



Maquilapolis

Activity: Examining Incentives in a Market Economy

Target grades: 6-12

Activity:

1. Ask students to think about an item they've recently purchased. What factors influenced them to buy what they did? Introduce or review the concept of "incentives" and point out how incentives played a role in student purchasing decisions.
2. Explain that a number of consumer products sold in the U.S. are assembled in factories along the border between the United States and Mexico. Then, show students the first six and a half minutes of the film, *Maquilapolis*^{*}, stopping after the statement, "They just wanted to pay less and make more." As students watch, have them note answers to the following questions:
 - What do you learn about Carmen Duran from the film? Think about what you see as well as what is said.
 - What are some of the reasons that companies set up factories in Mexico?
 - What specific challenges from her work at the Sanyo factory does Carmen describe? Why does she continue to work there despite these challenges?
 - What reason did Carmen's supervisor give her to explain why the factory shut down?
3. Have students break into pairs or small groups and outline the incentives for Carmen's behavior and those of the factory owners. In what ways do their goals and choices work together or clash? Also, ask students to consider what incentives might lure some factories to places like Asia or motivate others to stay in Mexico? (Note: Depending on the industry, a factory might move to Asia to take advantage of cheaper labor costs that will help lower production expenses, increase profits and keep product prices down for consumers. Other businesses might be better off staying in Mexico due to its proximity to U.S. markets. Such companies could save money on shipping and warehousing costs, move products to U.S. markets quickly and work with employees in the same time zone.)
4. Ask each group or pair to share their outlines with the class and explain their thinking. Students should emphasize the incentives that influence people's choices.

5. Conclude the activity by circling back to the incentives that influenced recent student purchasing decisions. Ask students to write an essay that describes how their choices as consumers might influence how companies do business.

* P.O.V. documentaries can be taped off-the-air and used for educational purposes for up to one year from the initial broadcast. In addition, P.O.V. offers a lending library of DVD's and VHS tapes that you can borrow anytime during the school year — FOR FREE!

Additional Resources:

- **Growing a Green Economy**
www.pbs.org/pov/pov2006/maquilapolis/special_growing.html
Besides making informed choices, how can consumers be active to encourage more responsible corporate behavior? P.O.V. interviews members from two organizations devoted to spreading the word about social investing.
- **The *Promotoras*: Additional Scenes from *Maquilapolis: City of Factories***
www.pbs.org/pov/pov2006/maquilapolis/special_clips.html
The *promotoras* in *Maquilapolis: City of Factories* fight for workers' rights in the *maquiladoras* of Mexico. Consider showing your students several scenes from the film not shown in the broadcast version.
- **Wikipedia: Incentives**
<http://en.wikipedia.org/wiki/Incentive>
This article provides a breakdown of different types of incentives and some details on how incentives influence prices.

Related Standards:

- Economics, Standard 2: Understands characteristics of different economic systems, economic institutions, and economic incentives.
- Economics, Standard 5: Understands unemployment, income, and income distribution in a market economy.

[Source: "Content Knowledge" (www.mcrel.org/compendium/browse.asp) by McRel (Mid-continent Research for Education and Learning)]

