

ACTIVITY 2.1 What is ECONOMY?

Learning Goals: Participants learn to recognize the different types of economic activities; explore the economic sectors; analyze critically the GDP index and economic growth.

Format: Pair & group discussion

Materials: Flip chart paper, 2 colors of post-its and pens

Estimated Time: 1h 30mins - 2h 15mins

Level: 3

Description: The facilitator prepares five different sections on the wall characterized as “Home Management”, “Daily Activities”, “Paid with money”, “Public” and “Private”. Then participants gather together and follow the activity that is divided into four rounds:

1st Round - Participants are divided into pairs and discuss the question: “How do you manage your home”. They will need to answer questions about what they do when they are living in their house, how they manage to co-exist with others in the house, if they cook or do other housework, etc. Each pair will need to write down a few of their actions, one in each yellow post-it and share it at the “Home Management” wall section. (15 mins)

2nd Round - In groups of 3, participants talk about their daily activities and consumption habits including food, drinks, clothing, transport, energy and technology use, entertainment, and other services. In the same manner, each group will write down a few of the daily activities, one in each green post-it and share it the “Daily Activities” wall section. (30 mins)

3rd Round – The facilitator asks the participants to go at the wall where all post-its are located (both green and yellow). After considering which actions could be assigned with a price or can be bought using money, participants move those post-its to the “Paid with money” wall section. In case there are post-its where participants are not agreeing on where to allocate them, they are taken out and given to the facilitator to comment afterwards. (15 mins)

4th Round – The facilitator asks participants to divide the post-its from the previous stations in actions offered by the public and the private sector. Whatever cannot be categorized is left as it is. The facilitator distinguishes the different economic sectors: Public, Private, **Social** and the **Informal**. Post-its that are left unchanged normally should be included in either Social or Informal Economy. (30 mins)

The facilitator explains which of these are actually considered and included in the economic assessment reports of the countries. The facilitator presents briefly **the main critics to the GDP index** by also sharing with them a more inclusive definition of “economy”. (15mins)

During the rounds, facilitator observes how the group is making changes and comments on these changes. After the completion of the rounds and contributions of the facilitator(s), the group is gathered in plenary to share their thoughts and reflect on the results. (25 mins)

Suggestion to the facilitator (s)

It might be helpful, if the group of participants is more than 15 people, to divide it in two sub-groups from the beginning and have two facilitators implementing the same activity.

Further reading suggestion!

On the basis of “value creation” and depending on how experienced the group is in economic theory, the facilitator may propose them to explore the Feminist Economic theory.

Types of the Economy

- Private Economy: part of the economy run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the State
- Public Economy: part of the economy that is controlled by the State
- Social Economy: enterprises and organisations, such as cooperatives, associations, foundations and social enterprises, sharing common values and features, usually towards reaching a social objective over capital.
- Informal Economy: part of the economy that is neither taxed nor monitored by any form of government

Limitations of using GDP as the overarching measure of economic and social progress

1. GDP does not take into account the value of non-marketed output, such as household and other unpaid work ((eg. voluntary work)
2. GDP does not take into account the environmental and social effects of harmful activities
3. GDP does not take into account the value of services consumed for free
4. GDP does not account for the distribution of income among the residents of a country
5. Higher GDP or GDP growth does not necessarily lead to a higher standard of living