A. ASSIGNMENT RECAP

- In Part One, students are asked to discuss the fairness of Free Trade Agreements (FTAs) within 500 words, applying course concepts and supporting their views with evidence
- Part Two consists of two unrelated sub-questions: one addressing the impact of Foreign Direct Investment (FDI) on poverty reduction and the other exploring the support for immigration in an economy with specific sectoral characteristics.

Suggested Structure:

Part 1: Discussion on Free Trade Agreements (FTAs) - 500 words

Part 2:

- Foreign Direct Investment
- Immigration

B. KEYWORD EXPLANATION

1. Free Trade Agreements (FTAs):

- FTAs are international agreements between two or more countries that promote trade by reducing or eliminating tariffs, quotas, and other trade barriers on goods and services. FTAs aim to create a fairer and more open trading environment by encouraging the flow of goods and services across borders with fewer restrictions. They can stimulate economic growth and provide various benefits to participating nations.

2. Foreign Direct Investment (FDI):

- FDI refers to the investment made by individuals, businesses, or governments of one country in the assets or operations of another country. It involves owning a significant stake (usually at least 10%) in a foreign enterprise. FDI is a critical component of globalization, as it drives capital, technology, and expertise into host countries, potentially contributing to economic development and poverty reduction.

3. Factor Mobility:

- Factor mobility refers to the ability of production factors (e.g., labor, capital, land) to move or shift between different sectors or regions within an economy. In the context of international trade theory, factor mobility plays a crucial role in determining trade patterns and the impact of policies, such as immigration laws, on specific sectors and industries.

4. **Heckscher-Ohlin Model:**

- The Heckscher-Ohlin model is an economic theory that explains international trade patterns based on differences in the relative abundance of factors of production, such as labor and capital, across countries.

5. **Labor Mobility:**

- Labor mobility refers to the ease with which workers can move between different jobs, occupations, sectors, or regions within an economy. Labor mobility can influence economic outcomes, trade policies, and the distribution of workers across sectors. In the context of immigration laws, it relates to the movement of labor across sectors with different factor requirements.

6. **Poverty Reduction:**

- Poverty reduction refers to initiatives, policies, and strategies aimed at decreasing the number of people living in poverty and improving their living standards, often measured by income, access to basic needs, and quality of life.