

## Question 1

**Explain why globalisation can create inequalities. (4)**

Question number	Indicative content	Mark
1	<p><b>AO1 (4 marks)</b></p> <p>Award <b>1</b> mark for identifying a reason why globalisation can create inequalities (at any scale), and a further <b>3</b> marks for expansion up to a maximum of <b>4</b> marks. For example:</p> <ul style="list-style-type: none"> <li>Globalisation has individual winners and losers (1) because some can take advantage of free trade and/or deregulation (1) which leads to increased salaries/profits (1) whilst others lose jobs/employment with shifting patterns of production (1).</li> <li>Globalisation has national winners and losers (1) because some states are able to take advantage of new trade/capital conditions to increase GDP (1) whilst others are 'switched-off' places because of (1) different flexibility in their economic policies and/or attitudes to neo-liberalism (1).</li> </ul> <p><b>Accept any other appropriate response.</b></p>	(4)

### Sample A

Globalisation can create inequalities because the rich countries in the world have done really well out of things like outsourcing which brings in profits for TNCs. Most of these TNCs are based in the developed, rich countries such as the EU countries and the USA so it these places that do well out of globalisation whereas in developing or even emerging countries there are fewer opportunities for profit and so people remain poor.

### Sample B

Globalisation has led to many developed countries losing their manufacturing industry because of outsourcing to countries such as China. This has led to improvements in the environment in developed countries but much worse environments in China and India, with cities such as Hengshui. This leads to inequalities in life expectancy and general quality of life which are up to 10 years higher in the post-industrial developed world.

### Sample C

Globalisation has led to many inequalities as measured by the Gini coefficient. According to Oxfam 8 people have half of global wealth and although the share of the global population defined as "poor" — those making less than \$2/day — has fallen since 2001 by nearly half, to 15 percent, the rich have got richer at a much faster rate so increasing inequality. This is also true within most countries especially in emerging countries where despite a growing middle class many remain very poor.

**Question 2 (a)**

Figure 2 and Figure 3 in the Resource Booklet show data on income distribution for Singapore in 2013.

(i) Using the data in Figure 2, calculate the percentage of income earners who earn less than the GDP per capita in Singapore.

You must show your working.

(2)

Question number	Indicative content	Mark
2 (a) (i)	<p><b>AO3 (2 marks)</b></p> <p>Award 1 mark for correct identification of five cohorts to be aggregated 13.0+19.4+14.4+10.5+7.6 (1)</p> <p>Award 1 mark for the correct value of = 64.9%</p>	(2)
Question number	Indicative content	Mark
2 (a) (ii)	<p><b>AO3 (2 marks)</b></p> <p>Award 1 mark for correct calculation of the income share of <b>both</b> quintiles: Top 20% allow between 53% and 55%. Bottom 20% allow anything between 7% and 8%. (1)</p> <p>Award 1 mark for correct expression of ratio in range 7.8:1 to 6.7:1 (1)</p> <p>If error(s) carries forward allow ratio mark if calculation 'correct'.</p>	(2)
Question number	Indicative content	Mark

**Sample A**

$$13+19.4+14.4+10.5+7.6 = 64.9\%$$

**Sample B**

64.9%

**Sample C**

56-63%

**Question 2 (a)**

**(ii) Using Figure 3, calculate the ratio of the earnings of the top 20% of income**

**earners with the earnings of the bottom 20%.**

**You must show your working.**

**(2)**

**Sample A**

$$56:8 = 7:1$$

**Sample B**

$$45:7.5 = 6$$

**Sample C**

$$7:1$$

**Question 2 (b) Explain why using Gross Domestic Product per capita as a measure of a country's economy is unreliable.**

**(4)**

<b>2(b)</b>	<p><b>AO3 (4 marks)</b></p> <p>For each reason, award <b>1</b> mark for identifying why the mean GDP per capita might be unreliable. For example:</p> <ul style="list-style-type: none"> <li>• The data is non-normally distributed (1) with a right skew (1) so the mean will be higher than the median (1) and the modal class (1) so proportion with incomes under the mean always &gt;50% (1).</li> <li>• GDP may be based on poorly gathered data (1) with inaccurate measurement of income/production as with the 'black economy' (1) or non-declaration of higher income earners (1) so mean may be lower/higher than recorded (1)</li> <li>• It is unclear/contested how GDP per capita relates to development (1) as other factors contribute to most definitions of development (1) such as education levels and/or life expectancy(1) as with the HDI (1).</li> </ul> <p><b>Accept any other appropriate response.</b></p>	<b>(4)</b>
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### Sample A

Gross Domestic Product is unreliable because it doesn't measure everyone in a country. Some people don't have jobs and so they don't have an income to be recorded. People who work abroad are not included either. For some places like Singapore there is no minimum wage so those people might be quite poor but the figures are quite high. It says on Page 3 of the booklet that migrant workers are not recorded so that is going to make a big difference to the final figure.

### Sample B

There are several reasons why gross domestic product is not reliable. Firstly, it might be out of date and the country might have experienced a crash or a boom since the figures came out. Secondly it doesn't show all the things that go on in a country. There is a black economy that isn't shown so, for example on many developing countries street vendors will not record all their money nor will they pay taxes. The same is true of the very rich elite who might be hiding their money in offshore accounts so that they don't have to pay tax. This is also true of big firms such as Google.

### Sample C

GDP measures the total amount of goods and services produced in a country. It doesn't actually measure income because the money made from selling goods and services is divided up unequally and some goes in profits and some goes to pay wages. Figure 3 shows that income is quite uneven in Singapore with a high Gini coefficient and Figure 4 shows that average salaries are way below the GDP figure. This might mean that a lot of the GDP is going to in profit which might just end up abroad or with the very rich who own shares and property and don't make so much money from their salaries.

**Question 3**

**Study Figure 4 in the Resource Booklet, which shows data on GDP per capita and**

**national average salaries for selected countries.**

**Analyse the relationship between GDP per capita and national average salaries. (8)**

Question number	Indicative content
3	<p style="text-align: center;"><b>AO1 (4 marks)/AO3 (4 marks)</b></p> <p><b>Marking instructions</b> Markers must apply the descriptors in line with the general marking guidance and the qualities outlined in the levels-based mark scheme below.</p> <p><b>Indicative content guidance</b> The indicative content below is not prescriptive and candidates are not required to include all of it. Other relevant material not suggested below must also be credited. Relevant points may include:</p> <p><b>AO1</b></p> <ul style="list-style-type: none"> <li>• GDP measures the total value of goods and services produced in an economy over a given time period.</li> <li>• Wages are paid from the value of those goods/services produced and in most economies the rest is made up of profit.</li> <li>• Since the 1970s real wages have stagnated in many countries whilst profits have increased, which will affect the relationship.</li> <li>• Not everyone earns a wage/salary so different levels of dependency in a population structure will affect the relationship.</li> <li>• Inequality of income distribution will mean that national average wage is as misleading a figure as GDP per capita.</li> <li>• There will be variations in taxation rates from country to country, which may account for some of the differences.</li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li>• Generally, national average salary levels are higher than GDP per capita levels – this is true of all but the 'top' four countries listed.</li> <li>• The relationship is not clear with obvious examples of countries where wages are relatively high but GDP per capita relatively low (e.g. Denmark).</li> <li>• The data for national average salary may be as unreliable as the data for GDP per capita.</li> <li>• Hong Kong has the lowest salary/wage level with GDP per capita more than double the wage level.</li> <li>• Singapore and Hong Kong have the largest gaps suggesting that there is something particular about these economies.</li> <li>• A Spearman test of correlation on this data would probably result in a null hypotheses having to be accepted.</li> <li>• There are only 16 developed countries shown on Figure 4 so one would need data from many more countries at different stages of development to make more definitive statements about the relationship.</li> </ul> <p><b>Accept any other appropriate response.</b></p>



### Sample A

The countries are shown in order of their GDP per capita from Luxembourg which is the highest with a GDP of about \$68 000 down to New Zealand which has an income of about \$25 000 per person. Of course, some of these countries will have higher Gini coefficients which will make some of the averages less reliable than others. The second piece of data shows the national average salary in each country which is different from GDP because it is measured differently. The highest figure is actually Norway where salaries are about \$45 000 but they go down to a really low figure of about \$17 000 in Hong Kong which usually seen as a pretty rich country and an emerging nation because it was one of the original Asian tiger economies that grew fast. The gap between income and GDP can go either way. In some countries like Norway they are really close but in others the GDP is much higher than the income – this is true in Hong Kong which I have already mentioned but also in Singapore. In fact, the top four countries here for GDP all have GDP being greater than income whilst for the remaining 12 countries it is the other way around. This is probably because these are mostly European countries which have fairer systems and different taxes which make poorer people better off because they have benefits like housing and a welfare state too. Not everyone gets a wage either.

### Sample B

The relationship is complicated with many countries having higher average salaries than they do GDP. This must mean that they are borrowing money to pay the workers and the country is getting into debt as a result. Other places like Singapore and Hong Kong not paying their workers quite so much. In Singapore there is no minimum wage and as the result the government doesn't have to pay them so much. This may also be the case in Hong Kong. Singapore also has higher paid foreign workers who are probably paid by their companies so this doesn't get included in the data. In the long run, the debt problem is going to have a bad effect. In 2007 the world economy collapsed because of debt and it seems that the problem is getting worse again. The USA and the UK both have a gap of over \$10 000 between GDP per capita and average salary. This will mean that they need to have more people on zero hours contracts or the country will suffer in the long run. This is why the government wants austerity cutting back on what they spend on wages and salaries to people such as nurses and teachers. It would be interesting to know if the emerging countries such as China and India are more like Singapore than they are the USA because this could mean that the BRICS will take over as superpowers because they do not have such a huge debt problem. This might be a real problem in the long run.

### Sample C

There are 16 countries covered on Figure 4. Many of them are members of the European Union. Most of them (12) have higher average salaries than they do GDP per capita. The gap between the two figures ranges from about \$3 000 (New Zealand) to more than \$10 000 (Switzerland, Denmark and the USA). The countries with much higher salaries than GDP per capita include both Asian city-states which are probably 'special' cases, and Norway and Switzerland which are also quite unusual countries. In the case of both HK and Singapore the gap between National Average wage and GDP is very large, more than \$20 000. These are clearly the anomalies of this data set although it is not known how the 16 countries were selected in the first place and so they may not be representative. Average salary is very low in both HK and Singapore. The booklet says that there is no minimum wage in Singapore and this might also be true of Hong Kong – we also know that there are a number of very high wage earners in both places which might pull up the average salary. However, the main factor to explain why average salaries are higher than GDP per capita is because average salary does not include people without salaries whereas GDP is the total product divided by the total population. It is also important to remember that Norway makes huge amounts out of oil sales and Luxembourg has a lot of TNCs HQ's there for tax reasons.

**Question 4**

**Study Figure 5 and Figure 6 in the Resource Booklet, which show the ‘top ten’ globalised countries according to two indices.**

**Analyse the contrasting results of these measurements of globalisation. (8)**

Question number	Indicative content
4	<p style="text-align: center;"><b>AO1 (4 marks) AO3 (4 marks)</b></p> <p><b>Marking instructions</b> Markers must apply the descriptors in line with the general marking guidance and the qualities outlined in the levels-based mark scheme below.</p> <p><b>Indicative content guidance</b> The indicative content below is not prescriptive and candidates are not required to include all of it. Other relevant material not suggested below must also be credited. Relevant points may include:</p> <p><b>AO1</b></p> <ul style="list-style-type: none"> <li>• Small countries have fewer resources and thus more need to trade – it is also likely that they will need to have more personal and political contact with neighbours, hence having higher scores in measures of globalisation.</li> <li>• Countries that belong to large trade blocs (e.g. EU) are inevitably likely to have more contact in many domains with their neighbours, and therefore higher scores.</li> <li>• Some countries have pursued policies that promote movement across borders as a route to development – Singapore is a prime example of this.</li> <li>• Higher scores on globalisation indexes might reflect greater global power (e.g. USA) with, for example, more embassies and more TNCs with global reach.</li> <li>• Higher scores on globalisation indexes might reflect greater wealth allowing, for example, more technical connectivity as on the AT Kearney index.</li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li>• 5 of the 10 countries appear on both lists suggesting some similarity in the criteria used.</li> <li>• 9 out of 10 countries on Figure 5 are European states but Figure 6 list features only 4.</li> <li>• Figure 6 is much more varied geographically including ‘surprising’ countries such as Jordan and Estonia.</li> <li>• Scores very close for Figure 5 with little to choose between the top 10, whilst Figure 6 data has closely bunched 3-10 but Singapore and Hong Kong stand apart.</li> <li>• Much more variety in importance of constituent elements in Figure 6 data, for example United States scores very highly for ‘technological connectivity’ but poorly for ‘economic integration’ and ‘personal contact’.</li> <li>• Suggests choice of variable has large impact on outcomes.</li> </ul> <p><b>Accept any other appropriate response.</b></p>



**Sample A**

There are 20 countries listed here but there is a big overlap with Ireland, Netherlands, Singapore, Denmark and Switzerland appearing on both lists. These countries appear in different positions except for Netherlands which is in 3<sup>rd</sup> position on both lists. One index is scored out of a 100 with the highest being just over ninety and the lowest just under 90 so there isn't much difference between the 10 countries almost all of which are in one part of the world. On the other list, scored out of 1000, there is much more difference starting at about 1000 and reducing to about 600. This suggests that the Kearney is a more reliable way of analysing the globalisation data. It also has more categories which also helps make it more accurate and that may be why it has a wider variety of countries from more varied parts of the world. There are many less European countries on this list than the KOF index. Globalisation is not necessarily good for everyone – there are always winners and losers. We know that Singapore has many migrant workers and that some of them do really well in jobs such as banking but others are very poorly paid because there is no minimum wage. So, these figures are just averages for the countries and there may be other factors that are not measured like health and education that are measured on the Human Development Index. Corruption is high in Singapore for example.

### Sample B

The text of page 6 of the RB says that 'most measurements of globalisation include political, economic and social indicators'. These are both included in these two indexes but they are probably measured in different ways. Some countries might do very well with one variable but much less well for another. For example, the USA doesn't need to trade that much because they have a larger resource base than smaller countries but they do have a lot of technology especially in places like California. Singapore pretty much has to be globalised because they don't have any natural resources at all – it even has to import its water. It also has a lot of migrant labour even though it doesn't belong to a trading bloc such as the EU. There are a large number of European countries on the two lists and these do trade with each other and have a free movement of goods, capital and sometimes people too. That is why they feature here. The UK isn't in the top 10 which might be because of Brexit which will slow down the number of both goods and people that can move across borders. There are a couple of anomalies on the list but it is interesting to note that Hong Kong is not on one list although nearly top of the list on the other list. This suggests that they are using a different set of measurements altogether as well as maybe explaining the anomalies.

### Sample C

There is no correlation between the two lists – five countries appear on both lists but there are another 10 countries mentioned too. The KOF list has less variety with all but one being European countries, most of them in the EU. The Kearney list has a wider range of countries – only half of them are in Europe. The indexes measure different sets of factors and these vary from country to country although not so much on the KOF scale where social, political and economic factors are pretty balanced. Most of these European countries are in the EU which has free movement of goods across borders and the KOF index uses trade as a major factor in measuring globalisation. It also mentions foreign workers and with free movement of labour too the EU countries are almost bound to feature high on the list. Another thing that KOF measures is the number of McDonalds you find in these countries and because they are quite rich places they have a lot of fast food restaurants. It also measures tourist numbers. It is possible that the Kearney index measures different things because it has two different categories of technological connectivity and Personal contact – it is interesting that the USA has a really bad score for Economic Integration but does really well for technology. Because that isn't really on the KOF index that might explain the difference.

Question 5

Study Section C in the Resource Booklet.

Evaluate the sustainability of Singapore's economic and population growth.

(18)

Question number	Indicative content
5	<p><b>AO1 (3 marks)/AO2 (9 marks)/AO3 (6 marks)</b></p> <p><b>Marking instructions</b> Markers must apply the descriptors in line with the general marking guidance and the qualities outlined in the levels-based mark scheme below.</p> <p><b>Indicative content guidance</b> The indicative content below is not prescriptive and candidates are not required to include all of it. Other relevant material not suggested below must also be credited. Relevant points may include:</p> <p><b>AO1</b></p> <ul style="list-style-type: none"> <li>• Globalisation in some states, including Singapore, has created greater inequalities.</li> <li>• Inequalities can threaten the sustainability of some economic growth models and can pose threats to social cohesion.</li> <li>• Economic growth can bring benefits for some but also creates pressures on the environment.</li> <li>• Population growth through in-migration will change the nature of specific cultures and national identity.</li> </ul> <p><b>AO2</b></p> <ul style="list-style-type: none"> <li>• Singapore's population growth is a necessary consequence of its absence of any other resources.</li> <li>• In order to sustain its economic growth it needs to maintain population growth but this will place some strains on its resource base such as energy and water usage.</li> <li>• Population growth may result in a degradation of Singapore's environment with more high-rise buildings and more overcrowding.</li> <li>• City-states, both real such as Singapore and ersatz such as Hong Kong, are inevitably going to have high eco/carbon footprints because of their resource shortages.</li> <li>• All cities are dependent on imports (e.g. London) but only Singapore is a city-state so comparisons with other states are unrealistic.</li> <li>• For a city-state (as opposed to a state such as the USA) rapid economic growth is inevitably going to lead to more trade therefore more impact on the environment.</li> <li>• Economic sustainability is highly dependent on international economic health and also on attitudes to tax havens.</li> <li>• Growing inequalities may threaten the long-term model with low wages and migrant labour without minimum wage legislation posing threats to Singapore's social cohesion.</li> <li>• The management of both water and energy needs presents evidence in both directions – for example water management includes the growth of desalination, which is energy intensive, but also recycling of water which</li> </ul>

## PAPER 3 SAMPLE ANSWERS

Question number	Indicative content
	<p>is energy neutral.</p> <ul style="list-style-type: none"> <li>• The existence of an authoritarian government suggests some challenges for addressing the long-term issues (e.g. recognition of democratic rights) but also provides a power base that may be efficient in addressing the challenges given its track record of creating growth.</li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li>• Economic growth is strong with a transformation of GDP from \$500 to \$55 000 in its 50- year history.</li> <li>• <b>Figures 2 and 3</b> show high levels of inequalities that pose challenges for sustainability.</li> <li>• The constriction of lack of land (710km<sup>2</sup>) places physical constraints on growth.</li> <li>• <b>Figure 7</b> and text suggest that land use planning includes considerable areas of heavy industry but also mixed land use.</li> <li>• Dependence on imported water is a limitation on sustainability but being addressed with new sources being explored.</li> <li>• <b>Figure 9</b> suggests that tourism is part of the economy but also that there are attempts to conserve water in a sustainable way.</li> <li>• With a high carbon footprint there are issues surrounding energy sustainability.</li> </ul> <p><b>Accept any other appropriate response.</b></p>

### Sample A

Sustainable development is development that provides the goods and services demanded today but without stopping the possibility of future generations doing the same. This is sometimes measured by using a carbon footprint or an eco-footprint which estimates how much land is needed to provide for the population of a country. If this figure is higher than a certain figure then the country is not sustainable. Most of the developed world has really high ecofootprints because we consume so much and go on expensive holidays and use so much fuel. We also eat too much and waste too much of it without thinking about the consequences. That is the problem facing Singapore but it isn't helped by the fact that there population is growing so fast as well.

There are frequently said to be three different parts of sustainability; these are social, economic and environmental. These make up a three-legged stool and if one part is not there then the whole country is in trouble. Singapore might struggle to manage this successfully because it is growing economically but also encouraging population growth which seems to be contradictory. If they cut back on population growth then they would need fewer resources and become more sustainable.

Many people worry more about economic growth than the environment because of the economic problems that face the world. We don't really know about future changes and there are climate sceptics who say that climate change is either a myth or even likely to do us some good. Some people prefer to put their faith in technology for changing the future and this seems to come across with Singapore and its water. They are trying to reduce imports of water using technology and recycling which would work well.

In conclusion, many countries are trying to become more sustainable. Malthus said that the only way to do this was to control population with something like a one-child policy, as I said before. China has become an emerging country since doing that and Singapore could do the same which would also spread its wealth further. They could ask the local population to do the construction jobs instead of paying migrant labour to do these jobs and if they cut back on immigration there would be more water to go around and more resources in general. So, the future of Singapore is in the balance but it all depends on what the government wants to do. So far, they have done a bit to help the environment but they could do more as with Curitiba where they have developed a sustainable transport system that has helped the environment.



### Sample B

Singapore has a real problem to become more sustainable. It is a very fast-growing country and is actually planning to increase this by 2030 which suggest that they don't really take sustainability very seriously at all. It could have a one-child policy such as that used in China which has, as a result become much more sustainable recently.

To some extent they are trying to improve things. By designing their country so that people do not have to travel very much which helps it to reduce fuel consumption and they have also kept heavy industry away from people which should improve their health and life expectancy. Building high-rise apartments saves space but they a really need to address their population problem as a priority.

For a country such as Singapore with no natural resources it cannot be sustainable without trade. Cities everywhere never get very close to being self-sufficient even if they produce some food (e.g. Havana in Cuba) or have very ecological transport systems (e.g. Curitiba) they are always dependent on rural areas to supply them with resources including food and fuel and in the case of Singapore water too. As a country Singapore has a particular problem because it is just a city with no rural area at all so whilst London can get its water and food from surrounding areas of countryside Singapore cannot do this. The land use planning map (Figure 7) shows that there is hardly any land for agriculture at all so in that sense it cannot be sustainable.

Another example of this problem is its water supply. In order to get around its shortage it doing sustainable work in recycling water but it still imports a lot of its water from Malaysia. It could cut back on its consumption which is the same as in the UK where lots of water is wasted but it can also hope to replace its imported water with recycled water but also desalination which isn't very sustainable because it uses so much energy.

At the moment Singapore is very crowded which makes it more sustainable in one way but not in another. The land-use pattern is good because they try to keep different uses together which cuts down on the use of cars. This is like London where the Boris-bikes reduce the use of cars in the city centre.

So Singapore has achieved something in terms of economic sustainability but not much on the population front.

### Sample C

For some, Singapore is one the 20<sup>th</sup> century's great success stories. Its economy has boomed, based on trade both of goods but also services such as banking, accountancy and law. It has modernised itself very successfully but there are serious tensions within the city that might threaten its long-term future as a global city, and therefore its sustainability.

On one level sustainability is easy to define. The classic Brundtland definition is that it is 'development that needs the need of the present generation without compromising the ability of future generations to meet their needs'. This is sometimes known of intra-generational equity in that it suggests that we have a moral duty to be fair to future generations. However, this would make no sense at all if we were not fair to existing generations. Brundtland agreed with this and suggested that priority should be given to addressing poverty. In this respect Singapore might not be quite such a good model because it relies on very poorly paid migrant labour with no minimum wage and probably little protection for human rights. This is similar to Gulf States such as Qatar and Bahrain which are generally regarded as very 'successful' but as with Singapore have huge differences between rich and poor and economic growth that relies on the immigration of cheap labour. There are serious questions whether this is sustainable or not. Countries with growing inequalities tend to have lower growth rates in the long term and are difficult to manage politically. The Arab Spring showed that very large inequalities can lead to political unrest and even civil war.

However, it can be said that Singapore is making a serious effort to reduce its dependency on the outside world. The attempts to reduce the imports of water from Malaysia is an example although all cities import water and if high-tech and expensive desalination is one route to closing this gap then it isn't quite a sustainable as it might appear. In defence of Singapore it could be said that no city can exist independently of the outside world and so it is bound to have a large dependence on imports, even of people. London, sometimes jokingly called Singapore on Thames could not survive economically without 'importing' almost everything for the UK, Europe and beyond.

In conclusion, it could be argued that Singapore might become more sustainable but can never be completely so. Critics of the concept of sustainability might point out that, in a globalised world with its emphasis on greater and greater interconnectivity, more travel for business and tourism, more shifting of goods and more outsourcing with huge quantities of inter- and intra- corporate trade the whole global economy lacks sustainability and that it has become a 'mantra' without meaning.

Question 6

Evaluate the view that developing countries have much to learn from Singapore.

(24)

Question number	Indicative content
6	<p><b>AO1 (4 marks)/AO2 (12 marks)/AO3 (8 marks)</b></p> <p><b>Marking instructions</b></p> <p>Markers must apply the descriptors in line with the general marking guidance and the qualities outlined in the levels-based mark scheme below.</p> <p><b>Indicative content guidance</b></p> <p>The indicative content below is not prescriptive and candidates are not required to include all of it. Other relevant material not suggested below must also be credited. Relevant points may include:</p> <p>There is no 'correct' answer here, although answers that argue 'more curse than blessing' are likely to be the most common; answers should present both sides and use evidence from the Resource Booklet to support their assertions.</p> <p><b>AO1</b></p> <ul style="list-style-type: none"> <li>• There are contrasting development theories that are not compatible/commensurate and so provide very different models/strategies for developing countries.</li> <li>• Modernisation theories suggest that the growth of a manufacturing industry based on the establishment of (capitalist) institutions is central to economic growth.</li> <li>• On the other hand, dependency (and world systems) theory suggests that the global system is organised in such a way to prevent developing countries from establishing their own manufacturing base.</li> <li>• Asian Tigers have been used as 'models' especially in terms of their institutions, including governance and education.</li> </ul> <p><b>AO2</b></p> <p>Possible arguments for 'much to learn'.</p> <ul style="list-style-type: none"> <li>• Singapore's high rankings in globalisation indices suggests that it is a very open economy and society that is 'switched on', which will encourage inward investment in a pro-business environment.</li> <li>• The role of central planning from a strong state has been replicated in many emerging economies, most notably in South Korea.</li> <li>• An authoritarian democracy can push through much needed reforms much more quickly than more accountable states, which might, consequentially, lead to faster growth.</li> <li>• The importance of developing an infrastructure that facilitates economic growth is significant – in Singapore this includes housing, transport and energy and water management.</li> <li>• The role of education is important especially for countries with limited natural resources so investment in education becomes vital.</li> <li>• Political independence needs to be followed by economic independence, which is also a function of a strongly centralised state.</li> <li>• A low- tax regime and the establishment of a 'tax haven' encourages inward investment and attracts skilled workers from overseas who boost GDP per capita.</li> <li>• Deregulating capital movements has attracted inward investment that will promote growth in many sectors but especially in tertiary services such as banking, accountancy and corporate law.</li> </ul>



## PAPER 3 SAMPLE ANSWERS

Question number	Indicative content
	<p>Possible arguments against 'much to learn'</p> <ul style="list-style-type: none"> <li>Models generalise truths and provide hypotheses for future study but Singapore is untypical in many ways so not a good model.</li> <li>Singapore is a city-state, unlike any other country, so any 'lessons' need to be interpreted very carefully giving that it has no poor hinterland (e.g. unlike China/India)</li> <li>Singapore is a major port – much of its economic wealth is based on that so land-locked countries (Bolivia) or remote SIDs (Small Island Developing States e.g. Tuvalu) cannot reasonably learn much from Singapore.</li> <li>Its global location is vital to its development and cannot be replicated by states in less favourable locations on international trade routes or with such important neighbours (e.g. China).</li> <li>Political freedom appears to have been compromised suggesting a narrow interpretation of what constitutes development.</li> <li>The role of migrant labour is obviously significant and its omission from the published data suggests that the level of development of the whole population has been overstated.</li> <li>Singapore is completely dependent on imported energy and, to a lesser extent, water – presumably it also imports all of its food – this makes it hard to support the idea that it is an ideal model of development.</li> <li>The model is a form of state led capitalism, which may not be ideologically attractive or acceptable in a different social and cultural context.</li> <li>There may also be ideological objections and international action to prevent the emergence of yet another global tax haven making the Singapore 'Way' a thing of the past.</li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li><b>Figure 1</b> shows Singapore's global position and the proximity of important trading partners.</li> <li>The preamble to <b>Figure 1</b> suggests that Singapore has developed dramatically despite many obstacles, including the possible risks of population growth.</li> <li><b>Figure 2</b> shows that inequalities are very considerable with high income groups creating a right-skewed profile at the extreme end of developed states.</li> <li><b>Figure 3</b> reinforces the idea of inequalities with very wide disparities between top and bottom quintiles.</li> <li><b>Figure 4</b> suggests that growth has not benefitted all and the preamble to <b>Figure 3</b> underlines the fallibility of the data both with migrant workers excluded and a low- tax economy attracting inward investment from global 'winners' that distorts the data.</li> <li><b>Figures 5 and 6</b> present a view of Singapore suggesting that it is highly globalised – 5<sup>th</sup> on the KOF index, 1<sup>st</sup> on the AT Kearney index suggesting that encouraging 'globalisation' as defined by these indices might lead to high GDP per capita.</li> <li><b>Figures 7, 8, 9 and 10</b> and their preambles present a nuanced view of the costs/benefits of this type of development for social, economic and environmental sustainability.</li> </ul>

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	<ul style="list-style-type: none"> <li>The preamble to <b>Figure 11</b> identifies the Asian Tiger economies but also suggests that <b>political</b> leadership was/is important.</li> <li>The preamble to <b>Figure 11</b> also suggests that trade is vital to Singapore's growth but data shows that exports and imports are often the same products/commodities.</li> <li><b>Figure 11</b> shows the importance of state planning in the growth of the economy.</li> </ul>

**Sample A**

Development is a controversial topic as it is subjective and does not have an exact definition. People, especially government and politicians, may see development as the best way to be defined is economic as it always changes around us. However, is it perfect enough to describe the term of development?

Economic development refers to improvements in a variety of indicators such as literacy rates, life expectancy, and poverty rates. The higher the statistics showed in a country, the greater the power to dominance the world trade and to influence the world's growth with the various measures of globalisation. Not only is it easy to compare between countries due to numerical figures, but also show a greater independency if a country has higher GDP, the total output of goods and services being produced in a country over a period of time.

When a country has higher GDP, it can produce more outputs through specialization. Therefore, cost of production and price will decrease and the trading activities will increase. As a result, people in that country will have greater purchasing power and income which means that their living standard is improved. These are possible lessons from Singapore.

Also, the level of corruption should be another consideration too. For example, although Singapore has high GDP, it also has a high corruption rate, so maybe its statistics are unreliable. Therefore, not only GDP figures are included in economic indicator, but it also includes some political factors to make the figures more reliable and comparable. Therefore, the economic indicators can be able to reflect the true living standard and the speed of improvement in a country.

Although GDP per capita show the figure of how much GDP a person can own in a country, it actually ignores the uneven distribution of income within a country. For example, in Singapore, the richest 5.6% earn over \$198 000 and in the USA the richest 1% are estimated to own 40-50% of the nation's wealth, more than the combined wealth of the bottom 95%. Also, many Singaporeans are very poor earning below minimum wage. It shows a wide income gap between the rich and the poor. Therefore, the GDP per capita is not able to show the reality. It does not correlate well with HDI ranking, which also include social factors, such as literacy and life expectancy figures, into account. For example, Kuwait is 5<sup>TH</sup> richest nation by GDP but only 36<sup>th</sup> on HDI; Sweden is 6<sup>th</sup> on HDI but 21<sup>st</sup> on GDP. We do not know Singapore's HDI

Moreover, a high income does not necessarily mean a good life. A person may not enjoy his stressful life if he is too rich as he is always afraid of losing wealth or income all the time. On the contrast, a person may enjoy his peaceful and quiet life although he is only a middle-income earner. For example, People in Bangladeshis (75% happy) are being happier than the Russian (35% happy) despite being poorer. This is part of the method to measure the living standard too. Therefore, happiness should be included in the definition of development, which has not been included in the economic indicators. Again we do not know if the people of Singapore are happy or not.



On the other hand, political factors are difficult to evaluate. To take Chile and Russia as an example, they have completely different views on political policies and they have different problems. So, how can you judge which country has a worsen situation or which problem is bigger? Different people have different views on different things and it is difficult to compare these two countries since they operate with different policies. Therefore, political factors may be too vague to make a convincing judgment on development to the public.

Also, cultural variables are even more difficult, because there is no exact definition of which culture is better than the other. Globalisation has tended to promote 'western' values. Resistance by Islamic or Buddhist writers and commentators lead to questioning of cultural 'imperialism'. The Singaporean government appears to have totally adopted western values.

Moreover, an American economic historian, W.W. Rostow defines 'high mass consumption' as the end of the state, which means that will be the highest level of development, any change of development will never be advanced but drop. On the other hand, Rostow introduced the modernization theory which gives the idea that the development changes of a country is greatly caused by the internal structures, government planning and culture. However, the idea of Gunder Frank emphasized development on geo-political terms and introduced the dependency theory. These theories support the idea of measuring development in different ways instead of just focus on economic factors. So, the lessons of Singapore probably depend on which theory you 'sign-up too'.

The lessons from Singapore are probably not all that useful for countries in very different locations. Obviously, you can't move places around like you can money and people. Singapore is in a great place to trade with important trade routes passing its door. This is not true for Bolivia are the Democratic Republic of the Congo which are both land-locked. It is also very small and has a good physical geography which you also cannot really change. So there probably aren't too many lessons to be learned.

### Sample B

There are enormous global disparities of income and although much progress had been made in recent years to close the 'development gap' these disparities are still stark. According to the Gapminder United nations data the mean per capita income in Norway is about \$60,000 whilst in the Democratic Republic of the Congo it is \$349. In general terms sub-Saharan Africa stands out in any data base as being 'poor' with income levels frequently

## PAPER 3 SAMPLE ANSWERS

below \$2 a day. Some countries have made rapid progress like Singapore so perhaps they can learn something from them?

Despite a number of issues with the accuracy of GDP per capita as a measure there is no disguising this substantial gap.

Historically the persistently low income levels of global regions such as sub-Saharan Africa, Latin America or South Asia were attributed to both the climate of these regions or, controversially, the 'nature' of the inhabitants. This is obviously not true because Singapore is actually on the Equator!

Singapore's development is probably a good example of modernisation theory. Rostow's theory said that countries achieve rapid development and thus eventually an 'age of high mass consumption' by modernising their institutions and following the same pathway pioneered by the UK and the US as they developed manufacturing industries based on the exploitation of power alongside a banking structure, democratic systems and an increasingly 'scientific' education. Unfortunately attempts to follow this pathway have not always been successful and it has been suggested by other theories, such as Frank and Wallerstein that this is explained by the development of a core and periphery in which the core inhibits development on the 'periphery' by establishing a set of relationships that make the development of industry there almost impossible. This is well illustrated by the history of Bolivia which has been a source of raw materials for many centuries from silver in the past to its oil and gas today and yet, despite this mineral wealth, has no manufacturing industries and persistent poverty. Singapore has no natural resources which has probably proved to be a good thing for it because it hasn't had a resource curse so it has had to educate people. This is a good lesson.

Gunder Frank has tried to show that the only practical route for poor countries is to break the ties that they have with richer core states and, through import substitution, develop their own industries allowing value added to accumulate. They cannot do this if they don't have tariffs which global trade rules often don't allow. Singapore relies on trade.

The DRC, is highly resourced yet poor whilst some of the most successful states in terms of their recent growth and development have few natural resources; Singapore, South Korea and Japan are obvious examples. Richard Auty's original theory claimed that far from benefitting societies natural resources had a negative impact on development. A land-owning class who claimed these resources would profit hugely and an industry would develop around these resources, as it did in Bolivia where silver and then tin was mined and exported. The elite class would be powerful enough and certainly wealthy enough to control the remainder of the country and they would have no interest in developing fairer systems of land ownership or developing education. In fact that would have been counterproductive for their own narrow purposes. President after president was engaged in the mining business and in these circumstances a large Gini coefficient would reflect grotesque disparities between rich and poor in a society hidden behind a very misleading mean per capita GDP figure. Confusingly Singapore also has a very high Gini coefficient so it is hard to know what to make of this evidence.

It's not hard to see how mineral wealth can lead to bad development. Nonetheless there are examples where raw materials have been of huge benefit, nowhere more obviously than in Iceland. This economy has relied on fish for years as its primary export and source of revenue and then, in more recent times it has developed the technology to allow access to very cheap energy in the form of HEP and geo-thermal electricity. Unlike the oil wealth of Saudi Arabia or Nigeria this wealth is owned by the people as a whole and, by and large, benefits them all to the same extent. Iceland, once the poorest corner of Europe rapidly became a very wealthy state indeed despite its isolation and its challenging environment.

The Iceland case also emphasizes the critical role of education which is probably true of Singapore too because Asian states often do well in the league tables for maths and science. It has frequently been observed that poor countries that wish to develop but who have few natural resources are obliged to place a stress on their human resources. Iceland's population was literate and highly educated even when it was poor. In South Korea the absence of raw materials (ironically most of these were lost to North Korea after the partition at the end of the Korean war) placed huge importance on reforming education as well as land ownership. Its path to becoming the 11<sup>th</sup> largest economy in the world having had an income level close to that of Sudan in the 1960s was a series of five-year plans driven through by a powerful state (initially a military dictatorship) in alliance with the chaebols. This might be the same in Singapore.

Many have pointed out that the success stories of development have often achieved success by breaking the rules of the game imposed by the rich core countries. This 'kicking away the ladder' hypothesis explains global disparities in terms of a rich core establishing, through the dominant global institutions, such as the IMF and the WTO, a set of rules that benefit themselves. The rules of 'globalisation' don't allow

### Sample C

Singapore has developed very rapidly in recent years with >6% growth per annum, which is nearly as high as that achieved by China. How countries develop is very controversial so the lessons of any one country are not always easy to apply elsewhere.

Modernisation theory was put forward by Rostow which describes the route to economic development used by some countries. It is related to how the development of a country is linked to its internal structure government and culture. It involves five stage model starting

with a traditional stage involving no science and technology , subsistence agricultural economy , a hierarchy of social standing based on birth right and a fatalistic belief system that has no concept of progress. They have to modernise themselves to achieve development.

Theoretically it is possible for all countries to become as wealthy and economically developed as the USA although achieving this goal in the same way as the USA is not likely to be possible. Hans Rosling shows how countries develop at the expense of carbon dioxide emissions but as most developed countries are now insisting everyone cuts emissions this tactic is being rapidly closed off.

Singapore is a very unusual state so its path to development may not be very easy for other countries to copy. It is an island situated on a very important trade route and it has strategic importance in the South China Sea. Obviously, the poor countries of sub-Saharan Africa cannot change their geography and many are 'switched off' places because they are not connected with their neighbours. Perhaps there is something to learn here about how important trade is.

However much depends on what you trade. Countries with rich natural resources have tended also to have social structures and political systems which favour the rich land holding elite who own these resources. Singapore has no natural resources at all, just like Japan and South Korea and so is it 'cursed' by them in this way. Again, it isn't possible for the DRC or other richly resourced countries simply to forget that they have these resources so there isn't much of a lesson to be learned from Singapore here.

However, it is obvious that Singapore does have strong institutions. It is a democratic state with a very powerful government and obviously strong legal and banking institutions. A strong state has been really important for development as suggested by Rostow and the other modernisers. Here there are lessons for the world's poorest countries which are only very rarely democracies and are places where human rights are often neglected. This also underlines the complex problem of measuring 'development' which rarely includes any attention to political systems or human rights but is dominated by economic and social measures. If corruption is seen as a negative factor then Singapore scores rather badly and the lessons will be ambiguous.

Closely connected to the corruption element is the role of Singapore as a tax-haven. If this has been a large part of its development it is much less likely that other countries could follow that path today because of the tightening up of the rules. Although the global institutions such as the IMF have yet to make 'a move' on this there are signs that they might do so closing off that quick route to economic growth

Other trade rules might have changed too since Singapore's growth making it a poor model for other countries. The rules put that the World Trade Organisation put in place were influenced by developed countries to ensure they maintain their dominant control over the world trading system. At the moment over 80% of the value of world trade occurs from

Japan, Europe and the USA. The WTO seems to block trade from other countries by insisting that borders are open to 'free trade' which means that developing countries have no way of protecting their own manufacturing industries from competition. The modernisers and the dependency theorist might disagree about most things but they do agree that manufacturing is vital for proper sustainable development. So modern trade rules make this import substitution industrialisation route to development impossible as the only way to complete this industrialisation is to protect your home industries by placing tariffs on goods from other countries or by large government subsidies. The irony here is that Japan and South Korea, both regional powers industrialised in precisely this way, as had the USA and the UK before them. It is very possible that the dominant powers in the global economy would use their economic power and other 'soft' power methods to prevent another Singapore!

There are other obstacles to adopting the Singapore model. To countries without resources education is vital. This helps explain the rise of Asian countries including Singapore. However education is not seen as positive in all societies, certainly not for all people. In the same way ideologically some countries may not be able to move that far into the state of high mass consumption as it is seen as morally wrong. To do so without some kind of political revolution there would be impossible as those controlling power in those countries would not allow that to happen. This is particularly true in the Muslim world where they would view Singapore's way of life disgusting. They would never agree with the Singaporean idea of development.

In conclusion, there is no 'lesson plan' for development that fit all countries. Singapore is unusual in many respects and it is unlikely to offer much of a model to the poorest countries in the world today. What the leaders of those countries pick out as relevant messages might be more influenced by how it helps the leaders rather than their countries.