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PACIFIC RIM ECONOMIC TIGERS

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Overview:

Many of the countries surrounding the Pacific Ocean have helped to create an economic miracle that has become known as the Pacific Rim, also known as the Ring of Fire for its seismic activity. This lesson will focus on four counties which have been given the nickname *Economic Tigers* because of their aggressive economies. They are: South Korea, Taiwan, Singapore and Hong Kong. The impact of the Ring of Fire on these economies will also be explored. This is a great hands-on lesson that will address some of the economic problems of today.

Oklahoma Academic Standards for the Social Studies:

Grade 6.CS2: The student will examine the cultural and physical characteristics of the major regions of the Western Hemisphere. 1. Define the concept of region and identify major political, physical, and economic regions of the Western Hemisphere.

Grade 7.CS1.5 Conduct short research projects by investigating contemporary events and issues from political, economic, social and geographic perspectives.

Grade 7.CS2 The student will examine the human and physical characteristics of the major regions of the Eastern Hemisphere.
2. Integrate visual information in order to describe the characteristics and relative location of physical and cultural regions of the Eastern Hemisphere including A. Physical Regions – 1) Sub-Saharan savannas and rainforests, 2) Pacific Ring of Fire,

Grade 7.CS3. Content Standard 3: The student will examine the interactions of physical systems that shape the patterns of Earth's surface in the Eastern Hemisphere. 1. Integrate visual information to identify on a physical map and describe the major landforms and bodies of water including . . . Atlantic, Arctic, Indian, Pacific, and the Southern Oceans. 2. Analyze from multiple perspectives the impact of natural disasters on human populations resulting in forced migration, scarcity of consumer goods, and loss of employment including A. The impact of plate tectonics resulting in earthquakes, tsunamis, and volcanic eruptions on human and physical systems bordering the Pacific Ring of Fire, ...

Grade 7.CS4.6-C: Outsourcing of technological and manufacturing jobs to developing regions of Asia.

Geographic Elements & Standards: (from Geography for Life: the National Geography Standards) 2nd Edition

E3 Human Systems
S8 Economic focus/structures (types, patterns, networks, connections and relationships)

Geographic Themes: Human/Environment Interaction; Regions

Objectives:

1) Students will locate, identify and name the countries surrounding the Pacific Rim also known as the Ring of Fire.
2) Students will identify the four countries known as Economic Tigers and why they were given that nickname.

3) Students will understand the key issues' relating to the growth of these economies and the impact that being on the Ring of Fire has had on that growth.
4) **Materials:**
1) Classroom set of Nystrom Desk Atlases (or other comparable desk atlases) with a Pacific Ocean centered world map and a World Map showing plate tectonics.
2) World Wall Map
3) Copies of Handout #1 Outline World Map
4) 4 colored pencils (enough for four groups to have a set of 4)
5) Handouts #2: Notes on: A. South Korea, B. Taiwan, C. Singapore, and D. Hong Kong
6) Handout #3: Notes: *Pros and Cons on Trade Agreements*
7) Access to internet for further research.

Procedure:

Opening the Lesson:
Ask students: What do you know about tigers? Possible answers include:

- *largest of the cats,*
- *fierce predators,*
- *ferocious,*
- *stripes are unique to each tiger,*
- *loners unlike lions who hunt in groups,*
- *leap high, over 30 ft.,*
- *many different types,*
- *some on endangered species*

Ask students: Where do tigers live? Answer: *They live in Asia, from eastern Russia along the coast to India reaching south to Malaysia and Indonesia.* Have students find the area on their Nystrom Desk Atlases or on a wall map. Continue with an explanation that the area around the Pacific Ocean, on both hemispheres is unique and will be the focus of our study.

Handout #1: Have students fill in the names of the countries that border the Pacific Ocean. Have them find and color the following: Taiwan, Hong Kong (city in China), South Korea, and Singapore (city-state). *Explain that a city-state is a*

large city that functions as a small independent country. Remind teachers that since tigers are known for their aggressive behavior, these four countries are called Economic tigers because of their aggressive economies and of their common location on the Pacific Rim. **USE NYSTROM DESK ATLASES AS NEEDED.**

Developing the lesson:

1) **Explain to students:** *Many of the countries surrounding the Pacific Ocean have helped to create an economic miracle that has become known as the Pacific Rim. This includes countries from North and South America to Asia, to Oceania. Most of these countries have experienced major economic change and growth to become of part of integrated trade regions.*
   (TEACHER NOTES:* The **Asia-Pacific Economic Cooperation** (**APEC**) is a group of Pacific Rim countries who meet with the purpose of improving economic and political ties. The first meeting was held in Canberra, Australia in 1989. It holds annual meetings in each of the member countries and has standing committees on a wide range of issues, from communications to fisheries.)

2) ***Ask what might have caused this economic growth?*** *Possible answers: closeness to each other, ease of trade, common cultures, religions, languages, available raw materials, abundance of labor. Experiencing together the earthquake and volcanic activities of the Ring of Fire. Refer to Handout #1 that students have filled in to reinforce this concept of proximity and relationships.*

3) **Lead into an explanation of the Ring of Fire:** Use atlas or map that shows plate tectonics and give a brief explanation of the seismic activities created by plate movement that has created the phenomena known as the "Ring of Fire." Remind teachers that it is the main theme of this year's WGA and that topic will be covered more in detail in other presentations.

4) **Hands-On Activity:** Divide the class into four groups. Assign each group one of the four countries and give them copies of notes on their country using Handout 2A, 2B, 2C, and 2D. Have their copies of Handout #1 ready and have them find their country that they had colored earlier. Each group is to read the materials and prepare a brief presentation to the class. Each group should point out three or four key reasons why their country is being

economically successful. They might list some products or raw materials or something unique or special about their country. They should also find something negative or that is causing problems to their economy. They should be able to find their country on the wall map when making presentations. Encourage them to be innovative and creative.

Concluding the lesson: Each group will make their presentations. This will be followed by a question and answer period to conclude the lesson.

Closure: Use Handout #3 as the basis of a debate or discussion on the pros and cons of trade agreements, especially as it impacts the four "Economic Tigers." (CURRRENT EVENTS)

Evaluation-Assessment:
Use the THREE-TWO-ONE technique since it provides a structured way for students to reflect on their learning. Students respond in writing to three reflective prompts which help the teacher assess what students perceive as key learning facts from the lesson and identify weaknesses.
On a separate paper have students give examples of the following:

- **THREE** key ideas I will remember from the lesson.
- **TWO** things I am struggling with or that I did not understand.
- **ONE** thing that I found the most interesting.

Extension-Enrichment: Do further research on trade agreements, Ring of Fire, and the Pacific Rim economies. Discuss the impact that the seismic activities have on the Ring of Fire might have on these countries.

Resources:
Handout #1: Pacific Ocean Centered Map: d.maps.com
Handout #2: Notes on Economic Tigers: CIA World Facts Book
Handout # 3: Pros and Con notes: http://www.investopedia.com/terms/f/four-asian-tigers.asp
Nystrom Desk Atlas.

HANDOUT #2A

South Korea

Economy

Main article: Economy of South Korea

In the 1960s, South Korea's gross domestic product (GDP) per capita was comparable with the poorest countries through Asia and Africa. However, in the following four decades, the country experienced considerable growth, affected in part by a system of close government, directed credit and import restrictions. As of December 2015, the country has a total GDP of $1.4 billion and a per capita GDP of over $35,000, with a growth rate of 3.3%.

Main data source: **CIA World Fact Book**
All values, unless otherwise stated, are in US dollars.

South Korea's mixed economy ranks 11th nominal and 13th purchasing power parity GDP in the world, identifying it as one of the G-20 major economies. It is a developed country with a high-income economy and is the most industrialized member country of the OECD.

South Korea's economy was one of the world's fastest-growing from the early 1960s to the late 1990s, and South Korea is still one of the fastest-growing developed countries in the 2000s, along with Hong Kong, Singapore, and Taiwan, the other three Asian Tigers. South Koreans refer to this growth as the Miracle on the Han River , The South Korean economy is heavily dependent on international trade, and in 2014, South Korea was the 5th largest exporter and 7th largest importer in the world.

South Korea hosted the fifth G20 summit in its capital city, Seoul, in November 2010. The two-day summit was expected to boost South Korea's economy by 31 trillion won, or 4% of South Korea's 2010 GDP, in economic effects, and create over 160,000 jobs in South Korea. It may also help improve the country's sovereign credit rating.

Despite the South Korean economy's high growth potential and apparent structural stability, the country suffers damage to its credit rating in the stock market because of the belligerence of North Korea in times of deep military crises, which has an adverse effect on South Korean financial markets. The International Monetary Fund compliments the resilience of the South Korean economy against various economic crises, citing low state debt and high fiscal reserves that can quickly be mobilized to address financial emergencies. Although it was severely harmed by the Asian economic crisis of the late 1990s, the South Korean economy managed a rapid recovery and subsequently tripled its GDP. Furthermore, South Korea was one of the few developed countries that were able to avoid a recession during the global financial crisis.

CHECK TO SEE IF YOU RECOGNIZE ANY OF THESE COMPANIES.

The following list includes the largest South Korean companies by revenue in 2013 who are all listed as part of the Fortune Global 500:

Rank	Name	Headquarters	Revenue (Mil. $)	Profit (Mil. $)	Assets (Mil. $)
01.	Samsung Electronics	Suwon	208,938	27,245	202,876
02.	SK Holdings	Seoul	102,122	258.2	87,716
03.	Hyundai Motor	Seoul	79,766	7,804	126,441
04.	POSCO	Pohang	56,520	1,257	80,037
05.	LG Electronics	Seoul	53,118	161.5	33,669
06.	Hyundai Heavy Industries	Ulsan	49,507	254.6	50,421
07.	Korea Electric Power	Naju	49,072	54.8	147,391
08.	Kia Motors	Seoul	43,486	3,487	34,289
09.	GS Caltex	Seoul	41,715	341.4	21,119
010.	Hanwha	Seoul	35,379	118.8	107,394
011.	Korea Gas	Daegu	34,774	−183.4	41,382
012.	Hyundai Mobis	Seoul	31,244	3,126	32,629
013.	S-Oil	Seoul	28,467	264.6	11,297
014.	Samsung Life Insurance	Seoul	26,167	832.6	182,855
015.	Samsung C&T	Seoul	25,977	221.5	24,133
016.	Lotte Shopping	Seoul	25,774	720.3	36,933
017.	LG Display	Seoul	24,697	389.3	20,579

HANDOUT #2B

Taiwan

Economy

Main data source: **CIA World Fact Book**
All values, unless otherwise stated, are in US dollars.

Taiwan, also known as the Republic of China is not recognized by the United Nations and is a tiger with its major industries and entrepreneurial initiative. China claims the island and the mainland and island are technically at war. If the future includes a merger, hopefully it will be a peaceful one. The island is about 14,000 square miles and has a focus on its north coast, centered on the capital city of Taipei. Their economy is the twentieth largest in the world.

The economy of Taiwan ranks the highest in Asia for 2015 Global Entrepreneurship Index (GEI) for specific strengths. Most large government-owned banks and industrial firms have been privatized. With the technocracy-centered economic planning under martial law until 1987, real growth in GDP has averaged about 8% during the past three decades. Exports have grown even faster and since World War II, have provided the primary impetus for industrialization. Inflation and unemployment are low; the trade surplus is substantial; and foreign reserves are the world's fourth largest. Agriculture contributes 3% to GDP, down from 35% in 1952, and the service sector makes up 73% of the economy. Traditional labor-intensive industries are steadily being moved off-shore and replaced with more capital- and technology-intensive industries. Economy of Taiwan is an indispensable partner in the Global Value Chains of Electronics Industry. Electronic components and personal computer are two areas of international strength of Taiwan's Information Technology industry. Institute for Information Industry with its international recognitions [20] is responsible for the development of IT industry and ICT industry in Taiwan. Industrial Technology Research Institute with its global partners is the advanced research center for applied technology for the economy of Taiwan. Directorate-General of Budget, Accounting and Statistics and Ministry of Economic Affairs release major economic indicators of the economy of Taiwan. Chung-Hua Institution for Economic Research provides economic forecast at the forefront for the economy of Taiwan and authoritatively researches on the bilateral economic relations with ASEAN by The Taiwan ASEAN Studies Center (TASC). Taiwan Stock Exchange is the host to the listed companies of local industries in Taiwan with weighted financial exposures to the FTSE Taiwan Index and MSCI Taiwan Index.

Taiwan is a member of the Asian Development Bank (ADB), the World Trade Organization (WTO), and the Asia-Pacific Economic Cooperation (APEC). Taiwan is also an observer [40] at the Organisation for Economic Co-operation and Development (OECD) under the name of Chinese Taipei. Taiwan is a member of International Chamber of Commerce as Chinese Taipei. The economy of Taiwan signed Economic Cooperation Framework Agreement with the economy of People's Republic of China on 29 June 2010. The economy of Taiwan also signed free trade pact with the economy of Singapore and the economy of New Zealand. Taiwan is seeking to join the Trans-Pacific Partnership no later than 2020 if economic requirements are met. The economy of Taiwan also applied for the membership in the Asian Infrastructure Investment Bank in 2015. Taiwan's top five trade partners in 2010 are China, Japan, USA, the European Union and Hong Kong.

The economy of Taiwan, compared with other major economies in the region, is "at a crossroad", and facing economic marginalization in the world economy, in addition to de-internationalization, low-paid salary to employees and uncertain outlook for personal promotion of staff, which results in human resource talents seeking career opportunities elsewhere in the Asia-Pacific region, and businesses in Taiwan suffer most from being the size of small and medium enterprises only with weaker-than-expected revenue of its hectic business operation for any consideration of further expansion, and overall impedes any attempt at economic transformation of the economy of Taiwan from the Taiwan government. The World Trade Organization has also reviewed Chinese Taipei's economic outlook in 2010. The international industrial forecast of semiconductor manufacturing, which is the flagship industry of the economy of Taiwan, that possesses immense competitions ahead with the American counterparts. To conclude, facing the Market failure from Externality, the Taiwan government needs well-thought industrial policy gently to adapt to the new economic landscape, and as an island economy with lack of natural resources and comparatively lower domestic aggregate demand, Taiwan's highly educated human resources would contribute greatly to Value added Innovation management for expanding Taiwan's international trade.

HANDOUT #2C

Singapore

Economy

Singapore started its road to success as an *entrepot*, or free port for transshipment of goods, for the Malay Peninsula. The island city-state became independent in 1965. With tight governmental control and an excellent location, Singapore has effectively utilized its limited land area (240 square miles) to become a world leader in industrialization and one of the Economic Tigers.

Main data source: **CIA World Fact Book**
All values, unless otherwise stated, are in US dollars.

Singapore has a highly developed trade-oriented market economy. Singapore's economy has been ranked as the most open in the world, 7th least corrupt, most pro-business,[19] with low tax rates (14.2% of Gross Domestic Product, GDP) and has the third highest per-capita GDP in the world in terms of Purchasing Power Parity (PPP).
Government-linked companies play a substantial role in Singapore's economy, which are owned through the sovereign wealth fund Temasek Holdings, which holds majority stakes in several of the nation's largest companies, such as Singapore Airlines, SingTel, ST Engineering and MediaCorp.

The **economy of Singapore** is a major Foreign Direct Investment (FDI) outflow financier in the world. Singapore has also benefited from the inward flow of FDI from global investors and institutions due to her highly attractive investment climate and a stable political environment.

Exports, particularly in electronics, chemicals and services including Singapore's position as the regional hub for wealth management provide the main source of revenue for the economy, which allows it to purchase natural resources and raw goods which it lacks. Moreover, water is scarce in Singapore therefore water is defined as a precious resource in Singapore along with the scarcity of land to be treated with land fill of Pulau Semakau. Singapore has limited arable land meaning that Singapore has to rely on the agrotechnology park for agricultural production and consumption. Human resources is another vital issue for the health of the Singaporean economy. The economy of Singapore ranks 2nd overall in the Scientific American Biotechnology ranking in 2014 with the featuring of Biopolis.

Singapore could thus be said to rely on an extended concept of intermediary trade to Entrepôt trade, by purchasing raw goods and refining them for re-export, such as in the wafer fabrication industry and oil refining. Singapore also has a strategic port which makes it more competitive than many of its neighbours in carrying out such entrepot activities. Singapore has the highest trade to GDP ratio in the world, averaging around 400% during 2008–11. The Port of Singapore is the second-busiest in the world by cargo tonnage. In addition, Singapore's port infrastructure and skilled workforce, which is due to the success of the country's education policy in producing skilled workers, is also fundamental in this aspect as they provide easier access to markets for both importing and exporting, and also provide the skill(s) needed to refine imports into exports.

Singapore's government promotes high levels of savings and investment through policies such as the Central Provident Fund, which is used to fund its citizen's healthcare and retirement needs. Singapore's savings rates have remained among the highest in the world since the 1970s. Most companies in Singapore are registered as private limited-liability companies (commonly known as "private limited companies"). A private limited company in Singapore is a separate legal entity, and shareholders are not liable for the company's debts beyond the amount of share capital they have contributed.

To preserve its international standing and further its economic prosperity in the 21st century, Singapore has taken measures to promote innovation, encourage entrepreneurship, re-train its workforce, and even attract foreign talents. To attract foreign talents, Singaporean government issues Employment Pass (EP) under three categories viz. P1 Employment Pass for those individuals with monthly income of $8,000 and up, P2 Employment Pass for individuals with monthly income of $4,500–7,999 and Q1 Employment Pass individuals with a monthly income of at least $3,000. The Ministry of Manpower (MoM) oversees the matter related to immigration of workers. These measures aim to boost Singapore's productivity, so that Singapore remains competitive and ready for the challenges of an information-driven global economy.

HANDOUT #2D

Hong Kong

Economy

Main data source: **CIA World Fact Book**
All values, unless otherwise stated, are in US dollars.

Hong Kong became part of China on July 1, l997 after being territory of the United Kingdom for 99 years. The celebration of the merger of one of the world's outstanding examples of capitalism with a major communist nation was watched by the entire world. Since the transition, Hong Kong, which had one of the highest GNP's per capita in the world, continues to maintain their Official languages of English and the Cantonese dialect. The dollar continues to be in use but no longer bears the portrait of Queen Elizabeth. A provisional legislature has been installed and they have imposed limits on opposition activities and have reduced the proportion of the population eligible to vote. Hopefully additional change won't b e too significant for the people.

As one of the world's leading international financial centers, Hong Kong's service-oriented economy is characterized by its low taxation, almost free port trade and well established international financial market Its currency, called the Hong Kong dollar, is legally issued by three major international commercial banks, and pegged to the US Dollar. Interest rates are determined by the individual banks in Hong Kong to ensure it is fully market-driven. There is no officially recognized central banking system, although Hong Kong Monetary Authority functions as a financial regulatory authority.

According to Index of Economic Freedom. [1] Hong Kong has had the highest degree of economic freedom in the world since the inception of the Index in 1995. Its economy is governed under positive non-interventionism, and is highly dependent on international trade and finance. In 2009, Hong Kong's real economic growth fell by 2.8% as a result of the global financial turmoil.
Hong Kong's economic strengths include a sound banking system, virtually no public debt, a strong legal system, ample foreign exchange reserves, rigorous anti-corruption measures and close ties with the mainland China. Despite the downturn, these strengths enable it to quickly respond to changing circumstances. It has the most efficient and a corruption-free application procedure, the lowest income tax, the lowest corporate tax as well as an abundant and sustainable government finance. The government of Hong Kong consistently upheld the policy of encouraging and supporting activities of private businesses. Examples include the Cyberport and the Hong Kong Disneyland. This has a

positive impact on the overall economic performance by removing unnecessary barriers for the private enterprises in the Special Administrative Region. The Hong Kong Stock Exchange is a favourable destination for international firms and firms from the mainland China to be listed on due to Hong Kong's highly internationalised and modernised financial industry along with its capital market in Asia, its size, regulations and available financial tools, which are comparable to London and New York.

By the late 20th century, Hong Kong was the seventh largest port in the world and second only to New York and Rotterdam in terms of container throughput. Hong Kong is a full Member of World Trade Organization.[31] The Kwai Chung container complex was the largest in Asia; while Hong Kong shipping owners were second only to those of Greece in terms of total tonnage holdings in the world. The Hong Kong Stock Exchange is the fifth largest in the world, with a market capitalisation of about US$2.63 trillion.

Hong Kong raises revenues from the sale and taxation of land and through attracting international businesses to provide capital for its public finance, due to its low tax policy. According to Healy Consultants, Hong Kong has most attractive business environment within East Asia, in terms of attracting foreign direct investment (FDI). This has led to Hong Kong being the third largest recipient of FDI in the world. From its revenues, the government has built roads, schools, hospitals, and other public infrastructure facilities and services. Low levels of spending relative to GDP by having no spending on armed forces, minimal outlays for foreign affairs and modest recurrent social welfare spending have allowed the accumulation of very large fiscal reserves with minimal foreign debt.

Acting as a government of the Special Administrative Region, Hong Kong is the second highest ranked Asian government in the World Economic Forum's Network Readiness Index (NRI) – an indicator for determining the development level of a government's information and communication technologies. Hong Kong ranked eighth overall in the 2014 NRI ranking, up from 14 in 2013.

HANDOUT #3

Pros and Cons on Trade Agreements including the current debate on TTP (Trans-Pacific Partnership)

Everett Rosenfeld | @Ev_Rosenfeld Friday, 11 Mar 2016 | 3:06 PM ETCNBC.com

Although there has always been opposition to free trade measures, recent decades have seen political leadership in the U.S. tending to push agendas focused on removing trade barriers between the U.S. and other countries. Both sides of the issue argue that jobs and the economy are at stake, but they disagree on the question of results and how domestic economic success is really defined.

To start with, free trade is the practice of removing restrictions on imports and exports between countries. Such restrictions can include bans, quotas and taxes among other measures. Many governments have sought to sign bi- or multilateral free trade agreements constituting an agreement to mutually lower these barriers. The U.S. currently has 14 agreements with 20 countries, according to the Commerce Department.

Republicans have often argued for such measures as an extension of their free market economic goals, and Democratic presidents such as Bill Clinton and Barack Obama have joined in supporting major international trade deals. Opposition has tended to come from the pro-labor quarters of American liberalism, as unions worry their constituencies won't be able to compete against cheap foreign workers.

This has played out prominently in recent debates over a proposed Pacific trade agreement, known as the Trans-Pacific Partnership (TPP), which would include 11 countries besides the United States — Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The argument against unfettered trade

Some liberal politicians, including U.S. Sen. Elizabeth Warren of Massachusetts and presidential hopeful U.S. Sen. Bernie Sanders, argue that trade agreements frequently do more harm than good for America because they favor the well-being of businesses over workers — both in America and in poorer trading partners.

"These treaties have forced American workers to compete against desperate and low-wage labor around the world. The result has been massive job losses in the United States

and the shutting down of tens of thousands of factories," a statement on Sanders' Senate webpage said.

"These corporately backed trade agreements have significantly contributed to the race to the bottom, the collapse of the American middle class and increased wealth and income inequality," he adds.

“PACIFIC RIM ECONOMIC TIGERS”

PACIFIC OCEAN CENTERED MAP FOR USE WITH

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Map of the Pacific Ocean

Ring of Fire Map