

CE.E.2.3

Explain the impact of government policies on international trade (e.g., tariffs, quotas, sanctions, subsidies, banking, embargos, etc.)

Students will understand:

1. Protectionism usually benefits a narrow industry while increasing costs for consumers.
2. Political action may improve or devastate a nation's economy and result in changing government regulations on trade.
3. Governmental decisions of one nation can bring about consequences for the trade economies of other nations as a result of global interdependence
4. Scarcity may lead nations to trade goods and services that can be produced with very little opportunity cost but traded for goods and services that have a lesser opportunity cost for other nations.

Students will know:

1. That governments often attempt to shield certain sectors of the economy from the changes brought about by trade.
2. The definition of "protectionism and its various forms: subsidies, tariffs, sanctions, embargos, and quotas. The domestic and international consequences, both positive and negative, of protectionist trade policy.
3. The ways in which business and industry attempt to shape government regulation and policy to pursue advantages in international trade.