company being targeted by the action, and who will help along the way (e.g. teachers, parents, experts)

Narrative report

- *Did I reach my targets?*
- *What did I learn in the process of designing and implementing this action?*

When the action is completed, ask students to write a narrative report. The report should include an evaluation of the extent to which the targets have been reached. It should also include a personal reflection on the process of setting, and implementing, the goals and targets.

Photocopy the following page for your students to guide them in designing their citizenship project.

WHEN YOU ARE DESIGNING YOUR PROJECT, REMEMBER **ACTION**

ACTION

- What issue do I want to take action on?
- Why do I want to take action on this issue?
- What initiative, group or organisation is already working in this area?

CHANGE

- What goals do I want to achieve with my action?
- What personal, and group, targets do I need to achieve that goal?

TIME

- What is my timeframe for achieving my targets and goals?

IMPLEMENTATION

- What form of action will I take?
- Can I justify this form of action in light of available alternatives?

ORGANISE THE GROUP

- How can different roles within the group contribute to the overall goals?

NARRATIVE REPORT

- Did I reach my targets?
- What did I learn in the process of designing and implementing this action?



How does this relate to our lives?

Young people in Ireland show relatively high levels of political participation compared with other young people in the EU²⁸. An overview is included in *Young Voices: Have Your Say*, a report published by the National Youth Council of Ireland (NYCI).

- 38% of young Irish people said they had participated in political activity in the last year.
- The most common type of political participation among young Irish people was signing a petition, including an email or online petition, which almost one quarter (26%) of young people said they had done in the last year.
- A further 12% of young people in Ireland had attended a protest or demonstration, 11% had attended a meeting of a trade union, a political party or political action group and 7% had contacted a politician or public official.

Where can I find different perspectives?

Read about different examples of activism in Ireland in 'Be the Revolution', a resource available to download from developmenteducation.ie www.developmenteducation.ie/media/documents/Be%20The%20Revolution.pdf

What research data or evidence is relevant?

National Youth Council of Ireland report on youth empowerment www.youth.ie/sites/youth.ie/files/YoungVoicesReport_2014.pdf

Young Voices: How can young people be more involved in shaping society? www.youth.ie/sites/youth.ie/files/youngvoices2015final.pdf

What theorist has a relevant view on this?

Vandana Shiva is an environmental and anti-globalisation activist.

²⁸ Eurofound, 2014 in *Young Voices: Have Your Say*, National Youth Council of Ireland

GLOSSARY²⁹



Austerity: A policy of lower spending, involving cutbacks or reductions in the amounts of benefits and public services provided. Austerity policies are often used by governments to reduce their debts.

Bailout: The word used for giving financial support to a company or country which faces serious financial difficulty or bankruptcy.

Capitalism: An economic system where the means of production, distribution, and exchange are privately owned. The primary goal of the private owners is to make a profit. The basis of capitalism is the idea that the pursuit of self-interest is paramount and that the state exists to protect the individual.

Colonialism: This is taking over of one territory by another territory. It includes the acquisition of people and land, the exploitation of people and land, and the upholding and spreading out of power and control into the taken territory. It is characterised by an imbalance of power in the relationship between the coloniser and the colonised, who are typically an indigenous population. The European colonial period occurred from the 16th century onwards, during which a number of European powers established colonies in Asia, Africa, and the Americas.

Commodity: a generic, largely unprocessed good that can be processed and resold. Commodities include oil, gold, cotton, grains, coffee, cocoa and sugar.

Default: The failure to fulfill an obligation to repay a debt.

Democracy: a form of government in which the citizens have the power to elect representatives to form a governing body, such as a parliament.

Democratic elections: Elections are central to democracy. Democratic elections are free and fair elections that are held at regular intervals on the basis of universal, equal and secret voting.

Dictatorship: is a form of government where the country is ruled by a single party or a single leader (a dictator). Dictators hold absolute power but they are not elected by the people. Dictatorships are characterised by authoritarian rule where individual freedoms are suppressed.

Emerging market: refers to countries that are moving from being a developing to a developed country. Emerging markets often have high rates of economic growth. The BRIC countries (Brazil, Russia, India and China) are examples of emerging markets.

Exports: Goods which are sold to other countries.

Extreme poverty: also sometimes referred to as absolute poverty is when people cannot meet their basic needs. Basic needs include food, water, sanitation, health, shelter, education, information and access to services.

Foreign Direct Investment: Money invested by a private company from one country into another country.

Free Trade: Trade without intervention from governments. Prices and products are determined by market forces of supply and demand.

²⁹ Part of this glossary was adapted from the Jubilee Debt Campaign

Gross Domestic Product: The total value of goods and services produced within a country.

Gross National Income: Previously known as Gross National Product, Gross National Income comprises the total value of goods and services produced within a country (i.e. its Gross Domestic Product), together with its income received from other countries (notably interest and dividends), less similar payments made to other countries.

Highly indebted poor country (HIPC): HIPC is a group of developing countries with high levels of poverty and high levels of debt. These countries were entitled to assistance from the IMF and World Bank to support them in reducing their poverty and debt levels. To receive assistance governments of HIPC countries had to undertake certain economic and social reforms.

International Monetary Fund (IMF): The IMF was established in 1945 as the central institution of the international monetary system. Based in Washington DC, USA.

Imports: Goods which are bought from other countries.

Infant mortality rate: is measured by the number of infants that die under one year of age per 1,000 live births.

Life expectancy: The average number of years that a newborn could expect to live if prevailing patterns of age-specific mortality rates at the time of birth stay the same throughout the infant's life.

Neoliberalism: is a label for economic liberalism. Its advocates support free trade and open markets, deregulation, and enhancing the role of the private sector in modern society, while reducing the role of the state.

Recession: A period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters.

Sovereign Debt: also known as government or public debt is money or credit owed by a government. As the government draws its income from much of the population, sovereign debt is really the taxpayers' debt.

Troika: The Troika is the name given to the three institutions that Ireland made the so-called 'bailout' agreement with in November 2010. They are the International Monetary Fund (IMF), the European Commission, and the European Central Bank (ECB).

Subsidiary: A subsidiary company is a company that is owned or controlled by another company. The subsidiary is sometimes called the daughter company and the company that owns or controls it is called the parent company.

Subsidies: Financial assistance given (usually by the government) to domestic businesses and industries. By lowering the cost of production subsidies can help local products compete with imports.

Poverty line: is the minimum amount of income a person requires to meet their basic needs. As the poverty line will vary in each country, the international poverty line is used to measure poverty across all countries. The World Bank set the international poverty line at \$1.90 per day to reflect that this is the absolute minimum income needed anywhere in the world to meet people's basic needs.

Privatisation: refers to the transferring of control of state-run institutions and industries to private ownership. These may include health services, water, energy and transportation.

Public services: services provided by the government to the people in their country. These include health, education, libraries, social welfare, emergency services and law enforcement. Public services are paid for through taxes collected by the government.

Trade liberalisation: the removal of barriers to trade, including taxes and tariffs.

United Nations (UN): an international organisation established immediately after World War II. It replaced the League of Nations. In 1945, when the UN was founded, there were 51 members; 193 nations are now members.

World Trade Organisation (WTO): The WTO is an international institution that oversees the global rules of trade between nations. It was established in 1996 and its headquarters are in Geneva, Switzerland. Before the WTO was set up, global trade was regulated through the General Agreement on Tariffs and Trade (GATT).

World Bank: The world's biggest development organisation, providing low-interest loans and grants to developing countries. Established in 1945 and based in Washington DC, USA.

APPENDIX 1: TAX JUSTICE RESOURCES



CURRICULUM LINKS

Theme: Power and Decision Making

Learning outcome: 1.2 Arguments concerning the need for rules, 1.3 ideas underpinning these arguments.

Links with other learning outcomes: 5.1 Students should be able to identify what it means for states to agree to act to implement rights 'to the maximum extent of their available resources'

Key questions:

What do we mean by a social contract? Who does the social contract apply to? Should it only apply to individuals in society or also to corporations? What impacts do our policies at home have on sustainable development in the Global South?

THE ROLE OF TAX IN SOCIETY

Methodology

1. In small groups, ask participants to name items that the government provides through taxation (for example: public transport, overseas development assistance, social welfare payments etc.). Ask them to decide on their top 5 items ranked in order of importance to them. While this is happening stick 5 sheets of blank paper on different walls around the room.
2. Ask each group to feed back their top 5 issues and write them on a flipchart. Place an asterisk beside the items that are named so you can identify the most popular issues. Once it is clear what the top five issues are, write each item on a separate sheet and stick them on the walls around the room.
3. Ask the participants to stand beside the item that is of most concern to them. If there are too many people standing beside one item, ask for volunteers to move to other items to ensure a good discussion. Ask them to have a 'buzz chat' with the others for 10 minutes on the following: – Do you think the government does a good job in providing this service? – What are the problems? Can you think of any solutions? – Do you feel you have influence over how these problems are addressed by the government? – How do you feel when discussing this issue? What would key thinkers from the course say about these services – who would be in favour of such government services and who might be opposed to them?
4. Ask the small groups to feed back to the wider group. Write down the feedback on a flipchart and summarise some of the key points made.

³⁰ Based on resources from Christian Aid and the Tax Justice Network and adapted from our earlier resource, 'Accounting for Justice,' which can be accessed on our website.

5. Distribute some of the key facts about how taxes are collected (you can photocopy the fact box or read out the key facts from a flipchart). Ask the group: – Do you find any of these facts surprising? – Are any of these facts of concern to you? Why? – What might the experience of a person in the Global South be of doing the activity we have just done?

Key Facts about Tax

In 2015 the Irish government collected €60 billion in tax receipts.

In 2015 32% of Ireland's tax revenue came from income tax, 33% was from taxes on goods and services (such as VAT) and 11% was from corporation tax and the rest comes from smaller taxes such as property tax.

The government of Rwanda collected \$1.4 billion in tax receipts in 2015. (Rwanda has a population of 11.6 million people, compared to Ireland's 4.7 million people.)

In 2015 Ireland spent over €4,000 per person on healthcare.

Rwanda spends less than \$100 per person on healthcare.

Southern countries lose at least \$200 billion every year because of tax avoidance by companies operating on their territory



A TAXING SUBJECT³⁰

Methodology

Using 'Read and Explain' pairs, students become experts on tax havens and transfer mispricing and explain what they've learned to their partner.

Begin by explaining that there are a number of ways that companies can dodge or evade paying taxes. In fact, paying as little tax as possible, regardless of the social consequences, has for many become an acceptable way of doing business.

Through this activity participants will examine some of the practices and systems that allow tax dodging such as trade mispricing and tax havens. Some of these are illegal, some are technically legal but involve the use of 'loopholes.'

This works by participants working in pairs as follows;

1. Each pair is given a worksheet. To begin with, both skim read the entire text to get the gist of it.
2. Then they take turns reading and orally summarising each paragraph. So they both read the first paragraph. Then one person summarises it (without looking at the text) while the other checks the paragraph for accuracy and offers prompts to help if anything is left out.
3. They then read the next paragraph and change roles until they have completed the entire text.
4. At the end ask students to consider which of the key thinkers may have an opinion on these issues.

WORKSHEET



Tax havens – so what’s the problem?

Tax is the foundation of good government and a key to the wealth or poverty of nations. Yet many places allow big companies and wealthy individuals to escape their responsibilities in relation to paying fair taxes.

Tax havens offer not only low or zero taxes, but something broader. What they do is to provide facilities for people or entities to get around the rules, laws and regulations of other jurisdictions, using secrecy as their prime tool.

The offshore system is a blind spot in international economics– which helps explain why so few people have woken up to the scandal of tax havens. Yet tax havens are one of the structures that enable billions of dollars to be robbed from poorer countries.

How big is the problem, and what is its nature?

Assets held offshore, beyond the reach of effective taxation, are equal to about a third of total global assets. Over half of all world trade passes through tax havens. The amount of money lost by developing countries due to tax havens is far greater than annual aid flows.

Using secrecy and tax loopholes to avoid tax does not only happen in islands and small states. The largest financial centres such as London and New York, and countries like Switzerland and Singapore, offer secrecy and other special advantages to attract foreign capital flows. As corrupt dictators and other élites strip their countries’ financial assets and relocate them to these financial centres, developing countries’ economies are deprived of local investment capital and their governments are denied desperately needed tax revenues.

Countries that lose tax revenues become more dependent on foreign aid.

So what have tax havens got in common?

- Secrecy
- Allow non-residents to open bank accounts
- Low or no corporate tax rate
- No disclosure of information to other countries

Where are they?

- Cayman Islands – \$2 trillion
- Switzerland, Isle of Man, Jersey, the Bahamas, Singapore, Delaware, and many other locations around the world are considered tax havens, though there is no list everyone agrees on.

Listen to Planet Money’s podcast where they show how easy it is to set up an offshore company in a tax haven www.npr.org/2016/04/06/473279684/encore-planet-money-sets-up-an-offshore-company-in-a-tax-haven

WORKSHEET



Transfer mispricing

Transfer mispricing, also referred to as 'cooking the books' may at first glance this might seem like a matter that's only of interest to accountants or lawyers. However it is relevant to anyone who cares about tackling global poverty and inequality. It is about the manner in which businesses, in particular multinational corporations, shift billions of pounds of profits between countries to reduce, or even dodge completely, their tax bill.

With multinationals, a system called transfer pricing works when a subsidiary of a parent company sells something to another subsidiary in another country – it could be anything from nuclear reactors to cornflakes. It may also apply to the sale of things such as management services and insurance. As long as the subsidiaries of the same multinational charge each other a fair market price – known in regulatory circles as an 'arm's length' price such transactions are perfectly legal.

So what's the problem?

In practice, transfer pricing means that a subsidiary of a company can charge a vastly reduced, or inflated, rate for goods and services to another subsidiary elsewhere in order to minimise their tax liability. So goods are exported and sold to a sister company at knockdown prices from the country where they were produced, and this keeps the profits low - which means the tax paid in that country is also low.

The company buying them then sells them on at their true market value from a country where the tax rate is much lower. This practice is usually not possible where there is a rival product to provide a price comparison – e.g. cornflakes made by another manufacturer - but it often works is when the company has a unique product, e.g. its own trademark, which is harder for revenue authorities to place an independent value on, or in some cases where it claims that the original product has had value added in some way in the second, lower-tax country.

In other situations, goods from wealthy countries are sold to developing countries at hugely inflated prices to enable the company that is the buyer to shift large amounts of money abroad while at the same time reducing its tax bill at home.

The OECD introduced global tax reforms to address the abuse of transfer pricing called the BEPS process. However, many activists are concerned that it doesn't go far enough, and that developing countries weren't involved in writing the rules.

With 60 per cent of world trade now taking place within, rather than between multinational companies this practice has been called 'the ugliest chapter in global economic history since slavery' by businessman and author, Raymond Baker.

Watch this video, Transfer Pricing and Tax Havens, from the Khan Academy to learn more about how transfer pricing works www.youtube.com/watch?v=TLSYwkWCizA

WHO HAS THE POWER?

Methodology

1. Split the group into two groups, and give one half of the class the Acme Brick Company role card and the other half the Government role card. Inform the groups that they need to prepare for a meeting with each other to agree the amount of tax that will be paid by ACME to the Government of Tambia.
2. Each group should spend time discussing their roles, agree a position and then appoint a spokesperson from each small group to defend their position. Encourage each group to imagine what the arguments might be for their roles.
3. The two sides are then given a chance to present their views to each other at the meeting. The Government of Tambia spokespersons will begin by explaining how much tax they expect the Acme Brick Company to pay, and what they plan to spend the money on. The Acme Brick Company will then explain how much tax it expects to pay, and why its figure is lower than the Government figure. What will the Government have to sacrifice if it doesn't receive as much tax as it expected?
4. To add to or conclude the discussion, read out some of the facts and statistics from the 'Basic Facts on tax justice' page.

Consider:

- Who had more power in this relationship – the corporation or the government?
- How different do you think the negotiation process would be between the corporation and a developed country?



ROLE CARDS:



Acme Brick Company (ABC)

You are the biggest brick company in the world - producing 60% of all bricks. You have opened a factory in a fictional developing country called Tambia. The national currency in Tambia is the Euro.

After deducting production costs (wages and raw materials), the value of the bricks you produced in your factory and sold this year was €2 billion. Corporation tax in Tambia is 25% - at that rate, you would end up paying €500 million. In order to maximise profits you want to reduce your tax bill by as much as possible.

Below are some arguments you can use to reduce your tax bill:



We had to buy computers from our parent company to keep track of our sales / orders / accounts etc. Every company these days needs computers. The market price for the computers you imported would be €50 million. But according to the accounts you file, you paid €500 million to your parent company for the computers.

The ACME Brick Company is the most prestigious brand name in the brick industry - people trust our bricks - our Tambian factory had to pay for the right to use the brand name The ACME brand name is owned by a subsidiary of ACME Bricks which is registered in Greenland. They charged you €500 million for the right to print "ACME" on your bricks.

We had to bring in consultants from our parent company to help design our production and marketing strategies so that we could maximise our profits. The consultancy fees are charged to another subsidiary of ACME Bricks which is based in Antarctica. The market value of the services provided would be €50 million - but Acme Bricks Antarctica Ltd. charged €500 million.

ABC Tambia also made a donation of €25 million to build the Acme Hospital in a rural area of the country. This donation is discounted against your tax bill.

Government of Tambia

Tambia has recently welcomed investment from the Acme Brick Company, which has built the largest brick factory on Tambian soil. Officials working in the tax office have taken a look at ABC Tambia's accounts and see the company has made €2 billion in the last year. Corporation tax in Tambia is 25% - that means ABC Tambia should be paying €500 million in tax for this year. As the Tambian government you need to decide what you could do with that money. You are also facing re-election next year.



€100 million for ten new public hospitals

The hospitals would contain the most state-of-the-art medical equipment and drastically improve health care in Tambia. The money would also cover a network of rural clinics to provide primary treatment.

€100 million to employ 10,000 new public servants

The public service in Tambia is drastically under-staffed - over the next five years, this money would allow you to recruit 10,000 new teachers, nurses, police officers, bus and train drivers, etc.

€50 million for a major irrigation scheme

Tambia is a very dry country - it hardly ever rains, and much of the country is poor farmland as a result. Experts working for the government have drawn up a three-year programme of irrigation that would improve the productivity of Tambian agriculture by €50 million every year - but they need an initial investment of €50 million to get the project off the ground.

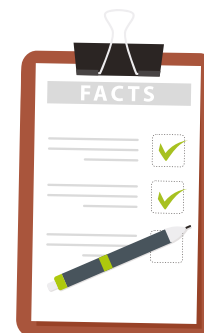
€50 million for a light rail network

Tambia's capital city is permanently congested with traffic, and the pollution is a major threat of public health. A light rail network would allow you to pedestrianise the city centre and get rid of the clouds of smog.

€100 million for a public works programme

A public works scheme would allow Ireland to tackle unemployment while also improving infrastructure including roads, bridges and tunnels.

TAX JUSTICE BASIC FACTS



- It is estimated that societies lose \$500 billion each year through corporate tax avoidance. Of this, \$200 billion is lost by developing countries because companies don't pay as much tax as they should. This is more money than they receive in overseas aid. (The cost of achieving the Sustainable Development Goals by 2030 is estimated at \$1.4 trillion per year.
- Over 60% of international trade takes place between different branches of the same company (for example, between Microsoft in the USA and Microsoft in Ireland). It is possible in this situation for companies to exaggerate their costs and reduce their profits in higher-tax jurisdictions, and use trade between their own companies to move profits to countries where they pay little or no tax. This is called 'transfer-mispricing'
- Major accountancy firms help design tax minimising schemes for companies. One of the biggest accountancy firms, KPMG, were fined \$456 million in the USA for "designing, marketing and implementing illegal tax shelters"
- Companies and wealthy individuals often place their money in tax havens. Tax havens include countries like Switzerland, Bermuda and the Cayman Islands. They allow people to open bank accounts even if they do not live in the country or do any business there. The details of the bank accounts are kept secret, and little or no tax is charged.
- In 2015 it was estimated that \$7.6 trillion – or roughly 8% of the world's GDP in 2014 – was hidden in tax havens. The Tax Justice Network has highlighted that this might even be a conservative estimate.
- Tax dodging would be much more difficult if multi-national companies had to file accounts showing how much tax they paid and how much profit they earned in each country.
- The problems caused by tax havens could also be minimised if every country agreed to supply information to other states about bank accounts held by their citizens - that way, it would become clear if people or companies were using foreign bank accounts to avoid paying tax in the country where they made their money.
- Globally corporate tax rates have been declining over the last 3 decades. In 1980 the average corporate tax rate was above 40 per cent; in 2015 it has dropped to less than 25 per cent. If the current trend continues, the global average corporate tax rate will hit zero per cent in 2052.
- While corporations are paying less, consumers around the world are being asked to pay more, reflecting the fact that someone has to fill the gap from the missing corporate tax income. Since consumer taxes disproportionately affect the poorest in society, this trend has the concerning consequence that tax systems are becoming more regressive, and risk exacerbating inequality rather than reducing it.
- \$30 billion in assets is held offshore by Ecuadorian citizens, a sum that is the equivalent to a third of its GDP. In 2017, Ecuadorian public voted 'yes' in a referendum to prohibit public officials from holding money in offshore accounts and tax havens.

