



DEPARTMENT OF ECONOMICS

# ECONOMICS 348 TRADE AND INDUSTRIAL POLICY

2022

“

*... One of the things that make economics graduates so employable is that the subject teaches you to think in a **careful** and **precise** way. The fundamental economic issue is how society decides to allocate its resources: how the costs and benefits of a course of action can be evaluated and compared, and how appropriate choices can be made. A degree in economics gives training in decision making principles, providing a skill applicable to a very wide range of careers.* ”

**The Royal Economic Society**

# MODULE FRAMEWORK

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## LECTURER

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**Internal Moderator:** Prof W H Boshoff

**NB:** This document should be read with the General Information brochure for undergraduate students in Economics. See [https://learn.sun.ac.za/pluginfile.php/2305456/mod\\_resource/content/1/Economics%20348.pdf](https://learn.sun.ac.za/pluginfile.php/2305456/mod_resource/content/1/Economics%20348.pdf)

## Introduction

**Two hundred and twenty-four** years after Thomas Malthus first introduced his *“Essay on the principle of population as it affects the future improvement of society”* (1798), you may be forgiven for thinking that we are living in a Malthusian nightmare of *“all unwholesome occupations, severe labour and exposure to the seasons, extreme poverty, bad nursing of children, great towns, excesses of all kinds, the whole train of common diseases and epidemics, wars, plagues and famine”*.

**But**, at the same time, Malthus had faith in the betterment of human society through appropriate actions. What appropriate actions can be taken through trade and industrial policies to safeguard human livelihoods and our planet?

This module offers a learning opportunity to gain an understanding of the major challenges and finding and assessing the viability and implications of various policy options.

## Outcomes

After completion of this module, students should have a good understanding of the following broad themes and have the necessary competencies to debate the related issues critically:

**Theme 1- Trade in a time of pandemics, war, global warming, inflation and rapid technological change: are there feasible global solutions? What role is there for multilateral institutions?**

Can trade be a driver of sustainable development and a green, inclusive economy? What role could technology play?

**Theme 2- Is the future of trade green and African?**

What does a green strategy for Africa look like? Will the Fourth Industrial Revolution (FIR), The World Trade Organisation’s Trade Facilitation Agreement and the political will to implement the African Continental Free Trade Agreement be helpful in achieving a green and inclusive economy in Africa? How is South Africa positioned towards greening industry and trade?

## Literature

Links to the **core readings** are supplied but you are advised to read more broadly on the topics.

## Approach

The module follows a student-centred, **continuous** learning approach. This means that we make it possible for students to **learn by doing**. The module is structured around crucial issues that a senior International Economics student should have a **well-reasoned** opinion about.

All lectures will be face to face and no streaming or recordings will be available. Should you have questions related to the work, please post it in class or on the module's Discussion Forum on SUNLearn. The

lecturer will respond to questions posted at the end of each week and encourage you to participate by posting questions and responding to questions posted by your fellow students. Please note that lecturers **will not** respond to contents-related questions sent directly to their e-mail accounts.

**The module outline below provides key questions for which you should be able to provide well-structured answers. Deadlines for completion, linked to the available lecture slots, are indicated to make sure you stay on track. You will receive guidance in class and through lecture slides (to be used together with this module framework). You are, therefore, urged to follow SUNLEARN closely for information on lecture slides availability, preparation and assessments.**

## Language of Instruction

For this module where both Afrikaans and English are used in the same class group, the combination of facilitated learning opportunities is as follows:

- During each lecture, all information is conveyed at least in English and summaries or emphasis on content are also given in Afrikaans. Questions in Afrikaans and English are, at the least, answered in the language of the question.
- Students are supported in Afrikaans and English during a combination of appropriate, facilitated learning opportunities (e.g. consultations during office hours, or scheduled tutorials and practicals).
- For first-year modules, SU makes simultaneous interpreting available during each lecture. During the second and subsequent years of study, simultaneous interpreting is made available by SU upon request by a faculty, if the needs of the students warrant the service and

SU has the resources to provide it. If two weeks have passed with no students making use of the interpreting service, it may be discontinued.

## Assessment

Flexible assessment, in line with the Undergraduate Assessment Regulation of the Faculty of Economic and Management Sciences, is followed in this module. Please watch the student information video regarding the EMS Undergraduate Assessment Regulation on your module's SUNLearn page and read the regulation on the Faculty's webpage ([www.sun.ac.za/ems](http://www.sun.ac.za/ems) under current students tab).

There are three main assessments, but also further assessments summative (two essays/assignments) and further assessments formative. The weights and details of all the assessments are in the *General Information* brochure, which can be found on this module's SUNLearn page ([https://learn.sun.ac.za/pluginfile.php/2305456/mod\\_resource/content/1/Economics%20348.pdf](https://learn.sun.ac.za/pluginfile.php/2305456/mod_resource/content/1/Economics%20348.pdf), see p6 onwards).

The third year Economics mark determines access to graduate study in Economics (an average third year mark of 60% is required) and bursaries for graduate studies are also based on final year marks. Since 1990 the SA Cloete award has been presented to the best undergraduate student in Economics, based on performance in Economics in all three years, especially the third year (but excluding main assessments A2 & A3 of Economics 348).

## Module Content

| THEME  | Key questions  | LITERATURE  | Complete by |
|--|--|---|-------------|
| <p><b>Week 1:</b></p> <p><b>Theme 1- Trade in a time of pandemics, war, global warming, inflation and rapid technological change: are there feasible global solutions? What role is there for multilateral institutions?</b></p> <p>What are the key threats to the global economy?</p> <p>Can trade be a driver of sustainable development and a green, inclusive economy?</p> <p>What is the role of the WTO in harnessing trade for sustainable development and a green economy?</p> <p>What are the key technologies transforming trade facilitation and can it make trade greener and more inclusive?</p> | <p>1.1. Give a brief description of the current global economic context, with a specific emphasis on international trade prospects. [10]</p>   | <p><a href="https://unctad.org/system/files/official-document/ditcinf2022d2_en.pdf">https://unctad.org/system/files/official-document/ditcinf2022d2_en.pdf</a></p> <p><a href="https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm">https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm</a></p>   | Tue, 19/07  |
|  | <p>1.2. What is the role of multilateral institutions in building green and inclusive trade? Explain with reference to the key issues, progress to date and policy imperatives to focus on. [20]</p> | <p><a href="https://www.iisd.org/articles/trade-and-environment">https://www.iisd.org/articles/trade-and-environment</a></p> <p><a href="https://issuu.com/oecd.publishing/docs/trade_and_the_environment">https://issuu.com/oecd.publishing/docs/trade_and_the_environment</a>.</p> <p><a href="https://www.wto.org/english/tratop_e/serv_e/joint_oecd_wto5april22_e.htm">https://www.wto.org/english/tratop_e/serv_e/joint_oecd_wto5april22_e.htm</a></p> | Wed, 20/07  |
|  | <p>1.3. What is the role of the WTO in harnessing trade for sustainable development and a green economy? Explain, including latest successes at the Twelve Ministerial Conference 2022. [25]</p>     | <p><a href="https://www.wto.org/english/res_e/publications_e/brochure_rio_20_e.pdf">https://www.wto.org/english/res_e/publications_e/brochure_rio_20_e.pdf</a></p> <p><a href="https://www.wto.org/english/thewto_e/minutes_e/minist_e.htm">https://www.wto.org/english/thewto_e/minutes_e/minist_e.htm</a> [read overview and then click on MC12]</p>  | Fri, 22/07  |
|  | <p>1.4. Give a brief overview of the key technologies driving transformation in trade and describe how appropriate policy could harness their power. [20]</p>  | <p><a href="https://www3.weforum.org/docs/WEF_The_promise_of_TradeTech_Policy_approaches_to_harness_trade_digitalization_2022.pdf">https://www3.weforum.org/docs/WEF_The_promise_of_TradeTech_Policy_approaches_to_harness_trade_digitalization_2022.pdf</a></p>  | Mon, 25/07  |

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| <p><b>Week 2:</b></p> <p><b>Theme 2- Is the future of trade green and African?</b></p> <p>What progress has already been made in Africa?</p> <p>What role should/could trade, and industrial policies play to help capitalise on the opportunities and to mitigate the risks of multiple trends?</p> <p>What does a situational analysis tell us about South Africa's future as a green economy?</p> | <p>2.1. What is the African Continental Free Trade Agreement (AfCFTA) and how can it be an instrument of greener and inclusive trade? Explain. [15]</p> <p>2.2. How can digitalisation assist Africa in making cross-border trade more efficient, cheaper, greener and more inclusive? Explain with the aid of practical examples. [20]</p> <p>2.3. Give a critical overview of South Africa's progress towards greening industry and trade, incorporating policies, challenges and prospects. [25]</p> | <p><a href="https://www.bsg.ox.ac.uk/blog/towards-green-trade-strategy-africa">https://www.bsg.ox.ac.uk/blog/towards-green-trade-strategy-africa</a></p> <p><a href="https://static1.squarespace.com/static/5ab2a4d655b02c29746fc58c/t/5d84f29c0a997e4f96ae2dae/1568993955203/20092019_Digitising_Logistics_in_Africa_Report.pdf">https://static1.squarespace.com/static/5ab2a4d655b02c29746fc58c/t/5d84f29c0a997e4f96ae2dae/1568993955203/20092019_Digitising_Logistics_in_Africa_Report.pdf</a></p> <p><a href="https://www.greeneconomycoalition.org/assets/reports/External-Reports/SA-GEITA_FINAL_web.pdf">https://www.greeneconomycoalition.org/assets/reports/External-Reports/SA-GEITA_FINAL_web.pdf</a> {Summary report}</p> <p><a href="https://static1.squarespace.com/static/52246331e4b0a46e5f1b8ce5/t/61555be52d16705413d770dc/1632984042929/IDTT+4_WP_Emerging_Issues_for_Industrial_Policy_in_South_Africa_202107.pdf">https://static1.squarespace.com/static/52246331e4b0a46e5f1b8ce5/t/61555be52d16705413d770dc/1632984042929/IDTT+4_WP_Emerging_Issues_for_Industrial_Policy_in_South_Africa_202107.pdf</a></p> | <p>Tue, 26/07</p> <p>Wed, 27/07</p> <p>Fri, 29/07</p> |