

TRADING SHOES

A Simulation Game About Work, Poverty and the Economic System



Number of Participants 15 to 36

Total Time: 90 minutes

- **Setting the scene** 10 mins.
- **Playing the game** 60 mins.
- **Reflection** 10 mins.
- **Take Action!** 10 mins.

Goals:

- » To show that it is possible to be poor even if you work hard
- » To look at the links between consumerism and poverty.



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*Adapted from iVIVA! A Resource Pack for Youth Groups.
CAFOD Latin America Campaign, 1992*

Objective: Simulating Trade

Participants will experience some of the frustrations and difficulties of living in a country where the economy is unstable. They will:

- feel frustration at price changes and their lack of control over inflation and the problems it brings
- realize that they are competing with each other for a limited market
- understand the difficulty of making enough money to live on ... despite working hard

Participants: 15 to 36 people

You need *at least 15 people* for the simulation to work:

- enough people to make six families of two to five people
- one or two "vendors" in the mercado central (central market)
- one or two "rent collectors"
- one or two "money lenders"

You will need:

- » a large room with **seven** tables or desks
- » the following sets of materials in bags or envelopes [give yourself time to prepare these carefully]

For the six family groups:

- Gutierrez and Vargas families
1 set each of the following:
 - ✓ trade marks **A** and **C**
 - ✓ 1 model running shoe
 - ✓ 2 pair of scissors
 - ✓ 4 pieces of paper
 - ✓ 2 pencils
 - ✓ 15x10 and 3 x 50 "inti" notes
 - ✓ 1 role card with instructions

- Hernandez and Robles families
1 set each of the following:
 - ✓ trade marks **A** and **B**
 - ✓ 1 model running shoe
 - ✓ 2 pair of scissors
 - ✓ 2 pieces of paper
 - ✓ 1 pencil
 - ✓ 10x10 and 2 x 50 "inti" notes
 - ✓ 1 black marker pen
 - ✓ 1 role card with instructions

- Gomez and Garcia families
1 set each of the following:
 - ✓ trade mark **A**
 - ✓ 1 model running shoe
 - ✓ 1 pair of scissors
 - ✓ 1 piece of paper
 - ✓ 1 pencil
 - ✓ 5 x10 and 1 x 50 "inti" notes
 - ✓ 1 role card with instructions

For the "vendor(s)" at the *mercado central*

- ✓ 50 sheets of 8.5 x 11" paper
- ✓ 2 copies of the B trade marks
- ✓ 4 copies of the C trade marks
- ✓ 4 black marker pens
- ✓ 6 blue marker pens
- ✓ Money:
 - 10 x 10 "inti" notes
 - 20 x 50 "inti" notes
 - 30 x 100 "inti" notes
 - 10 x 500 "inti" notes
- ✓ 1 role card with instructions

For the "money lender(s)":

- ✓ Money:
 - 10 x 10 "inti" notes
 - 10 x 50 "inti" notes
 - 10 x 100 "inti" notes
 - 5 x 500 "inti" notes
- ✓ 1 pen/pencil
- ✓ 1 role card with instructions

For the "rent collector(s)":

- ✓ 1 pen/pencil
- ✓ 1 role card with instructions

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- ▶ Monopoly money could be used for the bank ("inti")notes.
 - ▶ The facilitator will probably need a bell or whistle.
 - ▶ You might want to "name" the trade marks ("Zike", "Beebok", "Sabbibas", etc.). Be imaginative!



Getting the game started

The majority of runners are made in Asia: Taiwan, Korea, China, Indonesia and the Philippines among others. Few these days are made in North America or Europe. Some are made in Latin America : Brazil, the Dominican Republic, Chile and Puerto Rico and possibly others.

Source: *The Ethical Consumer* September/October 1989

Setting the scene

Ask the group the following questions and list the answers on a large piece of paper.

- Which runners are 'in' now? What makes them special? Why do people buy them?
- How much do they cost?
- Where are they made?
- Which continent is this in?
- How much do you think the workers who made them get paid?

Explaining the rules

Split the group up:

- Give each family an envelope and a table to work on
- Give the vendors a table and their envelope
- Give the rent collectors their envelope
- Give the money lenders their envelope

The rent collectors and money lenders have a roving role and do not need tables.

If you know the group, try and choose suitable people for the roles of 'vendor', 'rent collector' and 'money lender'. If at all possible have the roles of vendor and money lender played by adult helpers.

It helps to have an observer who has prepared the game with you and who can help to explain things to the groups.

Explain to the group that they are going to play a simulation game. They will be families in Peru making running shoes for a living.

Explain that their instructions are in the envelopes.

Tell them to open their envelopes and take five minutes to read the instructions and understand them before you start the game.

Trading Shoes

Blow the whistle to start the game.

After ten minutes blow the whistle to signify a round of inflation and do the same after a further ten minutes.

You might want to introduce some variables if it seems appropriate. Do this by momentarily stopping the game to make an announcement. For example:

- The IMF (International Monetary Fund) insists that for your country to obtain further international loans, food subsidies cannot be allowed. Rent prices increase immediately. (tell them by what percentage).
- The IMF insists that you remove import tariffs to improve competitiveness. Taiwan exports thousands of pairs of running shoes to your country thus driving

down the price. Instruct the vendors to immediately halve prices they are offering.

c) Check and see which brand of shoe most people are making. Announce that because of surplus production, the price offered on that shoe is immediately halved and the price for the others is doubled.

d) Announce that because one of the types of trainers have become very popular, demand has increased and so prices offered for that type by the wholesaler have doubled. Or you could offer more money for shoes with, say, a blue trade mark.

e) Remove key equipment from a group (or allow it to be removed by the bailiffs). Give a good reason why this is being done, eg, they owe money.

Allow the game to go on for about half an hour. By the end most families will be struggling to make ends meet and may well be in debt.

Observer(s)

It is important to have an observer (or two) to listen out for comments made by participants which reveal how they're feeling during the game.

Simulating trade: the objective

Participants will experience some of the frustrations and difficulties of living in a country where the economy is unstable. They will:

- feel frustration at price changes and their lack of

control over inflation and the problems it brings

- realise that they are competing against each other for a limited market

- understand the difficulty of making enough money to live on despite working hard.

Number of participants: 15 to 36

- six six families of two to five people

- one or two central market vendors

- one or two rent collectors

- one or two money lenders

You will need

- a large room with seven tables or desks
- the following sets of materials in bags or envelopes (*give yourself time to prepare these carefully*):

For the six family groups

- Cutierrez and Vargas families: 1 set each of the following materials:

trade marks 'A' and 'C' (see illustration)
 1 model running shoe (see illustration)
 2 scissors
 4 pieces of paper
 2 pencils
 15 X 10 and 3 X 50 'inti' notes
 1 role card with instructions

- Hernandez and Robles families: 1 set each of the following materials:

trade marks 'A', and 'B' (see illustration)
 1 model running shoe (see illustration)
 2 scissors
 2 pieces of paper
 1 pencil
 10 X 10 and 2 X 50 'Inti' notes
 1 black marker pen
 1 role card with instructions

- Comez and Carcia families: 1 set each of the following materials:

trade mark 'A' (see illustration)
 1 model running shoe (see illustration)
 1 scissors
 1 piece of paper
 1 pencil
 5 X 10 and 1 X 50 'inti' notes
 1 role card with instructions

For the vendor(s) at the 'mercado central' (central market)

50 sheets of paper
 2 X 'B' trade marks
 4 X 'C' trade marks
 4 X black felt pens
 6 X blue felt pens
 Money:
 10 X 10 intis
 20 X 50 intis
 30 X 100 intis
 10 X 500 intis
 1 role card with instructions

For the money lender(s)

Money:
 10 X 10 'inti' notes
 10 X 50 'inti' notes
 10 X 100 'inti' notes
 5 X 500 'inti' notes
 1 role card with instructions
 A pen

For the rent collector(s)

1 role card with instructions
 A pen

- Note: Monopoly money could be used for the bank notes.

- You might also want to 'name' the trade marks and vary them accordingly eg, you could invent names such as 'Beebok' or 'Sabibas' or 'Zike' or whatever. Be imaginative so that it feels real to the group!

- Leader will need a whistle or a bell.

Source: CAFOD



Concluding the game

Debriefing

Did you know? Discussion

By 1985 Bolivian inflation, at 8163.4% per year, was the highest in the world.

The Bolivian peso, which had been 25 to the US dollar in 1980, rocketed to 9000 at the end of that year and to over one million by September 1985.

To cover this huge inflation, it was rumoured that banknotes were one of the largest imports at that time.

If the game goes according to plan, it will be very hard for any family to get ahead. As the groups started with unequal resources, some will struggle more than others. Some may well get hopelessly into debt.

Check out who 'won'! Ask each family:

- How much money they had left.
- How much they owed to the street vendor.
- How much they owed to the money lenders.

Total up and see who owed most and who gained most. Why?

Ask people to share the feelings they experienced during the game.

Try to get the group to analyse what happened during the game by asking the following questions:

- Did you feel you had control over what was going on?
- How difficult was it to cope with inflation?
- Did you feel it was fair?

Things to think about

There are real-life parallels for this game.

- In the late 1980s Peru had not been keeping up with her debt payments. The currency, the inti, was being constantly devalued both against the dollar and in terms of its purchasing power. It became impossible to save money because of the high inflation. Imagine receiving 1000% interest on bank savings if inflation is 2000%.
- Traders sometimes refuse to sell goods in the hope that a forthcoming price rise will mean more profit.
- Peruvian youth, like young people all over the world, are fashion conscious and like to have the latest runners. Few can afford to pay European prices so family workshops often produce copies of the latest trends complete with all the designer labels!

What if?

What would change in your life if:

- a) inflation was so high no one could predict prices or afford to save?
- b) despite the fact that you worked hard, you could not afford to feed or clothe your children properly?
- c) work was not dependable; today you might be working, tomorrow possibly not?
- d) there was no social security system or health services such as we have?

These are the realities many people in Latin America have to live with daily.

Other points you may be able to draw out:

- You can work hard and still be poor.
- The instability of life and the influence of factors beyond the control of 'players'.
- Poverty exacerbated by debts and IMF requirements.
- Instinct to succeed/win/compete at any cost.
- 'Task' orientation rather than 'people' orientation in group work.
- The way that values change when the going gets tough.



ROLE CARDS

Family

You are a Peruvian family making running shoes in a small workshop.

You have certain materials in order to make the shoes. If you need more materials you may buy them from the 'mercado central' (the central market) at the current prices. (USE ONLY MATERIALS BELONGING TO THE GAME). If you want to know what is available and the prices for buying and selling you may ask at the market. However due to rapid inflation prices are subject to change.

To make the shoes you cut out paper shoe shapes using the model running shoe and add a trade mark of your choice by tracing it through from a template.

The mercado central will only accept shoes of good quality and in pairs (ie a right and left shoe!) and will pay you according to the current price for the 'brand' of shoes you have made.

Every 'week' you have to buy food etc for your family at the current prices. (For the purposes of this game, a week is five minutes.) A 'rent collector' will come every five minutes to collect this money. (For the purposes of this game, the money you pay to the rent collector covers all your basic needs ie. food, clothes, shelter, etc.) If you need to borrow money to pay bills, buy materials etc, money lenders will be available. Watch out for the whistle/bell ringing which signals a rise in inflation and a rise in rent prices.

Your objectives are:

- To make enough money to feed and clothe your family.
- To make some extra to send your children to school, pay for medical bills, build a house, etc.

Mercado central (central market)

In the 'mercado' there are many buyers and sellers. For the purposes of the game all of them are represented by you.

You sell 'leather' and other raw materials to families that need them. You also buy completed running shoes from them at the going price. To be acceptable to you, running shoes must:

- a) be in pairs
- b) match the model shoe very closely

The prices are shown on the table below. In your country there are serious problems with inflation. When you hear the whistle/bell you change the prices according to the price list. With the felt pen and paper, make a current price list for customers. Make a new price list each time prices change.

Keep a record of how many pairs of running shoes each family sells to you.

Buying	start	after 1st whistle/bell	after 2nd whistle/bell
Shoe 'A'	50	80	120
Shoe 'B'	50	90	130
Shoe 'C'	50	100	150
Selling			
Trade mark	50	100	200
Marker pen	50	100	200
1 sheet paper	50	100	200
Scissors	50	100	200



Rent collector

You represent all the people who sell things to the average family : food, clothing, electricity, water etc. For their convenience they can pay you for all these goods and services. You collect from each family every week. For the purposes of this game, 1 week lasts 5 minutes.

Due to inflation the prices you charge regularly increase. When you hear the whistle/bell, double prices immediately.

The starting price is 100 intis per week. Keep a record of how much each family pays and if anyone can't pay.

Family:	Cut.	Var.	Hern.	Rob.	Corn.	Car.
1st week						
2nd week						
3rd week						
4th week						
5th week						
6th week						

Money lender

You lend money to people who need it, at high rates of interest (eg, I'll lend you 100 intis for 5 minutes but you must pay me back 150). Your objective is to make as much money as possible. Be persuasive! Be also aware that inflation is very high and so you need to charge enough to make a profit.

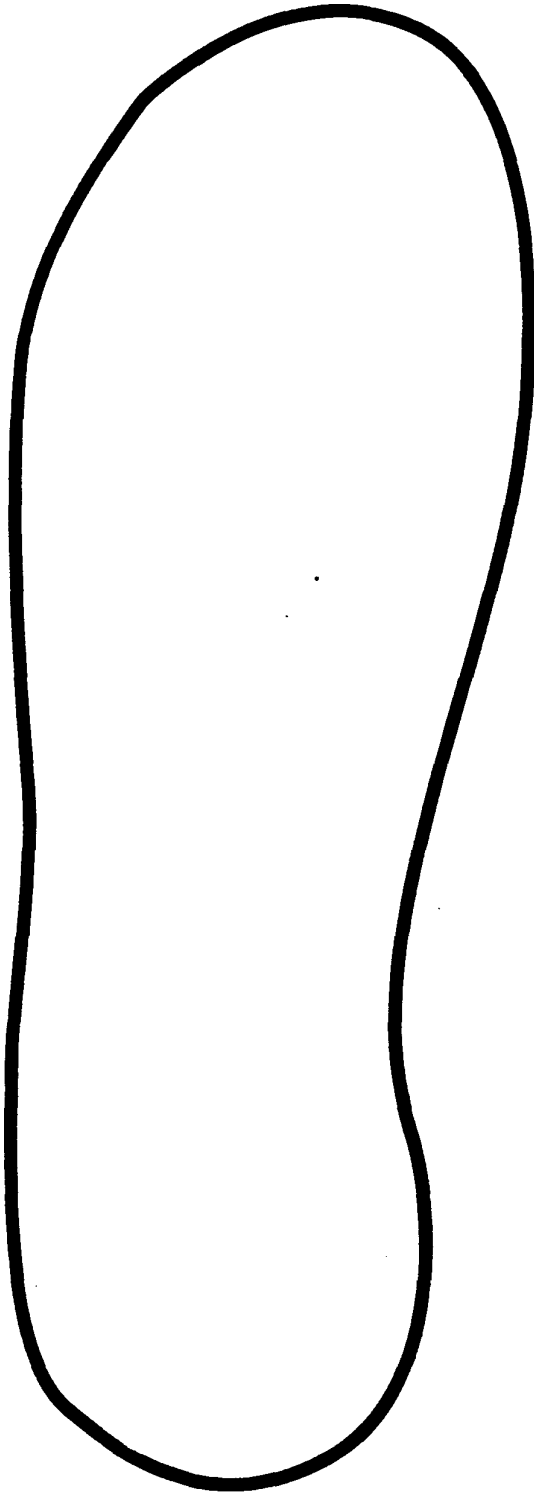
Keep records of who owes what.

	Loaned (amount)	Paid back (amount)
Gutierrez		
Vargas		
Hernandez		
Robles		
Comez		
Carcia		

Suggestion: You may want to offer different rates to different families depending on how you see their ability to pay back. Families who are falling behind on their payments may be 'high risk', while others who seem to be able to make their payments could be 'low risk'; eg. for 100 intis borrowed:

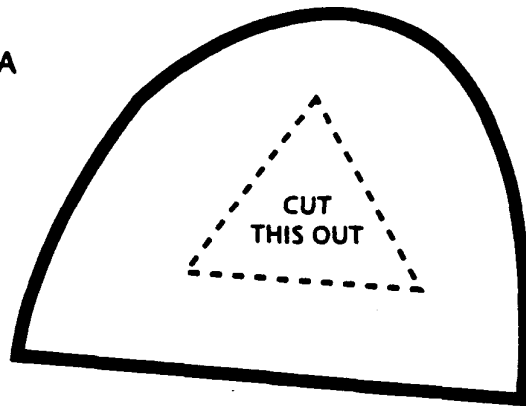
- low risk - total to pay back is 125 intis (25% interest)
- medium risk - total to pay back is 150 intis (50% interest)
- high risk - total to pay back is 175 intis (75% interest)

Model running shoe

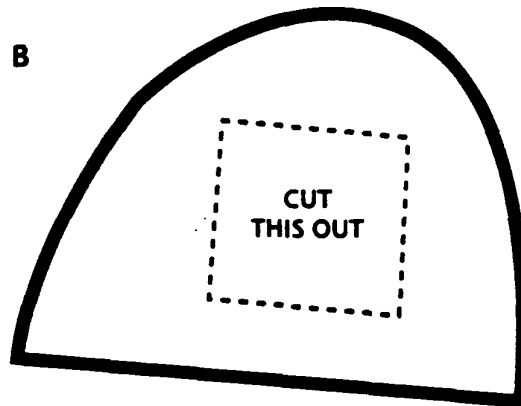


Trade mark templates

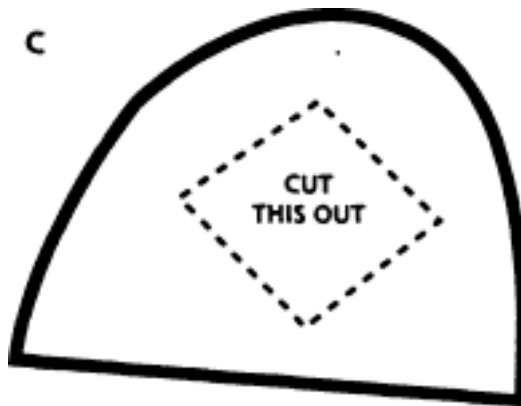
A



B



C



Instructions for the leader

- Cut out (along the bold outlines) the model running shoe shape and the three trade mark templates, then cut out the inside of the trade mark templates along the dotted lines.
- Use these models to make out of cardboard:
 - 7 model running shoes (One for each family and one for the mercado)
 - 6 each of trade marks A, B, C

Explain to the group

- To make a running shoe, the model running shoe shape is placed on paper, drawn around and then cut out. A trademark template is placed on top of the shoe and the cut-out shape is used as a stencil to colour through onto the shoe with a felt pen.
- To make a pair of shoes, another shoe is made in a mirror image.

The Trading Shoes Game

FACILITATORS INSTRUCTIONS:

Ask students not to open the envelopes at the tables until they are instructed to do so.

Set the Scene: (10 minutes) Take 10 minutes to ask the group:

- * Which running shoes are "in"? What makes them special?
- * How much do they cost?
- * Have the students take off a shoe. Where are they made? (Most runners are made in Asia: Taiwan, Korea, China, Indonesia and the Philippines. Some are made in Latin America: Brazil, Peru, Chile, etc. Very few are made in North America or Europe. More fine leather shoes are made in Europe.)
- * How much do you think the workers who made them get paid?

Explain the Rules: (10 minutes)

- * Explain to the group that they are going to play a simulation game which takes place in Peru.
- * The students will be playing the roles of Peruvian families who make running shoes for a living. Show them how a running shoe is made: by tracing the model running shoe onto paper (ie. leather), cutting it out, and making a trademark on the shoe using the template.
- * There are vendors at the central market who will buy the shoes from them and also sell them any items they might need to make the shoes. Inflation is very high so prices change rapidly.
- * Rent collectors will be coming around to collect money from each family that would go toward rent, food, and clothing for the week. (For the purpose of the game, 5 minutes represents one week.)
- * If they so choose, they may borrow money from the money lender, who will negotiate an interest rate with them. In Peru, currency is in intis, not dollars (pronounced IN-tee).
- * If they hear the whistle/bell, they should stop production for a moment to get further instructions.
- * Instruct them to go to the table which matches their nametag if they have not already done so and take a few minutes to read the instructions on the outside of the envelope. Do not open the envelopes! Ask if there are any questions about their instructions.

Play the Game: (30-40 minutes)

- * Blow a whistle or ring a bell to start the game. (Watch the time closely.)
- * After 10 minutes, blow the whistle. Inform the families that a high rate of inflation is taking place. The vendors and rent collectors will need to increase their prices, and the money lenders will have to increase their rates in order to stay afloat. In addition, due to overproduction of the triangle brand shoes and a large shipment of them from Taiwan, the price has plummeted while the price of the other brands has increased.
- * Blow the whistle again after a further 10 minutes, announcing another round of inflation. In addition, announce that because of Peru's international debt, the government has been required to cut food and rent subsidies. Rent prices will therefore increase dramatically.
- * Allow the game to proceed for a total of 30-40 minutes (unless chaos results sooner!) Ask each family to total their earnings (or debt). Ask each group to report to everyone what they had left at the end of the game.

Discussion: (45 minutes)

- Ask students to get into groups according to the number on the bottom right side of their nametags. Assign numbers to different areas of the room or tables to help them get into their groups.
- Ask the groups to discuss the following questions for 15 minutes, being prepared to report back to the larger group:
 - What kinds of things did you do to try to make more money?
 - How did it feel being in the role that you played?
- Take 10-15 minutes for each group to give a brief synopsis to the larger group.
- Ask for feedback from the whole group on the similarities between the game and real life. (This should take about 15 minutes)

You may wish to bring out some of the following points in the discussion:

- It is possible to work hard and still not get ahead.
- Many people experience the instinct to win/compete at any cost (eg. stealing, cheating).
- What would it be like to experience the instability of life and the influence of factors beyond your control on a constant basis? The reality for many people in the Third World is unpredictable inflation (see the statistics on the Debriefing page of the game outline), no social security or health services, and jobs which are not secure either.
- The people who tend to fair well in the game (and in life) are the ones who have power (the vendors, money lenders, rent collectors) and those who start with more (the Gutierrez and Vargas families).
- We, the consumers, though far away, also have power over the lives of the families making shoes. When demand changes (as when Reebok suddenly becomes more popular than Nike), the market shifts and some people are hurt more than others.
- Explore the history of the international debt crisis. How did the students who were in debt feel? Do they feel it was it their fault they were in debt? Discuss the effects on a country when the foreign debt is overwhelming. The country must spend its money on servicing the debt, so it cannot pay for social programs or food subsidies, thereby decreasing the standard of living for its people.
- Who is making the shoes? Who is buying them? Why are the Peruvian families not making items to feed and clothe themselves? When Third World countries have to earn foreign dollars to pay the interest on their debt, they are forced into an export-driven economy rather than a self-sustaining one.



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