

4.4 Role of International Trade

Syllabus Information

Topic

Trade problems facing many economically less developed countries

Core understandings

With reference to specific examples, explain how the following factors are barriers to development for economically less developed countries.

- a. Over-specialization on a narrow range of products
- b. Price volatility of primary products
- c. Inability to access international markets

HL extension

With reference to specific examples, evaluate the following factor as a barrier to development for economically less developed countries.

- a. Long-term changes in the terms of trade (see PAJ example on website 4.9 video on Greek Lemons)

Topic

Trade strategies for economic growth and economic development

Core understandings

With reference to specific examples, evaluate each of the following as a means of achieving economic growth and economic development.

- a. Import substitution
- b. Export promotion
- c. Trade liberalization
- d. The role of the WTO
- e. Bilateral and regional preferential trade agreements
- f. Diversification

Essential Questions

- Explain how the following might prevent developing countries from achieving Economic Growth

- Over-specialisation on a narrow range of products
- Volatile commodity prices
- Trade protection in more developed countries

- Evaluate the trade strategies available to developing countries to achieve economic growth. Examples could include:

- Import substitution
- Export promotion
- Trade liberalization
- The role of the WTO
- Bilateral and regional preferential trade agreements
- Diversification

Resources

<http://www.youtube.com/watch?v=4f9aZrWdnFc>