

### **A Reaction Essay : Dr. Anin (International trade and environment)**

According to the International trade and environment that Dr. Anin has said in the class which he divided into 3 main categories including the relationship between economic growth and environment, the theory of the Heckscher & Ohlin, also Kuznets and the last one is about the environment economics. Firstly, he spoke about the economic development of each nation relative to the world and the others; for example, the volume of global exports as a share of GDP from 1827 to 2014; the first rank is Vietnam (85.95 percent); the second is Cambodia (69.85 percent); the third is Thailand (60.39 percent); and the last one is Laos (40 percent). Yet as the transport people use the vehicles on a daily basis, and though many countries exchanged the products, they might use the container ship or the aircraft to bring the products that caused a lot of pollution or emissions to this planet, many questions arise "Is the trade good or bad for the environment? In achieving the trade-off between environmental and economic objectives, does globalization help or hurt?" And Dr. Anin addresses these concerns and describes the two sides of the various parties, the first is the free trade advocates who complain about the FTAs (Free Trade Agreements), which have a positive effect on the environment because after the liberalization countries have access to environmentally sustainable technology, they manufacture products that have a competitive advantage. Secondly, on the theories of Heckscher & Ohlin, it is about trade which is for the time being determined by differences in factor endowments, the country which exports those goods relatively intensively in its abundant production factor and imports those goods relatively intensively in its scarce production factor. Kuznets are the person who created the model known as the Kuznets Environmental Curve (EKC), an inverted U shape, which implies that the early stages of industrialization are linked to relatively high levels of pollution when growth is a priority, environmental controls are mild or non-existent, more advanced economic development, greater concern for the quality of the environment and strengthening Trade and Environmental Scale Formulation, Composition and Effects of Technique :

$$z = S \sigma e$$

By definition, emissions ( $z$ ) are equal to the overall scale of activity  $S$ , multiplied by the share of dirty goods in total output  $\sigma$ , multiplied by the emissions per unit of the dirty good,  $e$ . This formula tells that the percentage change in emissions is equal to the percentage change in the production scale plus the

percentage change in the dirty commodity's share plus the percentage change in dirty commodity's emission rate. The scale effect creates a boost in the demand for trade liberalization, which will stimulate economic growth, so that it is likely to lead to an rise in the size of economic activity and the technological impact of moving expertise from developed countries about new production methods and design. In conclusion, the expectation of the impact of trade liberalization is that the scale effect will increase emissions and the technical effect will decrease emissions, but remember that if the production of dirty goods increases in the economy, pollution will increase, but if the economy produces cleaner goods following trade liberalization, emissions will decrease .

In my opinion after I realize about the lesson or the information which I have heard , it is great and be good benefits for myself because I can bring those knowledge to use in this real world also improve and solve some trouble in this society even it is too big for me , but I could bring the theories that I have learn to create more or less impacts to this world , so I want to tell that I quite appreciate to hear Dr. Anin shares his idea and teach us about this topics , he does his job well and also make the other students especially my friends in the group see the overview of this topics.

In conclusion, the 3 main parts of the international trade and environment that Dr. Anin provides to me , it makes me to receive more tools to use in the future situation , it quite some theoretical but also can definitely use in real situation. Finally , I suggest everyone who interest in the information about international trade and environment to listen Dr. Anin because he is quite great lecturer and not make the audience getting bored.

## **A Reaction Essay : Dr. Nessara (Economics of multinational enterprises)**

As the lecturer which is Dr. Nessara , she provides various of knowledge that is about the Economics of Multinational Enterprises ,so the meaning of it is comprise companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways.

And the Foreign Direct Investment( FDI ) that is the form of cross-border investment made by a resident in one economy (the direct investor) with the purpose of creating a permanent interest in an enterprise (the direct investment enterprise) that exists in an economy other than that of the direct investor which has incentive in pragmatic, long-term partnership with direct investment enterprise to ensure a large degree of direct investor control in direct investment enterprise management , and the lasting value is seen when the direct investor holds at least 10% of the direct investment enterprise's voting power.

The Direct investment may also allow direct investors access to the direct investment enterprise 's market, which they would otherwise be unable to do and the purpose of it varies from those of portfolio investment, in addition the investors usually not prefer to handle with the company management.

There are many types of FDI's that depend on many factors, including, for instance, investment direction (Inward & Outward FDI), type of activity (Horizontal FDI & Vertical FDI), mode of entry (Owned subsidiaries, Merger & Acquisition and Joint Venture), nationality of investors (Wholly Foreign Owned & Joint Venture between Foreign Company and Local Company), and the latter the motives of FDI. In addition, Dr. Nessara also discusses the Ownership Benefits (O Benefits), Location Benefits (L Benefits), and Internalization Benefits (I Benefits), which are the determinants of FDI, as well as the FSAs and CSAs, the first of which is about the specific resources of a organization, and heterogeneous capabilities may produce competitive advantages that can lead to sustainable, superior returns (Rug). In addition to the statistics, the lecturer talks about the particular case of the FDI in the Lao PDR. Most people may assume that this country is low growth, but in reality most foreign investors invest the enormous amount of money in this region, according to the FDI stocks (net inflows) in the Lao PDR diagram (1998 – 2015), the value of FDI stocks increases every year.

After learning about this lecture, it leads me to the new way of thinking that I have more knowledge than before because the lecturer also provides the basic details that allow me to understand more clearly about these topics, such as the FDI motives in each country I listed earlier, but in this case it is the Lao PDR FDI motives that make up the natural resource quest. The second is the international market, the overseas market, and the market in other countries. The third is about Low labor costs in the region's Lao PDR and Corporation bringing about an efficient regional supply chain of production. The last is the MNEs invested in the Lao PDR jointly investing with the Lao PDR government or the Laotian private sector to gain access to intangible assets in terms of their Lao PDR business expertise and local networking strategic assets.

In conclusion , I am glad to hear the information from Dr. Nessara which this lecture class is quite precious , and I can also bring this knowledge to adapt in the project or the career path in the future , lastly , I want to recommend everyone who have the chance to listen the lecture by Dr. Nessara .