

## A Piece of the Action

### Objectives:

- To show students what happens to cotton in the production of a pair of jeans.
- To promote discussion about what proportion of the selling price should go to each part of the production sequence.
- To encourage discussion about trade issues raised by the Commission for Africa report.

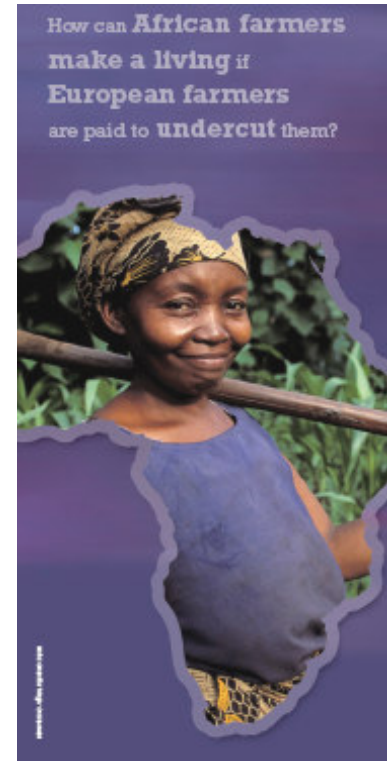
### You will need:

- Photocopies of the activity sheet 'A Piece of the Action', one for each role.
- Photocopies of the 'Role Cards'.

**Time:** 30 minutes

### Instructions:

- Divide the students into five groups and give each group a copy of the activity sheet 'A Piece of the Action'.
- Allocate each group a role in the production sequence and give each group their 'Role Card' and ask them to decide how much of the selling price they think they should get.
- Draw the following table on a flip chart or board without the figures in the 'actual proportion' column.



	Initial Proportion £	Negotiated Proportion £	Actual Proportion £
African Farmer			0.60
Cotton Buyer			1.00
Fabric Producer			2.00
Garment Producer			8.40
Retailer			12.00
<b>Total</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>

- Ask each group to tell the other groups how much they think they should get. Encourage them to justify why. Record each amount in the 'Initial Proportion' column of the chart.
- Add up the amounts for each stage in the sequence. If the total is greater than £24.00 ask the groups to negotiate until they reach £24.00. If the total is less than £24.00, ask each group to reconsider their position.
- When agreement has been reached, record each negotiated amount in the 'Negotiated Proportion' column of the chart and reveal the actual proportions received by each stage of the production sequence by completing the 'Actual Proportion' column.
- Ask each group whether they are satisfied by the actual proportion of the selling price they have received.

## Background Information:

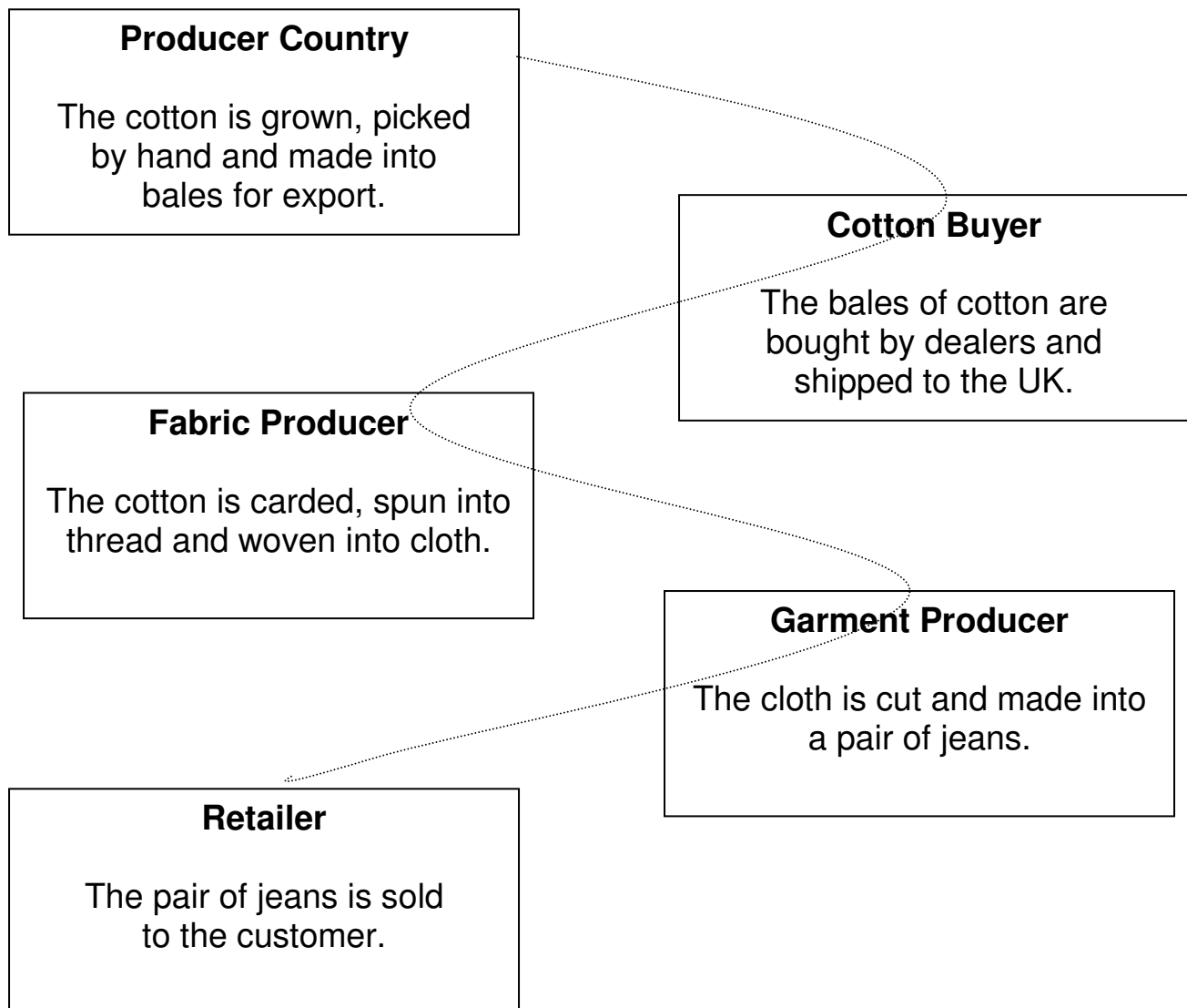
- Africa has seen its share of world trade fall from six per cent in 1980 to less than two per cent in 2002. (Commission for Africa)
- Every cow in Europe receives almost US\$2 a day in subsidies, double the average income in Africa. (Commission for Africa)
- From 1980 to 2000, the price of major African exports decreased dramatically; sugar by 77%, cocoa by 71%, coffee by 64% and cotton by 47%. (Commission for Africa)
- Tariffs on peanuts coming into the US from Africa are 132%. (Commission for Africa)
- Half the population of Africa lives on less than one dollar a day. (Commission for Africa)
- Rich nations spend as much on subsidising the production of unwanted food as the entire income of all the people in Africa – almost US\$1 billion a day. (Commission for Africa)
- Africa's transport costs are around twice as high as those for a typical Asian country; shipping a car from Japan to Abidjan costs US\$1,500, whereas moving it from Abidjan to Addis Ababa costs US\$5,000. (Commission for Africa)
- If Africa's share of global trade had stayed at 1980 levels, the continent's share of world exports would be double today's figure – and Africans' per capita incomes would be 50 percent higher than they are today. (UNCTAD)
- Economists estimate that through trade Africa has the potential to earn at least six times what it currently receives in aid.
- Africa cannot trade its way out of poverty without a level playing field. Right now, trade rules are so skewed that cows in Europe receive more every day in subsidies than half the population of Africa has to live on (\$2). (Jubilee)

## A Piece of the Action

A pair of ordinary 100% cotton jeans, made in the UK, sold by a large British retailer using their own brand name costs about £24.00.

The production sequence below shows the groups of people involved in the manufacture and sale of a pair of jeans, from cotton picked on Africa to the finished garment on a peg in a high street shop.

You are part of this production sequence. How much of the £24.00 do you think you should get?



## Role Cards

### **Producer Country**

In your country cotton is grown on small farms by families living in rural areas. Each family cultivates 2-3 acres of cotton and it is their main source of income. These families have to work very hard during the year, ploughing the land, sowing the seed, thinning the seedlings, weeding, adding fertilizer, spraying 5 -7 times with insecticide and picking the cotton by hand. As producer country you have to gin the cotton (take out the seed) and bale it for export. The money you earn from exporting cotton is important for your country's development.

### **Cotton Buyer**

As cotton buyer you are in a risky business, your job depends upon buying and selling at the right price. You have to arrange the transport of the cotton from producer country to the fabric producer. Sometimes business is good and your deals make a lot of money, but other times you end up making a loss. You have to get the best deal you can. Make the most of this opportunity to keep your business going.

### **Fabric Producer**

Producing fabric from cotton fibres is a complicated process; the fibres have to be carded (untangled), spun into thread, woven into fabric and dyed. Much of this process is automated and controlled by skilled operatives. An automated process though is not cheap. You have invested a lot of money in the new machines and need money to pay back the loans you took out to buy them.

### **Garment Producer**

Making jeans from cotton fabric is not as easy as it sounds. As garment producer you have to make sure the quality and style of your product is right for the customer. The process of making jeans from cotton fabric is very labour intensive. You have a skilled workforce of cutters and machinists who have to work very fast to compete with other garment producers. Jeans are selling well at the moment. You need to make money on them to invest in the design and production of future garments.

### **Retailer**

As the retailer you have no guarantee that people will buy your jeans. You have to sell the jeans people want to buy when they want to buy them, which may mean keeping a large stock. To sell your jeans you need a shop in a central location, in the city centre or shopping centre for example, but these sites are not cheap. You also have to make your shop attractive which means expensive decoration. You are at the end of the production process and most vulnerable to consumer demand, you need to make a good profit on your jeans to cover the bad times.