Name:

Date:

School:

Facilitator:

7.03 Effects of Protectionism

Total Points: 54

# Part 1: Rice Shortage?

Listen to the 22-minute podcast “How Fear Turned A Surplus Into Scarcity” from NPR’s Planet Money in 2011. It’s linked on the Task page. The story starts at the 2:08 minute mark and presents the “fiasco” regarding the high price of rice in Asian countries. The podcast suggested that protectionist policies actually make the problem of high food prices worse.

Answer the following questions based on what you hear.

1. India banned rice exports. Why did the Indian government do this and why did this decision lead to a shortage or rice?

1. What role does fear and expectations play in the market?

1. How did the rice shortage end?

# Part 2: The Hanger Industry

Next, read or listen to the 3-minute story “Costs Up, So Dry Cleaners Want Their Hangers Back” from NPR’s Morning Edition in 2008. It’s also linked on the Task page.

Answer the following questions based on this story.

1. What trade practice did China engage in regarding hangers?

1. How did the US Commerce Department respond? What Alabama company filed a complaint about China’s practice of dumping hangers into the US market well below the market price?

1. How did the US Commerce Department respond?

Now you should another story about the hanger industry. Read the 2007 story “U.S. Hanger Factories Are Hanging It Up” from CNN Money, and answer the following.

1. What did the owner of a hanger manufacturer in Monticello, Wisconsin decide to do about the business?

# Part 3: The Sock Industry

Lastly, listen to the podcast “World Sock Capital Suffers From Duty-Free Imports” from NPR’s All Things Considered in 2007. It’s run time is 8:38 and it’s linked on the Task page.

Answer the following based on this story.

1. Describe the effects on duty-free imports on the workers living in Ft. Payne, Alabama.

1. What does duty-free mean?