

## **GCSE**

## **Economics**

Unit **A593**: The UK Economy and Globalisation

General Certificate of Secondary Education

## **Mark Scheme for June 2018**

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

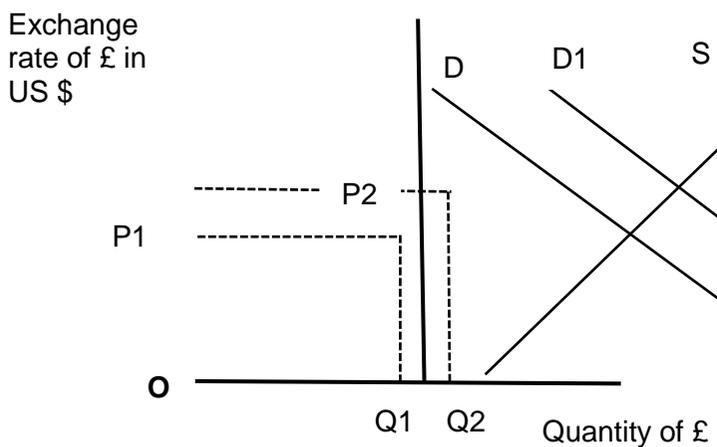
Mark schemes should be read in conjunction with the published question papers and the report on the examination.

© OCR 2018

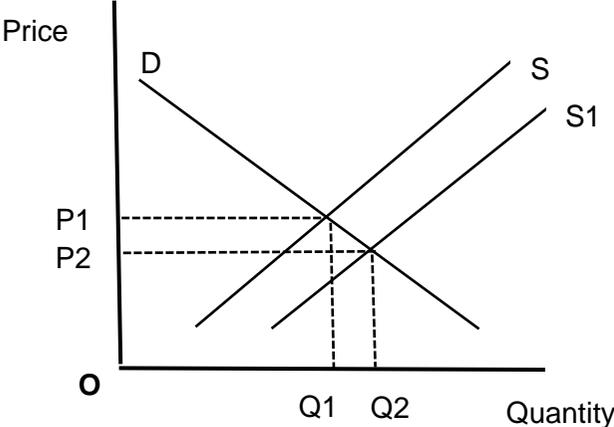
## Annotations

Annotation	Meaning
	Unclear
	Benefit of Doubt
	Cross
	Effective evaluation
	Irrelevant
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	Noted but no credit given
	Too vague
	Tick
	Development of point

Question		Answer		Marks	Guidance
1	(a)		<b>Statement</b>	<b>Tick (✓)</b>	2 One mark for each correct identification, up to a maximum of two identifications.  If more than two boxes are ticked, then accept the first two only.
			The UK's current account deficit decreased by £20 billion between 2014 and 2015		
			After 2011, the UK's current account deficit increased every year		
			The UK's current account deficit was lowest in 2011	✓	
			The UK's current account deficit increased by £40 billion between 2009 and 2010		
			The UK's current account deficit was larger in 2016 than it was in 2006	✓	
	(b)	Identify <b>two</b> components of the current account.		2	One mark for each component correctly identified.
		<p>The components are:</p> <ul style="list-style-type: none"> <li>• Imports</li> <li>• Exports</li> <li>• Trade in goods</li> <li>• Trade in services</li> <li>• Income flows</li> <li>• Transfers</li> </ul>			
	(c)	Other than the exchange rate, state and explain <b>two</b> reasons for a current account deficit.		4	Two marks for each clear explanation (examples opposite).  One mark for each reason or some understanding shown.
		<p>Reasons include:</p> <p>Decrease in exports and/or increase in imports due to:</p> <ul style="list-style-type: none"> <li>• loss of competitiveness</li> <li>• lower productivity</li> <li>• lack of investment</li> <li>• lower quality</li> <li>• higher domestic inflation</li> <li>• rising domestic incomes/standards of living</li> <li>• decline in manufacturing</li> </ul> <p>Exemplar responses:</p> <p>One reason for a current account deficit is lower productivity (1). This causes domestic products to be</p>			

Question	Answer	Marks	Guidance
	<p>produced at a higher cost, so prices rise and less exports are sold to overseas markets (1).</p> <p>Another reason for a current account deficit is rising domestic incomes (1). As a result, domestic consumers can afford to buy more imports from overseas markets (1).</p>		
<p>2 (a)</p>	<p>Calculate by how much the price of the UK export changed in US dollars (\$) between September 2007 and January 2017.</p> <p>September 2007:  <math>\text{£}1000 \times \\$2.02 = \\$2020</math> (1 mark)</p> <p>January 2017:  <math>\text{£}1200 \times \\$1.24 = \\$1488</math> (1 mark)</p> <p>Difference in price = <math>\\$2020 - \\$1488 = \\$532</math> (1 mark)</p> <p>No marks for any answer based on calculations in sterling (£).</p>	<p>3</p>	<p>Up to three marks.</p> <p>One mark for each correct method/answer (OFR applies)</p> <p>Three marks for correct final answer.</p> <p>In case some candidates chose to use Fig. 2 and not the data provided in the question:  <b>For September 2007 allow answers using \$2.00 to \$2.07.</b>  <b>For January 2017 allow answers using \$1.20 to \$1.25</b></p>
<p>(b)</p>	<p>Up to three marks for a correct diagram as follows:</p>  <ul style="list-style-type: none"> <li>One mark for the original equilibrium (including labels P1 and Q1)</li> <li>One mark for shifting the demand curve to the right</li> </ul>	<p>3</p>	<p>A maximum of three marks for the diagram.</p> <p>With the correct shift of demand, the diagram should show an increase in the price <b>and</b> quantity bought and sold of sterling.</p> <p>OFR applies for the price and quantity parts. If the demand curve is shifted to the left, candidates can gain a maximum of two marks.</p> <p>N.B. Do <b>NOT</b> reward candidates who answer the question using a diagram showing any shift of supply.</p>

Question		Answer	Marks	Guidance												
		and labelling correctly (D1) <ul style="list-style-type: none"> <li>One mark for the new equilibrium showing an increased price and increased quantity (including labels P2 and Q2)</li> </ul>														
<b>3</b>	<b>(a)</b>	Explain what is meant by a 'current account surplus'.														
		Two marks for a correct statement that a current account surplus is where the value of exports exceeds the value of imports.  Exemplar responses:  A current account surplus occurs when the value (1 mark) of exports is greater than imports (1 mark).  A current account surplus occurs when exports are greater than imports (1 mark) meaning money is entering the country (1 mark).	2	Up to two marks.  One mark for a statement that a current account surplus is where exports exceed imports.												
	<b>(b)</b>	<table border="1"> <thead> <tr> <th>Statement</th> <th>Tick (✓)</th> </tr> </thead> <tbody> <tr> <td>Free trade is giving food aid to poor countries</td> <td></td> </tr> <tr> <td>Free trade means that labour is used at no cost</td> <td></td> </tr> <tr> <td>Free trade means that there are no subsidies on exports</td> <td>✓</td> </tr> <tr> <td>Free trade means that domestic goods and imports compete for customers more fairly</td> <td>✓</td> </tr> <tr> <td>Free trade means governments make domestic firms buy only from domestic suppliers</td> <td></td> </tr> </tbody> </table>	Statement	Tick (✓)	Free trade is giving food aid to poor countries		Free trade means that labour is used at no cost		Free trade means that there are no subsidies on exports	✓	Free trade means that domestic goods and imports compete for customers more fairly	✓	Free trade means governments make domestic firms buy only from domestic suppliers		2	One mark for each correct identification, up to a maximum of two identifications.  If more than two boxes are ticked, then accept the first two only.
Statement	Tick (✓)															
Free trade is giving food aid to poor countries																
Free trade means that labour is used at no cost																
Free trade means that there are no subsidies on exports	✓															
Free trade means that domestic goods and imports compete for customers more fairly	✓															
Free trade means governments make domestic firms buy only from domestic suppliers																

Question	Answer	Marks	Guidance
(c)	<p>With the aid of a diagram, explain how a production subsidy would affect the equilibrium price and the quantity sold of exports of Chinese paper.</p> <p>Up to a maximum of three marks for a correct diagram:</p>  <ul style="list-style-type: none"> <li>• One mark for the original equilibrium (including labels, e.g. P1 and Q1)</li> <li>• One mark for shifting the supply curve to the right and labelling correctly (e.g. S1)</li> <li>• One mark for the new equilibrium (including labels, e.g. P2 and Q2)</li> <li>•</li> <li>• Up to a maximum of three marks for a correct explanation.</li> <li>•</li> <li>• One mark for stating that production subsidies lower the costs of production.</li> <li>• One mark for stating that supply increases/shifts to the right.</li> <li>• One mark for stating that the price falls.</li> <li>• One mark for stating that the quantity sold increases.</li> </ul>	6	<p>A maximum of three marks for the diagram.</p> <p>With the correct shift of supply, the diagram should show a decrease in the price <b>and</b> an increase in the quantity sold of paper.</p> <p>Own Figure Rule (OFR) applies for the price and quantity parts. If the supply curve is shifted to the left candidates can gain a maximum of two marks.</p> <p>N.B. Candidates who answer the question using a diagram showing any shift of demand can only gain a maximum of one mark as long as they show correctly the initial equilibrium price and quantity including labels.</p> <p>A maximum of three marks for a correct explanation.</p> <p>OFR can be applied to the explanation <b>only</b> if the candidate shows an incorrect shift of <b>supply</b>. However, a logic must be carried through from the diagram. E.g. If the diagram shows a rise in price, then this must be stated in the explanation.</p> <p><b>N.B. Max. 6 marks can only be achieved by max. 3 marks for the diagram + max. 3 marks for the explanation.</b></p>

Question	Answer	Marks	Guidance
	<p>Exemplar response:</p> <p>Production subsidies given to Chinese producers of paper would lower the costs of production (1 mark) by shifting supply to the right (1 mark) and so causing the price of exports to fall (1 mark) and the quantity sold to increase (1 mark).</p>		

Question	Answer	Marks	Guidance	
(d)	Other than to improve the balance of payments, analyse <b>two</b> reasons why countries use protectionism.			
	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Reasons for using protectionism include:</li> <li>• Protect/create employment</li> <li>• Protect infant industries</li> <li>• Prevent dumping</li> <li>• Increase government revenue</li> <li>• National security</li> <li>• Protect consumers</li> <li>• Cultural preservation</li> </ul> <p>Exemplar response:</p> <p>One reason to use protectionism is to protect domestic employment (L1). This might be because a country's industries are not competitive against imported goods and services, so profits fall and unemployment rises (L2). If left to continue, this could lead to falling living standards, negative multiplier effects and increased government borrowing, so putting pressure on the government's budget balance (L3).</p> <p>Another reason to use protectionism is to support an infant industry (L1). Such industries find it hard to compete against larger established foreign firms because they have not grown large enough to gain possible economies of scale and so struggle to compete on price in both domestic and foreign markets (L2). Any protectionism given allows the infant industry to survive even though it is at a disadvantage and so helps to promote future</p>	6	<p style="text-align: center;"><b>Content</b></p> <p><b>Level 3</b> Candidate analyses a reason for protectionism.</p> <p><b>Level 2</b> Candidate describes or explains a reason for protectionism, rather than analysing it.</p> <p><b>Level 1</b> Candidate identifies or names a reason for protectionism and/or protectionist policies.</p> <p><b>N.B. Max. 6 marks = 2 x 3 marks.</b></p>	<p style="text-align: center;"><b>Levels of response</b></p> <p><b>Level 3 (3 marks)</b> The candidate analyses one reason why countries use protectionism.</p> <p><b>Level 2 (2 marks)</b> Candidate demonstrates knowledge of one reason why countries use protectionism.</p> <p><b>Level 1 (1 mark)</b> Candidate demonstrates some knowledge of reasons for protectionism.</p> <p><b>OR</b></p> <p>Candidate demonstrates some knowledge of methods of protectionism.</p>

Question		Answer	Marks	Guidance	
	(d)			Other than to improve the balance of payments, analyse <b>two</b> reasons why countries use protectionism.	
				<b>Content</b>	<b>Levels of response</b>
		industrial development, new job opportunities, future tax revenues and investment, which will help economic growth and reduce possible import dependence (L3).			

Question		Answer			Marks	Guidance
4	(a)		<b>Statement</b>	<b>Absolute poverty (✓)</b>	4	One mark for each correct identification, up to a maximum of four identifications.  If more than one box in a row is ticked, then accept the first only.
			Minimum standards for all people anywhere in the world	✓		
			Less than 60% of median household income	✓		
			Measures how the poor keep up with the growth of average incomes	✓		
			A level of income needed to survive	✓		
	(b)	Using Fig. 7, compare the percentage of the population living in absolute poverty in East Asia and Pacific with the percentage of the population living in absolute poverty in Sub-Saharan Africa between 1987 and 2013.				
		<p><b>Up to four marks</b> for valid points of comparison, such as:</p> <ul style="list-style-type: none"> <li>Both regions had lower poverty rates at end of the period</li> <li>Both regions did not always see poverty falling throughout the period</li> <li>The rate of poverty fell much faster in East Asia &amp; Pacific</li> <li>The rate of poverty in East Asia &amp; Pacific started higher than Sub-Saharan Africa</li> <li>The rate of poverty in East Asia &amp; Pacific finished lower than Sub-Saharan Africa</li> </ul> <p>Any other valid comparison.</p> <p>Exemplar responses worth 2 marks:</p>			4	<p>One mark for each correct comparison up to a maximum of four marks.</p> <p>However, for each correct comparison a second mark may be awarded if data is correctly used to illustrate a comparison (see exemplar responses on left).</p> <p>Do <b>NOT</b> reward simple repetition of data from the stimulus by candidates.</p>

Question	Answer	Marks	Guidance
	<ul style="list-style-type: none"><li>• The rate of poverty fell much faster in East Asia &amp; Pacific by over 50 percentage points, but in Sub-Saharan Africa poverty only fell by approximately 15 percentage points.</li><li>• The rate of poverty in East Asia &amp; Pacific started higher (at approx. 58%) than Sub-Saharan Africa (at approx. 54%).</li><li>• The rate of poverty in East Asia &amp; Pacific finished lower (at approx. 3%) than Sub-Saharan Africa (at approx. 41%).</li></ul>		

Question	Answer	Marks	Guidance	
(c)	Evaluate the impact of reducing taxation to reduce poverty in <b>developing countries</b> .			
	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Direct and indirect taxes</li> <li>• Features of direct and indirect taxes</li> <li>• Progressive and regressive taxation</li> <li>• Types of poverty</li> <li>• Policies to reduce poverty</li> <li>• Impacts of policies to reduce poverty</li> </ul> <p>Relevant discussion:</p> <p>If income tax rates are reduced, do people in absolute poverty earn enough to benefit?  If indirect tax rates on goods and services are cut, are basic essentials included? In many countries, these have zero or low tax rates or are even subsidised by the government.  If corporate taxes are reduced, will this simply increase the profits of businesses, which they forward to their owners/shareholders?  Do tax cuts only really benefit the middle and upper classes and so increase the level of relative poverty?  Alternative means of reducing poverty, e.g. use of subsidies, aid, provision of health &amp; education, etc.</p> <p>Exemplar response:</p> <p>A developing country might reduce the rate of income tax to reduce poverty (L1). This</p>	10	<p style="text-align: center;"><b>Content</b></p> <p><b>Level 4</b>  At the top of the level, a candidate will evaluate the impact of reducing taxation to reduce poverty in developing countries and reach a reasoned conclusion. A candidate who only evaluates and does not reach a reasoned conclusion is likely to achieve a mark of 8 (bottom of Level 4).</p> <p><b>Level 3</b>  Candidate will analyse the impact of reducing taxation to reduce poverty in developing countries.</p> <p><b>Level 2</b>  Candidate describes or explains how reducing taxation can reduce poverty, rather than analysing how.</p> <p><b>Level 1</b>  Candidate identifies or names types of taxation, poverty reducing policies and/or impacts of reducing taxation.</p>	<p style="text-align: center;"><b>Levels of response</b></p> <p><b>Level 4 (8–10 marks)</b>  Candidate evaluates the impact of reducing taxation to reduce poverty in developing countries and reaches a <b>reasoned conclusion</b>.</p> <p><b>Level 3 (5–7 marks)</b>  The candidate analyses the impact of reducing taxation to reduce poverty in developing countries.</p> <p>6/7 marks – <b>at least two</b> impacts analysed</p> <p>5 marks – <b>one</b> impact analysed</p> <p><b>Level 2 (3–4 marks)</b>  Candidate demonstrates knowledge of the impact of reducing taxation to reduce poverty (but may not refer to developing countries), rather than analysing how it could reduce poverty.</p> <p><b>Level 1 (1–2 marks)</b>  Candidate demonstrates some knowledge of how poverty could be reduced.</p>

Question		Answer	Marks	Guidance	
	(c)			Evaluate the impact of reducing taxation to reduce poverty in <b>developing countries</b> .	
				<b>Content</b>	<b>Levels of response</b>
		<p>would mean that income tax payers would keep more of their gross income (L2). As a result, these income tax payers would have a higher disposable income, which they could use to increase their consumption and gain a higher standard of living (L3). In addition, this increase in consumption might lead to an increase in the demand for workers, so job opportunities arise for unemployed workers who can gain employment and so start to earn a higher income, so contributing to the reduction of poverty (L3).</p> <p>However, people in absolute poverty are not likely to be earning enough to have to pay income tax and so they are extremely unlikely to benefit from such a policy (bottom of L4). Rather, it would be better to look at using methods to reduce poverty such as subsidies of essential items as these are crucial to people's survival; and the provision of health care and education, which are crucial to improving the long-term life chances of people in poverty in developing countries (middle/top of L4).</p>		<p><b>N.B. Candidates who do not meet the rubric requirements of the question to answer the question with relation to developing countries can only be awarded marks up to the top of Level 2, i.e. a maximum of 4 marks.</b></p>	<p><b>OR</b></p> <p>Candidate identifies an impact(s) of reducing taxation, e.g. increased standards of living.</p> <p><b>OR</b></p> <p>Candidate shows knowledge of taxation.</p>

Question		Answer	Marks	Guidance
5	(a)	False.	1	For one mark.  If both boxes are ticked, then accept the first only.
	(b)	Evaluate the importance of non-governmental organisations (NGOs) in helping <b>developing countries</b> to achieve economic growth.		
				<b>Content</b>
		<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• There are millions of NGOs and they vary hugely in size, scope of their operations and purpose.</li> <li>• NGOs can be local, regional, national or international.</li> <li>• NGOs help to promote economic growth through supporting the supply side of the economy, e.g. health, education, infrastructure, economic role of women, microfinance and investment, etc.</li> <li>• NGOs do not have to make a profit and so can use longer-term strategies to deal with longer-term problems, such as climate change, preventing malaria, etc.</li> <li>• Other factors will contribute to economic growth in developing countries, e.g. aid, trade, debt relief, MNCs and FDI, etc.</li> </ul> <p>Relevant discussion:</p> <p>Impact of NGOs on the supply side of the economy. NGOs can target specific groups, e.g. supporting women, and so represent people's voices more accurately. Being independent of government means that they are not tied to the government's agenda and are less likely to be involved in corruption.</p>	8	<p style="text-align: center;"><b>Levels of response</b></p> <p><b>Level 4 (7–8 marks)</b> Candidate evaluates the importance of NGOs in helping developing countries to achieve economic growth and reaches a <b>reasoned conclusion</b>.</p> <p><b>Level 3 (5–6 marks)</b> The candidate analyses the importance of NGOs in helping developing countries to achieve economic growth.</p> <p><b>Level 2 (3–4 marks)</b> Candidate demonstrates knowledge of how NGOs can help developing countries to grow, rather than analysing how they help the achievement of economic growth.</p> <p><b>Level 1 (1–2 marks)</b> Candidate demonstrates some knowledge of NGOs.</p> <p><b>OR</b></p> <p><b>Level 4</b> Candidate will evaluate the importance of NGOs in helping developing countries to achieve economic growth and reach a reasoned conclusion. A candidate who only evaluates and does not reach a reasoned conclusion is likely to achieve a mark of 7 (bottom of Level 4).</p> <p><b>Level 3</b> Candidate will analyse the importance of NGOs in helping developing countries to achieve economic growth.</p> <p><b>Level 2</b> Candidate describes or explains how NGOs impact on the economic growth rate of developing countries, rather than analysing how.</p> <p><b>Level 1</b> Candidate identifies or names examples of NGOs and/or aspects of economic growth.</p> <p><b>N.B. Candidates who do not meet the rubric requirements of the question</b></p>

Question	Answer	Marks	Guidance
	<p>NGO assistance is less political. However, some NGOs are fronts for political and religious interests. Some NGOs are so small as to have a limited impact compared to western government aid donations. How important are other factors?</p> <p>Exemplar response:</p> <p>There are millions of NGOs around the world, but they all share key characteristics, such as that they are non-profit making and independent of government (L1). Examples of NGOs include organisations like Oxfam and Save the Children (L1), which can help developing countries by providing education and health facilities and so increase life expectancy and literacy rates, for example (L2). Improving literacy rates and increasing the number of years in school can raise educational attainment and so lead to increased labour productivity and employment (L3); while microfinance NGOs can increase small-scale lending to groups such as women, which increases investment, output and living standards (L3).</p> <p>To be able to assess the overall importance of NGOs to achieving economic growth in developing countries, it is important to remember that many NGOs are small and so their impact may be much smaller than the impact of large aid programmes and/or large-scale investment by foreign governments or MNCs (L4).</p> <p>Nevertheless, NGOs are important because they can target specific groups in developing countries such as women and children in specific areas of the country and so aim to meet their needs more</p>		<p><b>to answer the question with relation to developing countries can only be awarded marks up to the top of Level 2, i.e. a maximum of 4 marks.</b></p> <p>Candidate shows knowledge of economic growth.</p>

Question			Answer	Marks	Guidance	
			effectively rather than having to go through many layers of bureaucracy in the government of the developing country (top of L4).			
<b>6</b>	<b>(a)</b>		Using one of the words below, complete the sentence so that it explains what is meant by 'relative unit labour costs'.			
			Average	1	For one mark	

Question	Answer	Marks	Guidance	
(b)	Evaluate the impact of new technology on the growth of globalisation.			
			<b>Content</b>	
	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Benefits of new technology, e.g. lower unit costs; increased productivity; innovation; increased competitiveness; lower transport costs; improved communications; lower prices/lower inflation; etc.</li> <li>• Costs of new technology, e.g. high setup costs (especially for developing countries); dependence of developing countries on developed countries for access to new technology and expertise to install and operate it; loss of employment; negative externalities; uneven spread of increased internet access and usage; etc.</li> <li>• Other factors that have contributed to the growth of globalisation, e.g. removal of trade restrictions; growth of MNCs; development of trading blocs; etc.</li> </ul> <p>Relevant discussion:</p> <p>How far has new technology lowered costs and created jobs or destroyed jobs?  How far have the benefits/costs of the impact of new technology been felt equally in the world?  Can developing countries afford new technology without having to invite MNCs to invest (with the resulting issues that this might create)?  As new technology is often from developed countries, does this create a new dependency?  How important are other factors?</p>	10	<p><b>Level 4</b>  At the top of the level, a candidate will evaluate the impact of new technology on the growth of globalisation and reach a reasoned conclusion. A candidate who only evaluates and does not reach a reasoned conclusion is likely to achieve a mark of 8 (bottom of Level 4).</p> <p><b>Level 3</b>  Candidate will analyse the impact of new technology on the growth of globalisation.</p> <p><b>Level 2</b>  Candidate describes or explains how new technology impacts on the growth of globalisation, rather than analysing how.</p> <p><b>Level 1</b>  Candidate identifies or names types of new technology, impacts of new technology and/or aspects of globalisation.</p>	<p><b>Levels of response</b></p> <p><b>Level 4 (8–10 marks)</b>  Candidate evaluates the impact of new technology on the growth of globalisation and reaches a <b>reasoned conclusion</b>.</p> <p><b>Level 3 (5–7 marks)</b>  The candidate analyses the impact of new technology on the growth of globalisation.</p> <p>6/7 marks – <b>at least two</b> impacts analysed</p> <p>5 marks – <b>one</b> impact analysed</p> <p><b>Level 2 (3–4 marks)</b>  Candidate demonstrates knowledge of the impact of new technology on the growth of globalisation, rather than analysing its impact.</p> <p><b>Level 1 (1–2 marks)</b>  Candidate demonstrates some knowledge of new technology.</p>

Question	Answer	Marks	Guidance	
(b)	Evaluate the impact of new technology on the growth of globalisation.			
			<b>Content</b>	<b>Levels of response</b>
	<p>Exemplar response:</p> <p>New technology can take a variety of forms such as the development of the internet and the use of supertankers to transport oil (L1). These examples of new technology help the growth of globalisation by reducing the costs of transportation and improving the speed of communications by using email, for example (L2). Lower costs of transportation have led to lower prices of imported products, which has contributed to lower rates of domestic inflation (L3); while the use of the internet to develop e-commerce has allowed many more firms (including many small firms) to promote their products in foreign markets, so attracting customers and leading to increased exports and higher profits (L3). However, increased volumes of goods being transported around the globe have contributed to negative externalities in the form of global warming and environmental pollution, which lower life expectancy and lead to lower living standards through issues such as droughts (L3).</p> <p>To be able to assess the overall impact of new technology, it is important to remember that it is not the only factor that has contributed to the growth of globalisation (bottom of L4). It is very important, therefore, to weigh up the effects of other factors such as the reduction in the level of trade barriers and the development of trading blocs to be more certain; as well as to consider whether the impacts of new technology have been shared equally between developed and</p>			<p><b>OR</b></p> <p>Candidate identifies an impact(s) of new technology, e.g. increased productivity.</p> <p><b>OR</b></p> <p>Candidate shows knowledge of globalisation.</p>

Question	Answer	Marks	Guidance
(b)	Evaluate the impact of new technology on the growth of globalisation.		
			<b>Content</b>
	developing countries (middle/top of L4).		<b>Levels of response</b>

Question	Answer	Marks	Guidance	
7	Using the information in the case study and your own knowledge of economics, evaluate the importance of sustainable economic growth.			
			<b>Content</b>	
			<b>Levels of response</b>	
	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• Types of economic growth – short-run v long-run growth</li> <li>• Causes of economic growth</li> <li>• Benefits of economic growth, e.g. increased employment, output &amp; income; increased consumption &amp; investment; positive multiplier effects; rising living standards; increased tax revenue; etc.</li> <li>• Costs of economic growth, e.g. inflation; increased inequality; balance of payments issues; global warming, pollution &amp; environmental damage; lack of ‘trickle down’ effect; depletion of non-renewable resources; loss of cultural diversity; etc.</li> <li>• Positive and negative externalities</li> <li>• Differing rates of economic growth, e.g. BRICs &amp; MINTs compared to others</li> <li>• Population growth rates</li> <li>• International competitiveness</li> <li>• Sustainable economic growth</li> <li>• What makes economic growth sustainable?</li> </ul> <p>Relevant discussion:</p>	12	<p>Possible examples of supportive evidence from the case study to achieve marks in Level 3 and Level 4 include:</p> <p>Use of Fig. 1 to show how the UK's current account balance might be a symptom of unsustainable economic growth.</p> <p>Use of Fig. 3 to show how the current account balances shown are a sign of inequality around the world and that deficit countries will experience differing challenges depending on the scale of the deficit.</p> <p>Use of Figs. 4 &amp; 5 to explain how countries might resort to protectionism to improve their economic sustainability, but at the cost of economic growth and economic development elsewhere.</p> <p>Use of Fig. 6 to show how lower levels of global poverty might be explained by the improved rate of economic growth over the past 25 years. Is this</p>	<p><i>To achieve Levels 3 and 4 candidates must use some supportive evidence from the data</i></p> <p>Level 4 (10 – 12 marks) Candidate evaluates the importance of sustainable economic growth – complex issues are discussed reaching a reasoned conclusion with clear reference to data in the stimulus material. <i>Complex issues have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs are consistently relevant, and have been well structured, using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar. Candidate has been able to demonstrate and apply knowledge and</i></p>

Question	Answer	Marks	Guidance
7			Using the information in the case study and your own knowledge of economics, evaluate the importance of sustainable economic growth.
	<ul style="list-style-type: none"> <li>• Do developing countries have the resources to make economic growth 'sustainable'?</li> <li>• Do developing countries have the expertise to achieve sustainable economic growth?</li> <li>• Can new technology and innovation allow countries to achieve sustainable economic growth?</li> <li>• Do all countries have equal access to this new technology?</li> <li>• How much effect can education have in terms of reducing the growth of consumerism and so reducing the pressure on the planet's resources?</li> <li>• Can NGOs and governments achieve much at a local, regional, national or international level or does it require a wider approach such as through the UN and the Sustainable Development Goals?</li> </ul> <p>Possible evaluative points to demonstrate the importance of sustainable economic growth (for Level 4) might include:</p> <ul style="list-style-type: none"> <li>• The increased incidence of extremes of weather linked to global climate change and the impact on consumers, producers and governments, e.g. droughts</li> <li>• The impact of rising global temperatures on sea levels and the effects of this on low-lying countries, e.g. Mauritius</li> <li>• The extent to which countries can afford methods of trying to achieve sustainable</li> </ul>		<p style="text-align: center;"><b>Content</b></p> <p>evidence of increased sustainability?</p> <p>Use of Fig. 7 to illustrate the unequal nature of the fall in poverty across the world.</p> <p>Use of Fig. 8 to explain how NGOs can contribute to sustainable economic growth &amp; sustainable development by working to reduce environmental damage and pollution, e.g. Greenpeace.</p> <p>Use of Fig. 9 to explain how new technology can be a cause of faster economic growth, positive and negative externalities and so links to issues of sustainability.</p> <p>Use of Fig. 10 to illustrate sustainability and a range of possible issues to be addressed to ensure future economic growth and economic development are sustainable, e.g. poverty reduction, creation of job opportunities, improvements in health &amp; education. However, this should not be at the expense of the environment.</p> <p><b>N.B. Candidates who do not meet the rubric requirements of the</b></p> <p style="text-align: center;"><b>Levels of response</b></p> <p><i>understanding. The candidate should have analysed with reference to the question.</i></p> <p>Level 3 (7 – 9 marks) The candidate analyses the importance of sustainable economic growth. Answers must include reference to the stimulus material.</p> <p><i>There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive of obscure meaning. Knowledge and understanding has been demonstrated and applied/understood.</i></p> <p>Level 2 (4 – 6 marks) Candidate demonstrates an understanding of the importance of sustainable economic growth. <i>Some simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar, of which some may be noticeable and intrusive. A</i></p>

Question	Answer	Marks	Guidance				
7	Using the information in the case study and your own knowledge of economics, evaluate the importance of sustainable economic growth.						
	<p>economic growth</p> <ul style="list-style-type: none"> <li>• The possible dangers of not achieving sustainable economic growth and sustainable economic development</li> <li>• The extent to which the state of the global economy and individual economies impacts upon the ability to achieve sustainable economic growth</li> <li>• The relative importance of possible conflicts between key macro-economic aims of government, e.g. lower unemployment to be achieved by faster growth and pollution versus lower inflation to be achieved by slower growth and less pollution</li> <li>• The importance of global interdependence, e.g. global warming, changes in weather patterns and links to levels of pollution in China.</li> </ul> <p>Exemplar response:</p> <p>Sustainable economic growth is our ability to meet our needs while also ensuring that future generations can meet their needs (L1). Such sustainability is important because the world is using non-renewable finite resources at a faster and faster rate, as well as experiencing increased global temperatures and associated challenges such as flooding and droughts which are putting more and more of the world's population at risk (L2). As some countries grow faster they may experience current account deficits (see Figs. 1 &amp;</p>		<table border="1"> <thead> <tr> <th data-bbox="1144 344 1664 392">Content</th> <th data-bbox="1664 344 2069 392">Levels of response</th> </tr> </thead> <tbody> <tr> <td data-bbox="1144 392 1664 1453"> <p><b>question to answer the question with relation to the information in the case study can only be awarded marks up to the top of Level 2, i.e. a maximum of 6 marks.</b></p> </td> <td data-bbox="1664 392 2069 1453"> <p><i>basic knowledge and understanding has been demonstrated.</i></p> <p>Level 1 (1 – 3 marks) Candidate has some knowledge of sustainable economic growth and/or sustainable economic development, but the answer is poorly expressed. <i>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</i></p> </td> </tr> </tbody> </table>	Content	Levels of response	<p><b>question to answer the question with relation to the information in the case study can only be awarded marks up to the top of Level 2, i.e. a maximum of 6 marks.</b></p>	<p><i>basic knowledge and understanding has been demonstrated.</i></p> <p>Level 1 (1 – 3 marks) Candidate has some knowledge of sustainable economic growth and/or sustainable economic development, but the answer is poorly expressed. <i>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</i></p>
Content	Levels of response						
<p><b>question to answer the question with relation to the information in the case study can only be awarded marks up to the top of Level 2, i.e. a maximum of 6 marks.</b></p>	<p><i>basic knowledge and understanding has been demonstrated.</i></p> <p>Level 1 (1 – 3 marks) Candidate has some knowledge of sustainable economic growth and/or sustainable economic development, but the answer is poorly expressed. <i>Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar, which will be noticeable and intrusive. Writing may also lack legibility.</i></p>						

Question	Answer	Marks	Guidance	
7	Using the information in the case study and your own knowledge of economics, evaluate the importance of sustainable economic growth.			
	<p>3). Such current account deficits may lead to governments introducing policies such as protectionism (see Fig. 5) to reduce the deficit and this causes other countries to experience lower export sales, higher unemployment and possible increases in poverty, particularly in developing countries (see Figs. 6 &amp; 7) (L3). So, failing to create sustainable economic development (L3).</p> <p>However, for many poor developing countries, the main priority is faster economic growth to create more job opportunities and so lower the rate of poverty (L3). Unfortunately, for some countries, this faster rate of growth has come at the price of more pollution, e.g. China, and other environmental problems, e.g. deforestation in Brazil (L3).</p> <p>Also, the importance of sustainable economic growth is shown by the fact that some poor countries are suffering the consequences of rapid economic growth elsewhere, e.g. increased pollution in China contributing to global warming and so to droughts and lower life expectancy and increased mortality rates in sub-Saharan Africa (L3).</p> <p>In conclusion, the overall importance of sustainable economic growth depends on differing views on the aims and priorities of consumers, producers and government. Where priorities relate to short-term goals of higher incomes, production and consumption then there is a greater risk of negative externalities occurring. However, where longer-term goals of</p>		Content	Levels of response

Question		Answer	Marks	Guidance	
7		Using the information in the case study and your own knowledge of economics, evaluate the importance of sustainable economic growth.			
				<b>Content</b>	<b>Levels of response</b>
		<p>sustainability are a high priority, then measures will be taken to reduce the damage that economic growth can cause to people and the environment. This means that education is of fundamental importance (L4).</p> <p>For many poor developing countries, however, there may not be the resources and expertise available to ensure sustainability is a high priority. This means that richer western countries and NGOs (see Fig.8) may have to support third world countries to achieve goals such as the Sustainable Development Goals (Fig. 10) (L4).</p>			

**OCR (Oxford Cambridge and RSA Examinations)**  
**The Triangle Building**  
**Shaftesbury Road**  
**Cambridge**  
**CB2 8EA**

**OCR Customer Contact Centre**

**Education and Learning**

Telephone: 01223 553998

Facsimile: 01223 552627

Email: [general.qualifications@ocr.org.uk](mailto:general.qualifications@ocr.org.uk)

[www.ocr.org.uk](http://www.ocr.org.uk)

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

**Oxford Cambridge and RSA Examinations**  
is a Company Limited by Guarantee  
Registered in England  
Registered Office; The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA  
Registered Company Number: 3484466  
OCR is an exempt Charity

**OCR (Oxford Cambridge and RSA Examinations)**  
Head office  
Telephone: 01223 552552  
Facsimile: 01223 552553

© OCR 2018

