

Reaction essay 1

The lecture on international trade and environment mainly discuss the relationship between economic growth and environment, resource curve, and effects of trading to the environment.

The lecturer has provided great insights to trade liberalization, scale, composition, and technique effects, resource curves, externality, amongst others. While I agree with many of the point made by the lecturer, several dubiety was scrutinized and will be presented in this essay.

Firstly, I agree with the lecturer point that the magnitude of actions taken to protect the environment depends on regulation of each country. In my perspective, Europe has a stricter environment regulation in comparison to Thailand. Therefore, it may be more expensive to pay fine than the opportunity cost from avoiding to implement any environmental-friendly actions. This led to a further analysis that the degree of concern which each country has on its effect of trading on environment will depend the level of economic growth. Environmental concerns may be less substantial in a developing country where its focus may be on boosting economic activity that lead to economic growth and industrialization. This personal analysis was further corroborated by the lecturer who explained the Race to Bottom effect where lower environmental standards allows cheaper goods to be produced, leading to more sales and customers. Moreover, one thing that made this lecture stands out from other lecture is that lecturer utilize various means, including but not limited to graph, video, and animation, to illustrate his points. I believe that individuals have different ways of learning and by using the different method to explain the theory, it helps enhance my understanding to a great extent.

When the lecturer discussed resource curve (RC), a question arise regarding lack of democracy as a cause of RC. As exemplified by the lecturer, natural resource wealth generates revenue for government and thus are less dependent on citizen tax. This makes them more authoritarian as they are less committed to take actions regarding citizen concerns. I personally believe this cannot be generalize to every scenario. In a country that is highly industrialized, this chain of actions may not be valid as they may focus on converting an empty land to be a factory, which in turn, is detrimental to the environment.

In addition, one limitations that I believe weakens the lecturer reasoning is how the lecturer define environmental effect. The lecturer chiefly concentrated on pollution and did not mention other environmental effect. Although I believe pollution is a key issue, other environmental issues should also be considered as the lecturer presented non-pollution related regulations. Providing multifarious examples permits applicability of theory discussed in the class to real life situations. Overall, the lecturer provides beneficial knowledge regarding environment and trade and provokes contemplation to different argument of the lecturer.

Reaction essay 2

The lecture delivered by professor Nessara discussed the economics of multinational enterprise and epitomized the knowledge using a case study on foreign direct investment (FDI) in Laos. The lecture was delivered in a succinct manner and knowledge provided was highly beneficial. Furthermore, many of the lecturer's discussion has piqued my curiosity which will be presented below.

A question that came up when the lecturer discussed theory by Dunning in 1980 and 1981. While I thoroughly second the argument of Dunning, I questioned the temporal validity of his theory. Positing by the lecturer that natural resource seeking is one of the motives for FDI, I wonder how valid this point is in the modern days. With the globalization and the rapid movement of technology, I believe that investors or MNE may seek to invest in firm or country that has room for technological growth and success. Much economic activity is conducted online. For instance, customer raised browse the product they demanded on a search engine, then purchase order with the supplier online. This shows a vital role of technology for the transport of the product from the start to the end chain. Therefore, the investor may not want to invest in areas that are rich in natural resources but is meager in technological advancement. However, I agree with market and efficiency-seeking as a motive for FDI as I believe these two factors are key to drive the success of a business. Nonetheless, it is important to consider how long this motive can last. Cheap labour may cost more in the future as concern regarding employment regulation is globally discussed. Likewise, more union is created to protect employee's right, leading to legal protesting and continuous request for alleviating employment condition.

This queries initiated further analysis when the lecturer applied the theory to the case study of Laos. It made me think that natural resource seeking may be the motive for FDI in a developing country that is not civilized. In a country that technological advancement has not fully replaced manual work, there are business opportunity like electricity generation to be invested in.

Lastly, the lecturer proposed that FDI is created as a result of either host country advantage, home country advantage, or firm-specific advantage. It changed my thoughts on this that the mutual benefit of all party must be expressed to create an FDI. For example, large MNE may have an economy of scale. While this benefit the MNE directly, it also indirectly affect the host and home country in ways that greater tax is paid while more revenue is generated into the country. Similarly, MNE with high investment experience can cost-effectively invested in an underdeveloped country while created civilization to that area, benefiting the host country. To conclude, this lecture allows me to critically think through the economic issues and improved my understanding of the subject.