



JET SET 2025

Why Are Some Nations Richer than Others?

Session Objective

You will be able to...

Describe and evaluate two lesson plans focused on economic development.

Access a guide identifying additional active lessons for an introductory economics course.



Econiful's Mission

To strengthen economic education so all students
**apply economic principles in their personal,
professional, and civic lives.**



Our Curriculum

1

Economic
Foundations

2

Micro-
economics

3

Macro-
economics

4

Global
Connections

5

Personal
Finance



Economic Development Lesson Plans

4.1 Why Are Some Nations Richer than Others? ★

4.2 Exploring How Institutions Shape Prosperity ★

4.3 Investments That Drive Economic Growth

4.4 Costs and Benefits of Investing in Human Capital

4.5 Infrastructure and Economic Growth: A PACED Analysis

4.6 Technological Innovation and Economic Growth

4.1 Why Are Some Nations Richer Than Others?

Overview

Through a hands-on activity and data analysis students identify factors that explain the wealth and poverty of nations.

Sequence

Singapore vs. DRC activator
Card sort activity
Debrief with data-based clarifications
Linking factors that matter to prior learning

**Global Trade and
Integration**

Human Capital

Size of Land Area

**Efficacy of
Economic Policies**

Tourist Attractions

**Natural Resource
Abundance**

Physical Capital

Size of Population

**Innovation and
Technology**

**Access to Water
Transportation
Routes**

Military Power

**Efficacy of
Institutions**

Factor Sort

Sort the cards into
factors that

do determine a
nation's wealth (6)

do not determine a
nation's wealth (6)

“Let me get the bad news out of the way: **Economists do not have a recipe for making poor countries rich.**”

–Charles Wheelan, Author of *Naked Economics*

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Economists largely agree on what factors matter for national prosperity, but each country's development path will be shaped by its unique values, culture, and history.

Determinants of National Wealth

Efficacy of Institutions

Human Capital

Efficacy of Economic Policies

Physical Capital

Innovation and Technology

Global Trade and Integration

Debrief

1. How confident did you feel doing this?



Eek – I guessed on pretty much everything



Eh – some determinants were pretty straightforward, but not all



Excellent – I knew exactly what did and did not cause a country to be rich

2. What was surprising to you? What questions did this raise?
What do you want to know more about?

Non-determinants aren't irrelevant but...

Are commonly misunderstood to be key contributors to a nation's *wealth*.

These factors don't have a lot of predictive power – the relationship between these factors and a nation's wealth is weak.

Natural Resource Abundance

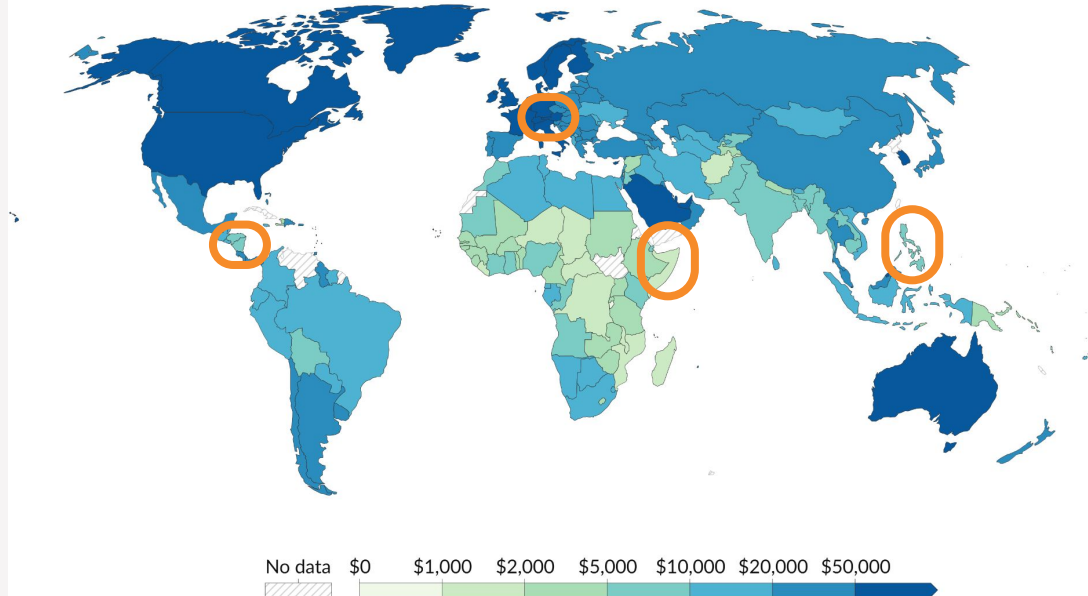
Country	Natural Resources (minerals and fossil fuels)	GDP per Capita 2023
United States	Coal, copper, gold, iron ore, natural gas, oil	\$74,578
Japan	None	\$46,158
Russia	Oil, natural gas, diamonds, platinum, gold, and iron ore	\$39,753
Chile	Copper, lithium, gold, silver	\$29,463
Nigeria	Natural gas, oil, tin, iron ore, lead	\$5,593

Access to Water Transportation Routes

GDP per capita, 2023

This data is adjusted for inflation and for differences in living costs between countries.

Our World
in Data

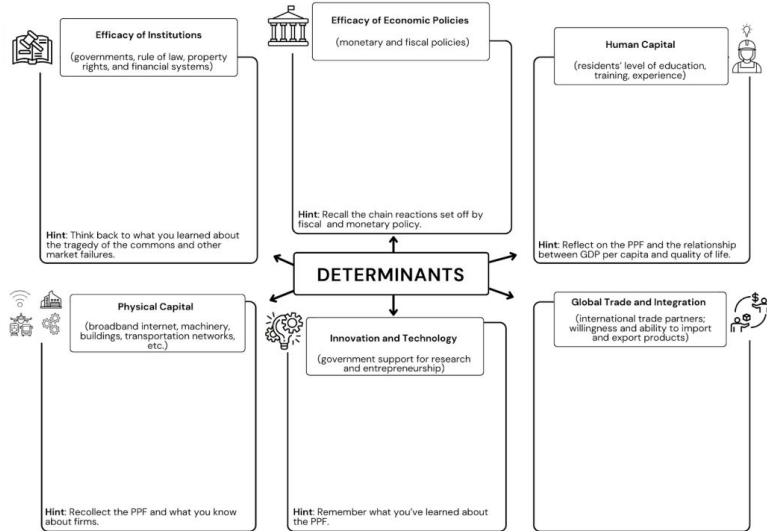


4.1 Student Handout (Why Are Some Nations Richer than Others?)

Name: _____

Period: _____

DETERMINANTS OF NATION'S WEALTH AND PROSPERITY



Review the factors that are causally linked to a nation's wealth.

Describe how each factor might cause a country to be wealthy.

When possible, support your answer using information from previous lessons (see hints for help).

4.2 Exploring How Institutions Shape Prosperity

Overview

Students take on the role of startup and experience the connection between effective institutions and a higher standard of living.

Sequence

Preview of unit summative assessment
Startup simulation + debrief
Short reading on the importance of institutions
2024 Nobel Prize in Economics

4.2 Student Handout (Exploring How Institutions Shape Prosperity)

Name: _____

Period: _____

INTRODUCTION

You are starting a company and aim to earn a profit. There are many factors, including the “rules of the game” that you operate in, that will affect your ability to make a profit. You will measure your success using prosperity points.

Your firm is located in (circle one)































Heart Country

Club Country

Diamond Country

INSTRUCTIONS

1. Each firm begins with 20 prosperity points
2. After each scenario is presented, your firm will gain or lose points depending on the “rules of the game” in your country
3. After each round
 - a. Circle your reaction to your firm’s outcome
 - b. Record point changes in the “Points -/+” column
 - c. Keep a running total of your prosperity points. Record this in the “Total Prosperity Points” column
4. At the end of the simulation, review your final total points. The winner(s) will be the firm(s) with the most prosperity points!

Scenario	Reaction	Points -/+	Total Prosperity Points (20)
1 Business Licensing and Permits	    		
2 Hiring Employees	    		
3 Market Expansion and Trade	    		
4 Dealing with Legal Disputes	    		
5 Prosperity Opportunity	    		
6 Economic Downturn	    		

Scenario 1: Business Licensing and Permits

Your business is ready to launch, but you need to obtain the proper permits and licenses from the government to legally operate.

Odds



A friend works at the licensing office and moves your application to the top of the pile and “loses” a would-be competitor’s application. Your firm is up and running quickly and has less competition.

+1 point



A regulatory review finds that your environmental impact report is incomplete, causing unexpected delays. You must change your plans and reapply with the necessary documentation.

-1 point



You face bureaucratic delays in the permitting process. No bribes are required, but the process is still inefficient.

-1 point

Evans



The process is slow and requires multiple bribes to officials at various levels. In the end, you receive your permit, but you lose valuable time and resources.

-4 points



The process is smooth, and the regulations are clear. You obtain your permit without any delays and can start operations immediately.

+4 points



Despite the expected bureaucratic hurdles, a recent reform has streamlined the process, allowing you to obtain your permit more quickly than anticipated.

+ 1 point

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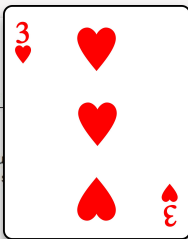
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Scenario	Reaction	Points +/-	Total Prosperity Points (20)
1 Business Licensing and Permits	    	+ 1	21
2 Hiring Employees	    		
3 Market Expansion and Trade	    		
4 Dealing with Legal Disputes	    		
5 Prosperity Opportunity	    		
6 Economic Downturn	    		



EXPLORING HOW INSTITUTIONS SHAPE PROSPERITY

Reaction and Point Calculation

Which emoji best represents your reaction to your outcome?

Record points lost or gained

Calculate your total prosperity points

Scenario 4: Dealing with Legal Disputes

A competitor claims that you have infringed on their intellectual property rights and takes you to court.

Odds



The court system is corrupt and inefficient. Despite having a strong legal case, you lose the dispute because the competitor bribed the judge.

-4 points



The legal system is fair and efficient. The court rules in your favor and your competitor is ordered to pay you damages.

+3 points



The legal process is slow, and the outcome is uncertain. After several long delays, the court rules in your favor, but the drawn-out process harms your business.

-2 points

Evens



Though the court system is corrupt, your business happens to have a strong connection with a local official, who helps push the case in your favor. You win the dispute.

+1 point



The court requires additional evidence, delaying the ruling. Although the legal system remains fair, the lengthy review period forces you to halt production, which damages your business.

-1 point



After a drawn out legal process, the court sides with you, and you are compensated for the delay. This allows you to recover some of the lost momentum.

+1 point

4.2 Student Handout (Exploring How Institutions Shape Prosperity)

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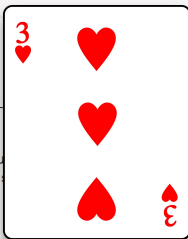
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Scenario	Reaction	Points +/-	Total Prosperity Points (20)
1 Business Licensing and Permits	    	+ 1	21
2 Hiring Employees	    	- 4	17
3 Market Expansion and Trade	    	- 3	14
4 Dealing with Legal Disputes	    	- 4	10
5 Prosperity Opportunity	    		
6 Economic Downturn	    		



EXPLORING HOW INSTITUTIONS SHAPE PROSPERITY

Reaction and Point Calculation

Which emoji best represents your reaction to your outcome?

Record points lost or gained

Calculate your total prosperity points



New Zealand
Sweden
Japan
Canada
Singapore



Indonesia
Brazil
India
Turkey
Mexico



Zimbabwe
Myanmar
Venezuela
Somalia
Afghanistan

Inclusive
Institutions



Extractive
Institutions

Although success is never guaranteed...

the cards are stacked against you when institutions are ineffective.

the cards are in your favor when institutions are effective.

THE ROLE OF INSTITUTIONS

For an economist, institutions are the “rules of the game” that help determine the economic incentive to produce. For example, when people are able to earn a profit from their work or business, they have an incentive not only to produce but also to continually improve their method of production. On the flip side, if people are not monetarily rewarded for their work or business, or if the benefits of their production are likely to be taken away or lost, the incentive to produce will diminish. For this reason, many economists suggest that institutions such as property rights, free and open markets, and the rule of law provide the best incentives and opportunities for individuals to produce goods and services. Greater production of goods and services allows for higher levels of consumption and ultimately a positive cycle of reinvestment, growth, and a higher standard of living for people in the country.

Institutions Matter

- Property rights refer to the ability of people and businesses to own land, physical capital, and innovative ideas (or intellectual property). Ownership enables people to produce, buy, and sell goods and services and to profit from business ventures. A key aspect of secure property rights is a reliable system for record-keeping. Organizations like land registries, title companies, notaries, and patent offices maintain accurate and accessible records of property ownership. These institutions help prevent disputes and provide legal backing for property claims. Without secure property rights and strong record-keeping systems, fewer people would be willing to start a business, buy property, or invest in long-term ventures because they would not be able to trust in the security of their ownership.
- Free and open markets refer to the ability of people and businesses to buy and sell goods and services with minimal interference by government. This is a balancing act. While government provides protection for its citizens through its regulations, too much regulation or a lack of regulatory clarity can make economic transactions cumbersome and unprofitable.
- Rule of law holds that the law—not individual government leaders—governs a nation and that the government, government leaders, and all people must follow the law. This requires a well-functioning, independent judicial system that can fairly resolve disputes and enforce legal agreements. Courts, at the local, state, national, and international levels play key roles in ensuring that laws are applied consistently and fairly. For businesses, this means that contracts are enforced, disputes can be resolved impartially, and property rights are protected. The rule of law reduces uncertainty and provides a sense of stability that fosters dynamic economic activity.

People and businesses are more likely to invest for the future if they feel confident that the “rules of the game” will be stable, rather than in a state of constant change.

Amended and adapted from:

Wolla, S. A. (2017, September 7). *Why are some countries rich and others poor?* Federal Reserve Bank of St. Louis. <https://www.stlouisfed.org/publications/page-one-economics/2017/09/01/why-are-some-countries-rich-and-others-poor>

SUMMARIZER

According to the 2024 Nobel laureates’ research, what factor(s) are most important in explaining why some nations are richer than others?

Your Task

Read the article and underline evidence supporting the Unit Big Idea below.

Effective institutions and policies drive economic development and improvements in the standard of living.



+



Resource Guide



Active Learning Resource Guide

Identifies the most active lessons from the Econiful curriculum

Where appropriate, suggests adaptations for a large lecture setting



RESOURCE GUIDE

ECONIFUL RESOURCE	OVERVIEW	20-49 STUDENTS	50+ STUDENTS	SUGGESTED ADAPTATIONS FOR 50+ STUDENTS
Unit 1: Economic Foundations				
1.2 Packing For a River Trip: An Introduction to Economics	Planning a two-week river trip, students learn how economic principles, especially scarcity, influence decision making.	X	X	To avoid printing, use <i>Electronic Student Handout</i>
1.5 Exploring Diminishing Marginal Utility	Participating in an economic experiment with chewing gum, students learn about the scientific method and diminishing marginal utility.	X	X	None needed - use as written
1.7 Review to Date	Key concepts from Unit 1 are reviewed through station rotations (games, hexagonal thinking, error analysis) to prepare for the summative assessment and identify areas needing further study.	X	X	Instead of printing individual cards for games, put terms/scenarios into a slide deck. The guessers face away from the slides with the terms and the explainers face the slides with the terms. Swap roles halfway through the slides.
1.8 Introduction to the PPF	Students produce tiger and panda bookmarks and use data from the simulation to create a production possibilities frontier.	X	X	For classes without scissors: Pre-cut bookmark templates into strips and forgo students cutting anything out
1.10 Adding Complexity to the PPF: Part 2	Students work in groups to link the PPF to key economic concepts and practice interpreting and generating PPF models.	X	X	None needed - use as written
Unit 2: Microeconomics				
2.1 Coffee Market Simulation	Engaging in a product market simulation, students learn how buyer-seller interactions determine prices in a perfectly competitive market.	X		Not easily adapted for large classes





Q&A

Session Objective

You will be able to...

Describe and evaluate two lesson plans focused on economic development.

Access a guide identifying additional active lessons for an introductory economics course.



Thank You!

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