

Activity 1c Spec A

Assess the social and economic impacts of private investment by TNCs in a named developing/emerging country.

(8)

8 mark example

The growth of ICT in Bangalore has brought a number of social and economic impacts for India. Many large companies like Siemens and Nokia are attracted to India because of the cheaper labour and government incentives offered to locate their factories in the country. Locating their factories in India means the people of Bangalore are provided with jobs and a more stable income. This provides Indian people with a higher disposable income so encourages consumer spending, benefits local businesses, creating a positive multiplier effect. Another impact for India is the increase in skilled workers as a direct result of the training provided by Siemens and Nokia. The infrastructure in the areas close to the factories have been improved to enable the movement of goods for export.

Whilst the private investment from TNCs has brought many social and economic advantages it has also brought some negatives. The profits made by TNCs do not always benefit India because of a concept called leakage, where profits made by TNCs are taken out of the country. Secondly, exploitation of workers because of poor working conditions where people are expected to work long hours for low pay and little time for breaks.

SPEC A Examples

Examiner commentary and mark

This response is awarded 8 marks.

The candidate has started by explaining why TNCs (like Siemens and Nokia) have located in a India (named developing/emerging country), going on to consider the broader impacts that these TNCs can have (e.g. the multiplier effect). This demonstrates an accurate understanding of the question and this has been used to make logical connections between concepts throughout the answer.

In the second paragraph, the candidate considers the role of private investment and here the candidate directly meets the demands of the command word 'assess' by considering both the positive and negatives that TNCs have had on the named country.

4 mark example

TNCs in Bangalore, India have brought a number of advantages and disadvantages to the country. For example, the large companies provide jobs for the local people, providing them with more money to spend on a day to day basis. This also benefits India. On the other hand those working in the factories have to work for long hours in poor working conditions for low pay.

Examiner commentary and mark

This response is awarded 4 marks.

The candidate has named a legitimate named developing/emerging country, but the lack of a named TNC and/or specific supporting information about India has undoubtedly restricted the marks available for this answer.

Nevertheless, the candidate does show a clear understanding of the question and provides some logical connections between TNCs and the host country; there is some evidence of 'assess' (positive and negatives of TNCs) which helps lift the answer into Level 2, although this is very generic and lacks the supporting evidence to move it further up the band.