

Economics B
Advanced
PAPER 2: Competing in the global economy

Data Booklet

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

THIS DATA BOOKLET *MUST* BE RETURNED WITH THE QUESTION PAPER AT THE END OF THE EXAMINATION.

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Extract A

Health and the macroeconomy

In 2017, the total Gross Domestic Product (GDP) of the United Kingdom (UK) was £2.12 trillion with a population of 66 million. Since then there has been
5 an increase in homelessness, rough sleeping and in the number of food banks. Thousands of poor families now live in accommodation far away from their jobs and from the schools their children attend. Close to 40% of children were predicted to be living in poverty in 2021.
10 Life expectancy has also fallen among the lowest income groups. According to human resource managers, many employers fail to see the link between employee wellbeing and productivity.

Political parties seem indifferent to inequality, which has
15 left large numbers of low income people experiencing poor living standards. This is not just true for the UK but for almost all the countries in the Organisation for Economic Co-operation and Development (OECD), albeit to different degrees. Fiscal policies in some
20 countries have helped to reduce poverty and decrease inequality, while in others poverty has increased and so has inequality.

Extract B

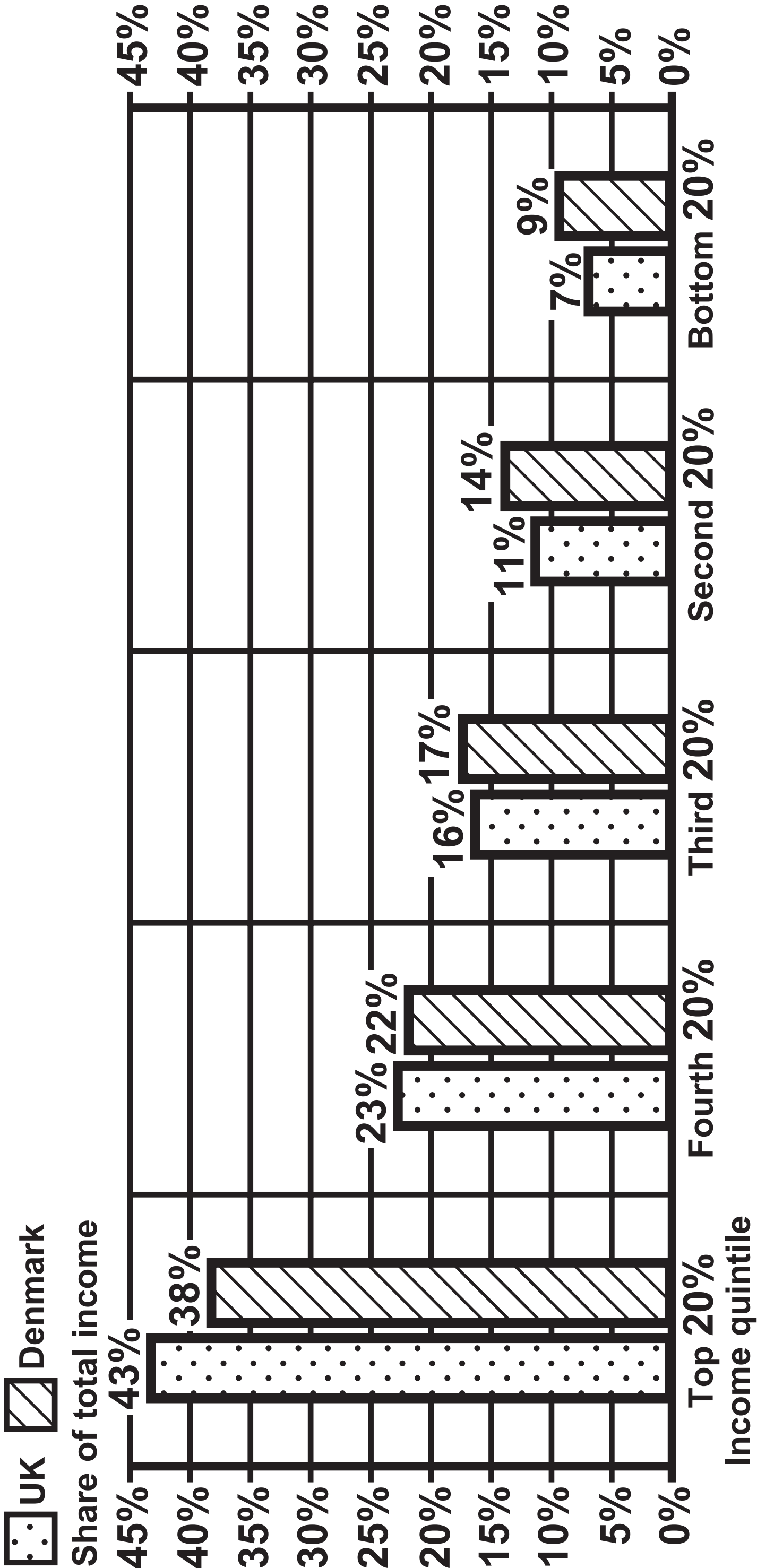
UK the 'poorest' country in northwest Europe in 2021

- The UK has the lowest level of real GDP per capita of all countries in northwest Europe. House of Commons
- 5 library data, published in June 2021, puts the UK behind 13 neighbouring European countries, including Ireland, Norway, Sweden, Finland, Denmark, Belgium, the Netherlands, Iceland, Switzerland, Luxembourg, Austria, France and Germany.
- 10 According to the research, which uses data from the International Monetary Fund (IMF), these 13 countries have a higher GDP per capita than the UK and have had for the past 21 years. The data puts the UK's GDP per capita at £31 038 per person in 2021, placing it at the
- 15 bottom, behind France on £32 622 per head, and Finland which has a rate of £34 187.

- The UK also scores low on investment. According to the World Bank, in 2020, investment in Denmark was 23% of GDP whereas in the UK it was 17% of GDP. GDP growth
- 20 was also higher in Denmark from 2016 to 2019 than in the UK. Low investment and productivity mean that income growth in the UK is likely to remain relatively low.

Extract C

Income quintile shares for the UK and Denmark in 2018



Human Development Index (HDI)

In 2018 the HDI for the UK was 0·928 and for Denmark the HDI was 0·939.

Extract D

GINI coefficient and Index of labour productivity for the UK and Denmark 2015–2018

		United Kingdom	Denmark
GINI coefficient	2015	0·33	0·28
	2016	0·35	0·28
	2017	0·35	0·29
	2018	0·36	0·28

		United Kingdom	Denmark
Index of labour productivity (2015=100)	2015	100·0	100·0
	2016	99·3	101·2
	2017	100·1	103·1
	2018	100·3	105·4

Question 1(b)

Sector	Average hourly wage
Catering	£9·62
Construction	£15·99
Education	£18·83
Finance and Insurance	£22·62
Manufacturing	£15·08

Question 1(h)

Question 1(h)

Extract E

Offshoring by Nabisco

Nabisco is a US manufacturer of biscuits and snacks. In **2021**, **Nabisco** factories in New Jersey and Atlanta were closed, resulting in the loss of about **1,000** jobs. While
5 the firm denied that the jobs were offshored to Mexico, in **2016** hundreds of jobs were lost at the **Nabisco** factories in Chicago and Philadelphia.

“We can’t compete with the Mexican workers,” said a US trade union representative. “**Nabisco** just want to
10 exploit cheap labour. If we were to accept all the working conditions, this job would turn into a job not even worth fighting for.”

In **2016**, the trade union launched a ‘check the label’ boycott campaign, asking consumers to refuse to buy
15 **Nabisco** products that are made in Mexico. Workers have frequently reported finding **Nabisco** products for sale near their factories that were produced in Mexico.

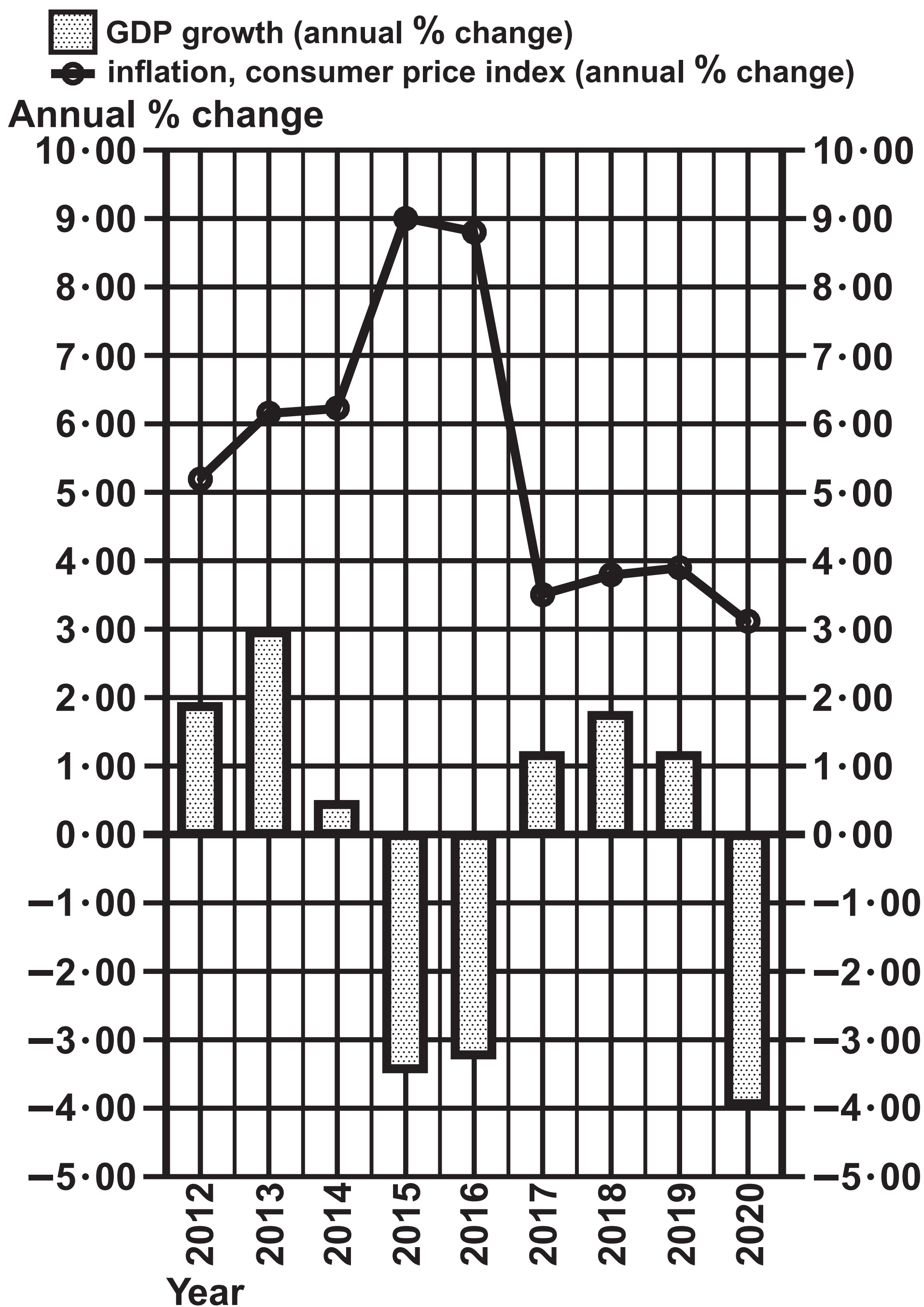
Extract F

Hourly minimum wage for top manufacturing countries

Country	Hourly minimum wage (US\$)
China (with regional variations)	\$1·73
USA	\$7·25
Japan	\$7·80
Germany	\$10·87
South Korea	\$6·84
Italy	No minimum wage
France	\$11·66
United Kingdom	\$10·34
Mexico	\$1·05

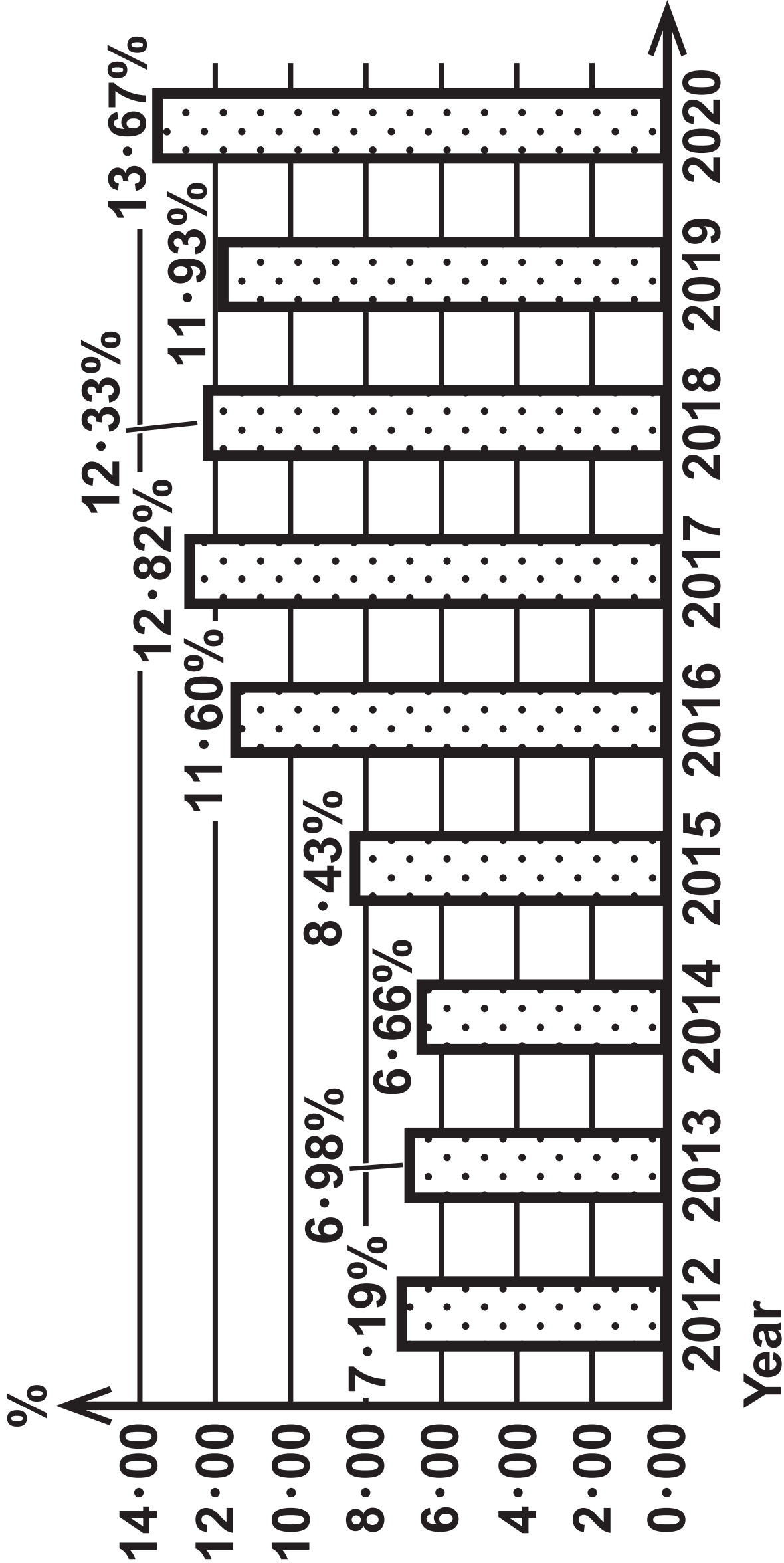
Extract G

Economic growth and inflation in Brazil, 2012–2020



Extract H

Unemployment (% of total labour force) in Brazil, 2012–2020



Extract I

The economy of Brazil

Brazil is the world's thirteenth largest economy. The country is still working on rebuilding itself after the 2015–2016 recession when the economy contracted by almost 7%. Since then, Brazil has not been able to grow at the same pace as it did before the recession. South America's largest economy is now expected to grow at a slower pace in the coming years, with the International Monetary Fund (IMF) predicting Gross Domestic Product (GDP) growth of 1·5% in 2022 and 2% in 2023.

While the Brazilian Government claims the economy is recovering, it continues to follow fiscal policies aimed at reducing the fiscal deficit and government debt. The unemployment rate in Brazil continues to grow and the country has one of the highest levels of inequality in the world. Even though Brazil has lifted 28 million people out of absolute poverty in the last 15 years, 10% of the population still live in absolute poverty, while the country's richest 5% have the same income as the remaining 95% of the population.

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Extract I continued.

Brazil has abundant natural resources and a relatively diversified economy. The country is the world's largest producer of coffee, sugar cane and oranges, and is one
25 of the world's largest producers of soya. With forests covering half of the country and the world's largest rainforest, Brazil is the world's fourth largest exporter of timber. Additionally, Brazil is home to the world's largest commercial livestock herds. Brazil also attracts many
30 multi-nationals in the food and bio-fuels industries. It is the world's second largest exporter of iron and one of the world's main producers of aluminium and coal. Many of the world's large automobile manufacturers have set up factories in Brazil. The industrial sector
35 contributes 17·6% to the GDP and employs 19·9% of the population.

The service sector represents 62·9% of Brazilian GDP and employs 70·9% of the active workforce. In recent years, the country has developed the production of
40 high value-added services, especially in the fields of aeronautics and telecommunications. Tourism has grown in recent years, making it an important segment of this sector.

Sources

Extract A

(Source: adapted from <https://www.ineteconomics.org/research/research-papers/lessons-for-the-age-of-consequences-covid-19-and-the-macroeconomy> and <https://www.ohchr.org/EN/Issues/Poverty/Pages/CallforinputUK.aspx>)

Extract B

(Source: adapted from <https://www.scotsman.com/news/politics/new-data-suggests-uk-poorest-country-in-north-west-europe-3288562>)

Extract C

(Source: adapted from <https://www.equalitytrust.org.uk/scale-economic-inequality-uk> and <https://data.worldbank.org/country/denmark> and <http://hdr.undp.org/en/countries>)

Extract D

(Source: adapted from <https://data.worldbank.org/indicator/SI.POV.GINI> and <https://data.oecd.org/lprdt/gdp-per-hour-worked.htm>)

Extract E

(Source: adapted from <https://www.theguardian.com/us-news/2021/aug/23/nabisco-factory-workers-striking>)

(continued on the next page)

Turn over

Sources continued.

Extract F

(Source: adapted from <https://www.nationmaster.com/country-info/compare/China/United-States/Labor> & <https://stats.oecd.org/Index.aspx?DataSetCode=RMW>)

Extract G

(Source: adapted from <https://data.worldbank.org/country/BR>)

Extract H

(Source: adapted from <https://data.worldbank.org/country/BR>)

Extract I

(Source: adapted from <https://international.groupecreditagricole.com/en/international-support/brazil/economic-overviews>)