

Canadians as Global Citizens

Unit 4



Interconnections: From Local to Global

- We are connected to other people and places in a number of ways
- "A Global Morning" p.385





- **Global Village** - the concept that people around the world can interact almost as easily as if the world were one large village due to advances in communications and technology.
- Advances in technology, especially in communications and transportation, have brought people closer together.
- Canadians use natural resources, manufactured goods and services from other countries everyday.



- **Globalization** – Increasing integration of economies, trade, financial services, and cultures from around the world.



- As the world grows more globalized, we become more aware of the issues from globalization that affect people in Canada and around the world.
- Once we are aware of these issues, the challenge is what we should do about them.



- Ex: Global Issue - Child Labor (Local stores importing carpets, shoes or clothing made by children)
- Because there are so many complex issues, that it is best to choose one that interests you and find out as much as you can about it.



- International non-governmental organizations (NGO's) try to find solutions to these global solutions such as child labor and environmental issues.



- Examples of NGO's - Amnesty International, World Wildlife Fund,

- A global citizen is someone who wants to make the world a better place.
- Everyone has the potential to take action and make the world a better place:
 - speaking out about global issues
 - join or start an organization
 - welcoming a new student to your school





- **UNESCO** - United Nations Educational Scientific and Cultural Organization
 - formed to help preserve cultural and natural sites around the world.
- Canada has been a part of UNESCO since 1946
 - Currently has 15 world heritage sites.



- To be a World Heritage Site, the location:
 - must have a strong geographic value
 - strong cultural connection
- Examples of Canadian Historic Sites
 - Historic District of Quebec City
 - L'Anse aux Meadows
 - Gros Morne National Park
- Preserving these sites ensures that future generations will be able to enjoy them.

- **Human Development Index (HDI)** - measures the well-being of people by examining three major factors:
 - **Longevity**: How long people's lives are.
 - **Knowledge**: Measured by literacy rates and education levels.
 - **Decent Standard of Living**: measured by per capita gross domestic product
- HDI is used to compare the quality of life in over 187 countries.
- Between 1994-2000, Canada was ranked #1 in for world for quality of life.

Questions

- P. 395
- #s 1, 2, 3 & 4

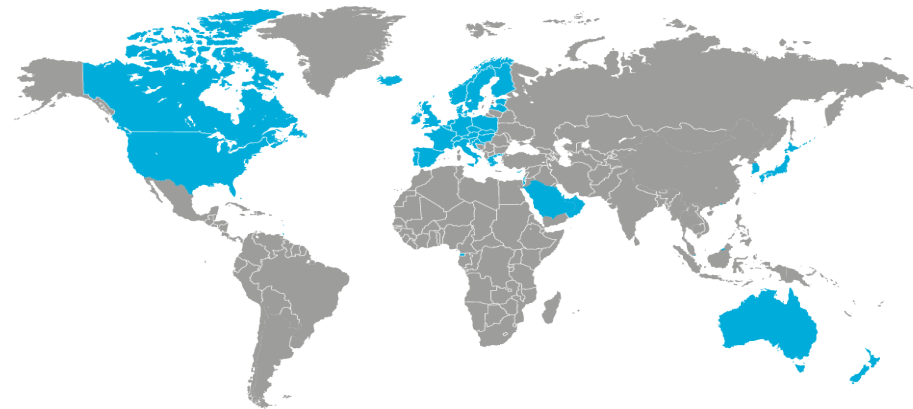
Quality of Life



- Variations in people's quality of life depend, in part, on a country's developmental status.
- **Developmental Status** - a rating of a country's social systems, such as education and healthcare, as well as its economic systems.

Three main classifications:

- **Developed**
 - Nations that have a high standard of living
 - Usually have high GDP, strong economy, well developed infrastructure, and a strong social network that includes healthcare and education.
 - Ex: Canada, U.S., Norway, Germany...



- **Developing**

Nations with a low standard of living

- Economy is usually focused on primary industries (agriculture) and very little processing and manufacturing, which means there is little income to be gained.
- Little Money is available to develop aspects of society such as roads and health care systems.
- Ex: Afghanistan, Belarus, Ethiopia, Haiti...



- **Newly Industrialized Countries**

- Rank between developed and developing countries.
- Economies traditionally centered on agriculture, with developing secondary industries, such as manufacturing and technology
- Ex: Brazil, India, China



A Great Big World to Discover



- **Tourism:** traveling and the business of planning vacations
- **Domestic Travel:** When Canadians travel within Canada
- **International Travel:** Traveling across borders into other countries.



The Tourism Industry

- Tourism is very important to the Canadian economy.
- As Canadians travel within Canada and international tourists come, money circulates through hotels, restaurants, etc.
- This in turn ripples through the economy, paying workers, landscapers and in taxes to the government.

- **Multiplier Effect**: The direct or indirect effects on the economy caused by an activity in one part of the economy (ex: tourist spending money when visiting a place can cause an increase in the number of jobs in the local economy, which in turn supports the need for more services and thus more jobs).



- Tourism is among the top five sources of economic activity in all provinces.
- When Canadian's travel outside of Canada, the Canadian economy loses money to international markets.
 - 2010 International Travel Deficit - \$1.4 billion
- The government's job is to encourage international visitors to come to Canada.
- There are many factors that can impact a province's tourism

Negative Impact

SARS outbreak in Toronto (2003)

- Tourism industry suffered greatly.
 - workers laid off
 - bus tours canceled
 - conventions canceled
 - Hotel cancellations
- Many strategies were used to try and revive tourism in Toronto:
 - Hotel, Game, Flight packages
 - Ad campaigns
 - Tax exemptions on hotel accommodations



Positive Impact:

2010 Winter Olympic Games in Whistler, British Columbia

- Brought increased revenue to the province
- **Revenue**: income generated for goods and services.
- This revenue was used to develop local infrastructures, like roads, disposal systems and transportation routes.



Questions

- Last Day: P. 395 #1-4
- Today: P. 395 # 5&6
- Today: P.401 # 1-3, & 9

- Newfoundland has an award winning marketing campaign to attract more tourists.
- <https://www.youtube.com/watch?v=mthuKmagC-E>



Canada and the Global Economy



NAFTA



- NAFTA - North American Free Trade Agreement
- An agreement made between Canada, the United States, and Mexico in 1992 that marked the phasing out of **tariffs** (taxes imposed on products brought into a country). The agreement eliminated a number of fees to encourage trade between these countries

Successes in NAFTA



- NAFTA has opened up many possibilities for Canadian companies in the United States and Mexico
- ex: Mad Science
 - franchise that creates science activities for children ages 3-12.
 - has found a niche in Mexico
 - **Niche:** a section of the business market especially suited to a company's specialized goods and services
 - has helped increase science literacy for thousands of Mexican children

Challenges of NAFTA

- - NAFTA aims to increase trade opportunities, and since its creation trade between Canada, the United States and Mexico increased to over \$1 trillion.
- Problem: NAFTA benefits transnational corporations in particular.
 - These companies sell their products in new markets and move their production to countries where labor and other costs are lower.
 - As a result, many manufacturing companies leave Canada for countries where costs are lower (ex: Mexico)

Problem: The rules of NAFTA

- The NAFTA agreement often brings disputes between countries and companies.
- Ex: Prices of Crab were low in 2010 in Newfoundland. Government could not subsidize the fishermen because it would have been considered an illegal subsidy according to the NAFTA agreement.

Imports and Exports

- **Importing**: When goods and services are brought into a country.
- **Exporting**: When goods and services are sold to another country.
- A favorable balance of trade is when you have more exports than imports into your country. Canada has an overall favorable balance of trade.



Fig. 9.23 (pg. 406)

CANADA'S REASONS FOR TRADING GOODS AND SERVICES	
WHY EXPORT?	WHY IMPORT?
<ul style="list-style-type: none">• INCREASED INCOME: Goods and services that Canada sells create revenue for Canada and Canadians.• JOBS: Many Canadians work in fields that are related to the export of goods and services.• ECONOMY OF SCALE: This economic principle states that the greater the quantity of goods you produce, the lower the cost of producing it. By producing more of a product, it can become cheaper to make it. In the end, this means cheaper goods and services for consumers.• INCREASED INNOVATION: When goods and services are sent to other countries, they are immediately exposed to greater competition from other goods. This means that quality must be high if products are to be sold.	<ul style="list-style-type: none">• PRODUCT NEEDS: Products that cannot be produced easily (or at all) in Canada can be obtained.• JOBS: Many Canadians work in fields that are related to the import and distribution of goods and services.• CHEAPER GOODS: Greater competition from a variety of producers means that consumers can choose less expensive products.• MORE CHOICE: Greater choice means greater competition. Generally, this means greater quality.• INTERNATIONAL DEVELOPMENT: Importing goods and services can promote wealth in trading partners.



- As a trading country, our prosperity depends on finding new opportunities for trade. Although one of our strongest trade relationships is with the United States, the Canadian government is working to improve trade relationships with other countries and open the door to new export markets (China, India, Brazil).

Canada's Import Partners (2011)

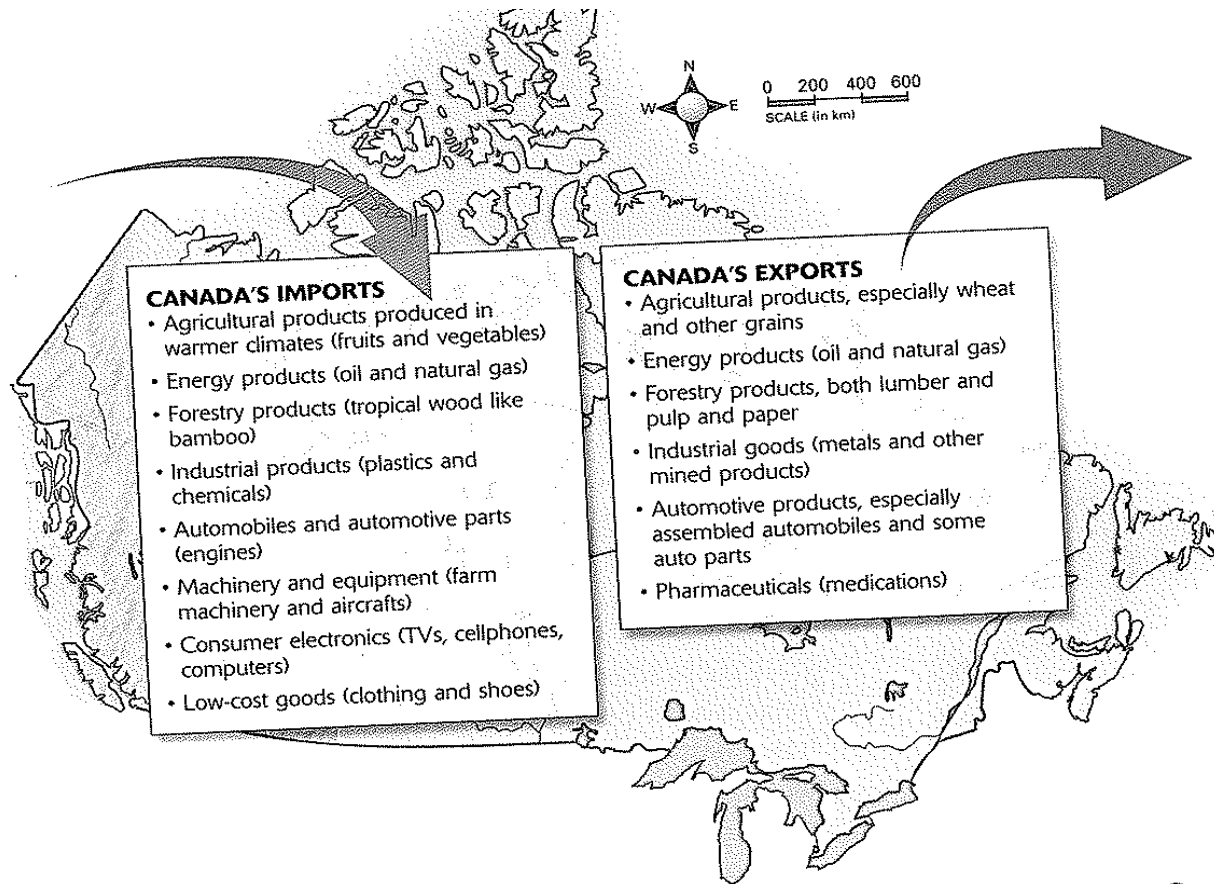
- United States (\$281 billion): **62%**
- United Kingdom (\$11 billion): **2%**
- Japan (\$9 billion): **2%**
- The rest of Europe (\$35 billion): **8%**
- The rest of the world (\$119 billion): **26%**

Canada's Export Partners (2011)

- United States (\$330 billion): **72%**
- United Kingdom (\$19 billion): **4%**
- Japan (\$11 billion): **3%**
- The rest of Europe (\$23 billion): **5%**
- The rest of the world (\$73 billion): **16%**

- Canada controls the general flow of its imports and exports:
 - restricts on imports: arms, industrial waste
 - controls on agricultural products: chickens
 - growing concerns for sustainable development, protection of human rights, and the environment.

Fig. 9.25 (pg. 407)



▲ **FIGURE 9.25** Import and export flows are complex and based on geography. You will notice that Canada imports some products that are also produced here. For example, Canada has enough oil to meet our demand, yet we export and import oil. Because of Canada's geography, it is easier for Western and Atlantic Canada to export oil south to the United States than it is to transport it across Canada. Also, our agreements under NAFTA require us to supply oil to the US market.

- Canada exports not only goods, but services as well:
 - banking and insurance
 - research development
 - Computer and information services
 - Architectural and engineering services



Import Substitution

- While Canada imports many goods and services, import substitution is also important.
- **Import Substitution**: The practice of buying Canadian products instead of goods produced elsewhere.
 - Saves jobs (employment is kept here)
 - Reduces our ecological footprint (products do not have to travel long distances = less energy used)



- Ex: Choosing apples from British Columbia's Okanagan Valley instead of oranges from Florida.

Trade Issues with Import Substitution

- Although Import Substitution can encourage the Canadian economy, it can cause issues with our foreign connections.
 - Would we have many trading partners?
 - What would our foreign connections be like?

What's Fair in Trade?

- Millions of people do not benefit from current global trade.
- The rules of global trading often benefit the wealthiest corporations, farmers and business people.
- **World Trade Organization** – develops guidelines for international trade.

Unfair Global Trade - Use of Subsidies



- North American and European farmers are often subsidized by their government. These subsidy payments allow them to produce more of what they need.
- A surplus of these products enters the world markets.



- Farmers in developing countries cannot compete with these heavily subsidized (and therefore cheaper) products.
- Local markets are destroyed, Farmers are forced to stop growing traditional foods.
- Farmers go to work in factories and plantations that produces foods and products for industrialized countries.
- Work conditions are often poor.

- People are becoming more aware of unfair trade practices and international organizations are working to improve trade conditions.
- **Fair Trade** – an organized social movement that encourages the trade of products such as coffee, chocolate, or carpets; ensures that there is no child or forced labor, that workers have humane working conditions and that they receive a direct and equitable share of profits.



- With increased profits, these farmers can build better homes, send their kids to school, and feed their families better meals.

Canadians Making a Difference





- As the world becomes more of an interconnected place, more people and organizations are gaining a sense of responsibility for the planet and the people who live on it.

Pause for Thought

Can you think of any international events (hurricanes, earthquakes, famine, national tragedies) where organizations in Canada have raised funds to support those affected?



Canada and The United Nations

- **United Nations** – An international organization that was formed to create peace, security, and cooperation among the countries of the world.
- Canada is one of the 192 countries involved in the UN and has played a key role since the organizations founding in 1945.
- The UN addresses acts of terrorism, human rights, natural disasters, and maintaining peace and security.

- The Canadian International Development Agency
 - Established to assist regions of the world encountering hardships (war, disease, famine)
 - Purpose is to help countries that require humanitarian assistance and promote sustainable development.
 - Works to establish projects and programs to assist local people.