### SESSION PLAN

**COURSE:** ABE Level 5 International Business Economics and Markets

**ELEMENT:** Element 3 – International trading blocs and organisations

## **LEARNING OUTCOME 3**

**3 Evaluate the significance of international trading blocs and organisations. (Weighting 30%)**

3.1 Assess the characteristics of different types of economic cooperation and preferential trade arrangements.

3.2 Evaluate the purposes and operations of intergovernmental bodies.

3.3 Evaluate the international market in terms of the major trade blocs and regional groupings.

**NUMBER OF SESSIONS:** Three - approximately 20 hours in total, plus self-study

**SESSION TOPICS:** Session 1: Different types of economic cooperation and preferential trade arrangements.

Session 2: Evaluate the purposes and operations of intergovernmental bodies.

Session 3: The major trade blocs and regional groupings.

**Note to tutors: this is the recommended session plan for learning outcome 3, element 3 of ABE Level 5 International Business Economics and Markets. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: Different types of economic cooperation and preferential trade arrangements

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 7 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E3**  The learning outcome for this session is 3.1. Learners should be able to assess the characteristics of different types of economic cooperation and preferential trade arrangements. | 1-4 |  |  |
| Major Trade Blocs of the World | Review the major trade blocs of the world using the slides.   * The European Union (EU) * The European Free Trade Area (EFTA) * EU preferential trade agreements with 58 countries (including the EFTA). * North American Free Trade Agreement (NAFTA), Canada, Mexico and the United States. * Trade agreements Mexico has with the EU, EFTA, Chile. Costa Rica, Columbia, El Salvador, Guatemala, Honduras, Israel, Japan, Nicaragua, Peru, and Uruguay, in addition to its membership in NAFTA. * The 7 countries of the Central American Free Trade Area (CAFTA-DR). * The free-trade areas that the United States has with Australia, Bahrain, Chile, Colombia, Israel, Jordan, Korea, Morocco, Oman, Panama, Peru, and Singapore, in addition to its memberships in NAFTA and CAFTA-DR. * The 5 countries of MERCOSUR * The trade agreements that Turkey has with the EU, EFTA, and 16 other countries   Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:   * *Why is the world carved up into this interlocking patchwork of trade blocs?* * *Do they exist to provide an advantage to the countries that are in them at the expense of creating a disadvantage for countries that are not in them?* * *Why would the members want to exclude certain countries from their trade bloc?* * *Does this mean that trade blocs that contain less than half the world’s population must disadvantage more people than they advantage?* * *Does this mean they are bad for the world as a whole?*   Our objective to stimulate critical thinking about trade blocs.  Individual exercise: Challenge learners to do some research online and find out what trade blocs and free trade areas their country belongs to. When did it join? Has membership been good for the country? Are there blocs that seem to exclude and disadvantage the country? This exercise and the one that follows may need to be done in a break or as homework.  Class exercise:  When most learners have completed a brief report, ask them to share and compare findings with two others. Ask some of the groups of three to present their findings to the group. Continue until you have a list of all the relevant blocs that have been identified.  Individual activity: ACTIVITY 1  Prepare and deliver a presentation on ONE of the major trade groups of the world.  Assign one trade group to each learner. Provide time for these presentations to be researched and prepared. Call on each individual to present if time permits, otherwise draw learner names out of a hat, making sure there is at least one presentation for each trade group. | 5-6  7  8  9  10  11  12 | Class discussion: Thinking critically about the trade blocs of the world.  Individual exercise: Do some research online and find out what trade blocs and free trade areas your country belongs to. When did it join? Has membership been good for your county? Are there blocs that seem to exclude and disadvantage your country?  Class exercise:  Share and compare your findings with two others when asked to do so.  You may be called on to present your findings.  Individual activity: Presentation | **5UIBE E3 LO3 Activity 1 – Trade Groupings** |
| Trade discrimination | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  How do countries discriminate against other countries?  Answers should include:   * Trade Blocs * Trade Embargoes   Discuss trade embargoes. Are there current examples of trade embargoes that create significant hardship for people in certain countries? Can you list some of these examples on the board? If so these can be used for the next Class exercise. If not, teams will have to find their own examples.  Class exercise: Organise learners into teams of 3-5 to research and present an example of a trade embargo. They need to explain it to the group, why it was imposed and has it worked?  Challenge the teams to think about how the example embargo has or has not made life better for some, and how it might have made things worse for others.  Presentations should include visual aids of some kind. | 13  14-15  16 | Class discussion  Class exercise: Working in a team of 3-5, prepare an answer to this question and present it to the group:  Research an example of a trade embargo and explain it to the group. Why was it imposed and has it worked? |  |
| Types of trade blocs | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  *What different types of trade blocs are there?*  Ask each individual to give you just one type, together with an example, until you have the following list on the board:   * Economic cooperation * Bilateral or Multinational Trade Agreement * Preferential Trade Agreement * Free Trade Area * Customs Union * Common Market * Economic Union * Political Union/Federation   Review types of trade blocs using slides  *Do trade blocs tend to become progressively more connected and integrated over time?*  There is evidence of this, for example the EU, but also evidence of resistance to greater integration – for example the UK decision to depart from the EU.  Pair activity: ACTIVITY 2  Role playing  Organise the group so that half prepare each role.  When they have arguments prepared, form them into pairs.  Call one of the pairs to the “negotiating table” at the front of the room. Each individual presents their opening address which sets out their arguments.  The group votes with a show of hands – which argument seemed best.  Repeat with different pairs as long as time permits and different ideas are emerging. Move on when it becomes repetitive. | 17  18-25  26 | Class discussion: Types of trade blocs.  Pair activity: Role play | **5UIBE E3 LO3 Activity 2 – Trade Negotiations** |
| Review of session and learning outcomes | Remind learners to study section 3.2 of the Study guide - *Evaluate the purposes and operations of intergovernmental bodies* - before the next session. | 27 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |

### SESSION 2: Evaluate the purposes and operations of intergovernmental bodies

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| 7 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E3**  The learning outcome for this session is 3.2. Learners should be able to evaluate the purposes and operations of intergovernmental bodies. | 28 |  |  |
|  | World Trade Organisation | Individual activity:  Ask learners to work individually on ACTIVITY 3  You will need copies of the journal article to distribute on paper - or have it made available by electronic means.  Learners practice the important academic writing skill of being able to summarise a journal article. They will also develop their ability to discuss the WTO and International Trade Law.  Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  *What does the WTO do?*  *What purpose does the WTO serve?*  There should be a range of answers including positive aspects and some criticism. Probe responses for examples. | 29  30  31 | Individual activity: The WTO and International Trade Law.  Class discussion: The WTO and International Trade Law. | **5UIBE E3 LO3 Activity 3 – WTO and International Trade Law** |
|  | Organisation for Economic Co-Operation and Development (OECD) | Individual activity: ACTIVITY 4  Research an OECD report and present findings.  Challenge learners to do some research online and find out what the OECD says about your country or its neighbours.  Call on individuals to report their findings to the group until reports become repetitive.  Discuss if the OECD information about the country seems fair and accurate. | 32 | Individual activity: ACTIVITY 4  Research an OECD report and present findings. | **5UIBE E3 LO3 Activity 4 – OECD Report** |
|  | The G8 and G20 | Class debate:  Learners should be in teams of 3-5 with half of the teams told they are affirmative and half negative.  The subject is:  *The G20 is really useful and does a lot of good in the world.*  Decide time for each speaker and how to conduct the debate depending on your group size. Ideally all learners speak to the whole group but large groups might need to be split to get through this in the time available.  Give teams enough time to prepare. Encourage them to assign different arguments to different individuals.  If debates take place with an audience, they should vote on a winner with a show of hands. | 33-34 | Class debate: Working in a team of 3-5, prepare to debate this question:  *The G20 is really useful and does a lot of good in the world.*  Teams will prepare either for or against and then participate in a debate. |  |
|  | Organisation of Petroleum Exporting Countries (OPEC) | Class discussion:  Call on individuals to give you their ideas on this question, and write the best answers on the board:  *What is the real objective of OPEC?*  There should be responses that are critical of price fixing and acting as a cartel to reduce competition. Ask for explanations of responses.  Ask also for any positive value that OPEC might have.  *Does it do good in the world by managing the scarce resources of its members to help their populations?* | 35  36 |  |  |
|  | The World Economic Forum | Class discussion: Challenge learners to think of an example of a global issue that impacts your home country.  Call on selected learners to share their examples. | 37-38 | Class discussion: Think of an example of a global issue that impacts your home country. Share it when called upon to do so.  Are these issues dealt with by the WEF? |  |
|  | Review of session and learning outcomes | Remind learners to study section 3.3 of the Study guide - *The major trade blocs and regional groupings* - before the next session. | 39 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |

### SESSION 3: The major trade blocs and regional groupings

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| 6 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E3**  The learning outcome for this session is 3.3. Learners should be able to evaluate the international market in terms of the major trade blocs and regional groupings. | 40  41 |  |  |
|  | The Single European Market | Class discussion:  Call on individuals to give you their ideas on this question, and write the best answers on the board:  *How do businesses benefit when their country is part of the Single European Market?*  There should be plenty of practical benefits for businesses. List as many as possible. For example, rapid movement of goods across borders. Harmonisation of rules and regulations. The ability for many professionals to practice in multiple countries, the ability to easily recruit people from other countries to provide needed skills. Between businesses in the Eurozone countries there is no exchange risk or cost in doing business because they share a common currency.  Trade agreements negotiated between the EU and many other countries also benefit EU businesses.  Individual activity: ACTIVITY 5  Having looked at a list of advantages, challenge learners to compile a list of disadvantages and problems that might occur to businesses when their country exits the Single European Market.  Call on individuals to report to the group until a good selection of issues has been covered. | 42-43 | Class discussion:  *How do businesses benefit when their country is part of the Single European Market?*  Individual activity: ACTIVITY 5 | **5UIBE E3 LO3 Activity 5 – Leaving a single market** |
|  | North American Free Trade Area | Class discussion: Organise learners into teams of 3-5 and challenge them to prepare an answer to this question and present it to the group:  *What would happen if NAFTA rules of origin were not enforced? Would it be good, or bad and why?*  Teams will need to go online and do some research. Presentations should use visual aids. | 44-45 | Class discussion: Working in a team of 3-5, prepare an answer to this question and present it to the group:  *What would happen if NAFTA rules of origin were not enforced? Would it be good, or bad and why?* |  |
|  | Asia-Pacific Economic Cooperation | Class exercise: A free trade area is not the same as a single market. How does it help businesses if their country is part of a free trade area? Compare this to the list of benefits to being in the EU. Individuals start by creating their own list.  When learners have created their own list, ask them to share and compare it with two others. | 46-47 | Class exercise: How does it help businesses if their country is part of a free trade area? Individuals start by creating their own list.  Share and compare your list with two others. |  |
|  | Contemporary developments in a dynamic world | Pair activity: ACTIVITY 6  Role playing  Organise the group so that half prepares each role.  When they have arguments prepared, form them into pairs.  Call one of the pairs to the “negotiating table” at the front of the room. Each individual presents their opening address which sets out their arguments.  The group votes with a show of hands – which argument seemed best.  Repeat with different pairs as long as time permits and different ideas are emerging. Move on when it becomes repetitive. |  |  | **5UIBE E3 LO3 Activity 6 – NAFTA Negotiations** |
|  | Review of session and learning outcomes | Remind learners to study section 4.1 of the Study guide - *Key international financial institutions in world trade* - before the next session. | 48 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |