Mark Scheme (Results)
November 2008

IGCSE Economics (4350) Paper 3

4350/03

General

The report is to be marked using the mark scheme below.

Candidates should use both the information contained in Sources A to F and their own knowledge. This must include economic concepts, ideas, theories gained through the course, but could also consist of knowledge of their own or another country's experience of globalisation.

Question Number	Answer	Mark
1	• Value of Malaysian trade is greater than that of Kenya • Malaysia has a trade surplus • whereas Kenya has a deficit • Malaysian surplus has increased • While Kenya's deficit has increased • Malaysian exports and imports have increased every year unlike Kenya's • Accurate figures quoted – max 2 marks for good use Any 4 points.	(4)

Question Number	Answer	Mark
2(a)	Source B • Increases competition • Improves productivity • Leads to more investment Source D • Reduction in inequality • Increase in life expectancy • Increase in education • Decline in poverty Source E • Increase in jobs • Increase in workers' income • Higher skilled workforce • More tax revenues for governments If the sources are ignored max 2 marks Award 1 mark for each benefit and 1 mark for each development. Max 4 marks. Example: 'Increase in jobs (1) will lead to less unemployment and thus fewer people in poverty (1)'.	(4)

Question Number	Answer	Mark
2(b)	Source C • Job losses in developed and middle-income countries Source D • Environment • Fall in incomes • Increase in poverty • Health of all, especially children If the sources are ignored max 2 marks Award 1 mark for each cost and 1 mark for each development. Max 4 marks. Example: 'Developed countries will experience job losses **(1)** as firms move production to low-wage economies such as China leading to increased poverty **(1)**'.	(4)

Question Number	Indicative content
3	Candidates may mention:
	• Higher household incomes mean that they can buy better food, clothing, housing etc.
	• Better education may result in women having better education and thus access to jobs and more control over the number of children born.
	• Life expectancy – often women suffered due to poor/non-existent hospital care etc.
	• Child labour is a way of providing low-cost labour to attract multinationals etc.
	• Health of children affected by poor working conditions including lead (lead may result in underdeveloped physical growth and intellectual ability)

Level	Mark	Descriptor
Level 1	1-2	Candidates offer some relevant knowledge and application, which may not be much more than regurgitating Source D.
Level 2	3-4	Candidates are able to offer analysis and, at the top, will address both women and children though not necessarily equally. 'Higher incomes mean that women can afford more goods such as washing machines which reduce the hard manual work. They can also buy more food so their health will improve. Children lose because they provide cheap labour in poor conditions.'
Level 3	5-6	Candidates will use source D to examine a number of reasons. Answers at this level may make little reference to the sources with good comment or the comment is limited with good use of the sources or there is little reference to one of the groups. 'Women will benefit most because they will get better education and health care so they live longer and get better jobs with more money as more jobs for women are available. Children lose out because they can work to provide the cheap goods that China exports and thus do not get education and have poor conditions so their health suffers.'
Level 4	7-8	Candidates can offer a supported conclusion with clear reasons. They must address the issue of 'will be losers'. Answers at this level must consider, not equally, both points for and against. The following is an indication of what could be expected in a better answer: 'Globalisation usually leads to an improvement in the standard of

		living. Women will benefit if this leads to improved opportunities for education which may lead to better job opportunities. Multinationals are often more inclined to employ women and offer them training as compared to some domestic firms which might discriminate in favour of men. Higher incomes leads to improved health care. This is especially important for women as in some countries a high number die in childbirth. The fitter the women so they are more employable especially if they are trained and educated. Although children can also benefit in some cases they are the biggest losers. Multinationals, seeking cheap labour, will employ children and little attempt is made to protect them from pollution. As Source D says children can be poisoned by substances like lead and paid low wages.'.

Question Number	Answer	Mark
4	Source A

- May refer to different trade levels

Source B

- Improves productivity
- Makes firms more efficient
- Attracts investment

Source C

- Competition requires lower costs in order to compete
- Will lead to increased education and training

Source D

- Increased trade leads to 'winners'

There is 1 mark for knowledge, 1 mark for brief application and 2 marks for analysis.

A possible answer would be 'Increased competition means that firms must be more productive and efficient **(1)**. This makes them more competitive in world markets **(1)**. Firms in developed countries are thus able to lower costs and compete with China **(1)**. Firms in countries like mine will attract more investment as firms in the UK will want to partner them to take advantage of lower costs **(1)**'. | (4) |

Question Number	Indicative content
5	Source B • Depends on how competitive low-cost countries are. • Depends on the degree to which there are barriers to entry that prevent countries from taking advantage of globalisation. Source C • Job losses from UK etc to China/India etc • Higher incomes in China etc may generate more demand for High Tech/Service products from UK etc • Success of UK dependent on governments e.g. education & training, reducing costs etc Source D • Implies that the ability to trade successfully is important.

Level	Mark	Descriptor
Level 1	1-2	Candidates offer some relevant knowledge and application eg 'Countries like the UK will always be losers because firms want to move where labour is cheap such as China and not expensive as in the UK.'
Level 2	3-4	Candidates are able to offer analysis. Answers that do not address 'will be losers' will be at this level ie they have just offered, often one-sided, reasons, eg 'Countries like the UK will lose because they cannot compete with low cost economies such as India where labour of all skill levels is cheap and plentiful. Multinationals are only interested in profits so this is where they will move to as shown by firms moving from the US to Mexico and then to China'.
Level 3	5-6	Candidates can offer a supported conclusion with clear reasons. They must address the issue of 'will be losers'. Answers at this level may be entirely one-sided or make little reference/use of the sources.

		'The UK will lose from globalisation because it cannot compete with the low costs of production in countries like China and India. The UK has a large trade deficit which supports this answer. As it says in Source C "those who lose their jobs may not be employed" so the UK will see rising unemployment. With Western governments spending money to prop up their banks they won't have the money to spend on the education needed to train workers in new industries.'
Level 4	7-8	Candidates can offer a supported conclusion with clear reasons. They must address the issue of 'will be losers'. Answers at this level must consider, not equally, both points for and against. The following is an indication of what could be expected in a stronger answer: 'The UK will lose if low-cost countries can improve their productivity and are willing to open their economy to competition. If not they may not attract the investment and the location of multinational firms that would bring new skills etc. They would be less likely to trade successfully and thus be less of a threat to the UK. Equally, the UK will not survive if it does not provide the correct education and training for its workers and its government fails to promote job opportunities and ways of cutting costs. The UK can gain from globalisation passively because of the failure of other countries, but this is dangerous. It is best to be active in developing the skills of its people'.

Question Number	Indicative content
6	The answer will depend on 'their country' and whether they can identify with any of the countries mentioned in the sources.
	Source A
	• If they see their country like Malaysia then this is positive & vice versa for Kenya.
	Source B
	• Depends on degree of trade restrictions and administrative barriers. • May point out that China and India have done well despite restrictions.
	Source C
	• Ability to attract firms from US etc. • If their country is the UK then loss of firms could be negative.
	Source D
	• Depends on success of trade. • May depend on starting point and/or ratio of middle class to poor etc.
	Source E
	• Depends on the type of multinationals that are attracted – do they train workers etc or are they capital intensive.

Level	Mark	Descriptor
Level 1	1-2	Candidates offer some relevant knowledge and application, eg 'Globalisation is good because it leads to more jobs'.
Level 2	3-4	Candidates are able to offer analysis. Answers that do not justify their answer will be at this level ie they have just offered reasons, eg 'My country is a poor country with few resources. We are not likely to gain from globalisation because multinationals will come to exploit the cheap labour but will bring their own managers'. Answers that are not clearly referring to a country are likely to be at this level.
Level 3	5-6	Candidates can offer a supported conclusion with clear reasons. Answers at this level may be entirely one-sided or make little reference/use of the sources or will ignore 'to what extent'. There must be a clear idea that the answer is making reference to a specific country. 'My country will benefit from globalisation because we have low costs which attract multinationals and we can export goods to the US and UK and use the money to fund education and more investment. This will mean more people are employed leading to people being better off.'
Level 4	7-8	Candidates can offer a supported conclusion with clear reasons. At this level they must address the issue of 'to what extent'. It must be clear that they are talking about 'your country' eg by naming it. The following is an indication of what could be expected in a stronger answer: 'Globalisation will be good for my country because it has lots of cheap labour many of whom have a good education and the skills needed by multinational firms. There are opportunities for women and as Source D says they are the major winners. Also our trade with other countries has been increasing rapidly in recent years and the World Bank thinks this is a good sign for economic growth. It could be bad, however, if our government does not prevent children from being employed and does not protect the environment from pollution etc (these are the major losers). Overall, although some people in my country may lose their jobs more are likely to find new ones which pay better so as long as the government is prepared to lift restrictions we are more likely to gain than lose from globalisation.'

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