

Answers

Test 1 – Global Systems and Global Governance

1. 1 mark
The increasing interconnectedness of economies across the world [1]
2. 3 marks
Three from the following points:
 - Foreign direct investment [1]
 - Aid [1]
 - Trade [1]
 - Migration [1]
 - Remittances [1]
 - Production [1]
 - Leakage of TNCs / repatriation of profits [1]
3. 4 marks
Three from the following points:
 - Most migrants move within regions or to neighbouring regions, rather than across vast distances to far-off regions [1].
 - Migrants who do travel to far-off regions are attracted to North America, Europe and the Gulf countries [1].
 - Most economic migrants have a reasonable level of education and wealth [1].
 - The largest regional labour flow was from South Asia to West Asia between 2005 and 2010 [1].
 - North America and Europe have received the largest number of Asian migrants [1].
 - The Gulf States of East Asia are becoming increasingly popular to economic migrants [1].
4. 3 marks
 - Reduced transaction costs [1]
 - Containerisation / increased ease and time of transportation [1]
 - Reduction in trade tariffs [1]
5. 4 marks
Four from the following points:
 - Facilitates the spread of industrial technology [1]
 - Leads to the expansion of knowledge-intensive goods [1]
 - Supports important industries such as international law [1], accounting [1] and engineering [1]
 - Supports the development of important hi-tech products such as pharmaceuticals [1], semiconductors [1], and computer technology [1]
 - Helps businesses develop by providing business services [1]
6. 6 marks
Suggested answer:
Production originally took place mainly in Western Europe, North America and Japan [1]. Products were largely consumed in the countries in which they were produced [1]. Lowered labour costs have meant many TNCs have moved manufacturing and production of goods to developing countries [1]. This is known as the global shift [1]. Consumption has remained highest in developed countries in Western Europe, North America and Japan [1]. However, consumption is rising in the newly industrialised countries which manufacturing and production relocated to [1].
7. 4 marks
Changing financial systems (at least one from the following points):
 - Differences in exchange rate previously made trade difficult [1].
 - Deregulation of financial markets made movement of finance easier [1].
 - Improving communications systems made it easier and faster to deal with differences in exchange rate [1].
 - Smaller enterprises have been able to become more involved in financial systems [1].
 - Electronic trading systems make financial transactions easier and faster [1].
Impact on globalisation (at least one from the following points):
 - Accelerated the rate of globalisation [1]
 - Facilitated increased international trade [1]
 - Facilitated increased movement of capital [1]

8. 3 marks
Three from the following points:
- Creates shortages of food [1]
 - Creates shortages of water [1]
 - Creates shortages of resources [1]
 - Unequal prosperity [1]
 - Exploitation of poorer nations by richer nations [1]
 - Trade blocs / sanctions can be used against a country [1]
9. 4 marks
Suggested answer:
Globalisation is reducing inequality between countries [1] as lower-income countries are becoming increasingly involved in flows of people, labour and capital [1].
Globalisation is increasing inequality within many countries [1] because wealthier members of society often have better access to the increasing jobs and global markets which bring increased wealth [1].
10. 8 marks
Some suggested answers (eight from the following points):
- Improved in some senses [1] because the interconnections between countries mean they have more common goals [1]
 - Increased interdependence [1]
 - Increased cooperation [1]
 - WTO / World Bank / IMF have helped facilitate good geopolitical relations between nations [1]
 - The interconnectedness of different nations can reduce the chance of conflict [1]
 - Can worsen the situation in other senses [1] as it leads to unequal power relations [1]
 - Some states are more able to drive systems for their own gain [1]
 - Some states have little power and influence in global systems [1]
 - Some states are exploited by others, creating geopolitical tension [1]

Extension Questions

11. 4 marks
Four of the following points:
- Global marketing [1]
 - Advertising in a way that appeals to customers across the globe [1]
 - Attempt to use the same advertising across the globe [1]
 - Attempt to sell the same product across the globe [1]
 - Creating economies of scale [1]
 - Changing products slightly to meet the standards of each individual country [1]
12. 9 marks
Students **must** provide points that support the idea that globalisation causes inequalities and injustices.
Students **must** also provide points that support the idea of globalisation leading to stability, growth and/or development.
Students should provide some form of conclusion.
Suggested answers in support of the statement:
- Inequality within countries is increasing as a result of globalisation [1].
 - Richer members of society are better able to benefit from globalisation [1] as they can access the best jobs [1] and have the funds to invest money abroad [1].
 - Poorer members of society are less likely to benefit from globalisation [1]; many may even be disadvantaged as they lose their jobs as a result of outsourcing [1].
 - Globalisation means the rich are getting richer, but the poor are not [1].
 - Inequality still exists between countries [1] as unequal power relations enable richer nations to influence global systems in their favour [1].
- Suggested answers that do not support the statement:
- Inequality between countries is beginning to decrease [1] as the involvement of developing countries in flows of people, capital and goods offers opportunities for economic growth and development [1].
 - The economic growth that is facilitated through globalisation enables countries to develop, socially and economically [1].
 - Globalisation also creates opportunities for stability [1] as countries work together towards a common goal or due to similar interests [1].

Example conclusion:

Globalisation does cause inequalities for people and places due to unequal power relations and uneven opportunities for different members of society. However, inequality between nations is decreasing, as globalisation is enabling a certain level of economic growth, development and stability in nations across the globe.

Total: 13 marks

Total marks for test: 53 marks

Test 2 – International Trade

1. a) 1 mark
Investment from an individual or organisation in one country into an asset in another country [1].
- b) 3 marks
 - USA [1]
 - China [1]
 - Belgium [1]
- c) 3 marks
 - Natural resources [1]
 - Large populations / large markets [1]
 - Strong financial business services [1]
2. 3 marks
 - USA [1]
 - Germany [1]
 - Japan [1]
3. 1 mark
Emerging economies [1]
4. 2 marks
 - NAFTA / North American Free Trade Agreement [1]
 - EU / European Union [1]
5. 4 marks
Four from the following points:
 - Mercosur is a trade bloc involving Brazil, Argentina, Uruguay, Paraguay and Venezuela [1].
 - EU and North America are Mercosur's main markets [1].
 - Pacific Alliance is a trade bloc involving Chile, Peru, Colombia and Mexico [1].
 - Asia Pacific and USA are Pacific Alliance's main markets [1].
 - Pacific Alliance is open to making bilateral agreements [1].
 - Pacific Alliance is growing quickly [1].
6. a) 2 marks
A transnational corporation is an organisation that has a central headquarters based in one country [1], but has business activity extending across a number of countries [1].
- b) 3 marks
Three from the following points:
 - To avoid trade tariffs or barriers [1]
 - To utilise low-cost labour [1]
 - To access a wider market [1]
 - To access the natural resources in different countries [1]
 - To avoid environmental laws or limitations [1]
 - To create the most efficient supply chain [1]
7. 4 marks
Four from the following points:
 - Primary sector production takes place in locations with plentiful reserves of natural resources [1]. This is usually in developing countries [1], but technological developments have meant previously inaccessible reserves in developed countries can now be exploited [1].
 - Secondary sector production largely takes place in recently industrialised countries such as those in Asia [1] because these countries offer the most efficient workforce [1].
 - TNCs may locate production processes strategically in order to gain access to certain markets or trade blocs [1].

8. 6 marks

Students **must** provide the name of a specific TNC, such as McDonald's, Apple, Unilever, Nike.
Students **must** provide facts and figures specific to the TNC and the countries in which it works.
Answers may be based on the following points:

Positive impacts:

- Generation of jobs
- Improved infrastructure in the area
- Brings technological innovation
- Educates / develops the skills of the workforce
- Assists in exploitation of natural resources

Negative impacts:

- Overexploitation of natural resources
- Environmental damage
- Erosion of culture
- Exploitation of the workforce
- Profits largely back to the TNC's country of origin

9. a) 2 marks

Answers will be specific to the product the student has studied.
Students should provide at least one statement outlining the region which is largely responsible for the production of the good, and at least one statement outlining where the good is consumed.

b) 6 marks

Answers will be specific to the product the student has studied.
Answers may elaborate on some of the following points:

Issues:

- Trade barriers
- Differential access to markets
- Impact of TNCs on smaller companies
- Poor working conditions
- Natural resource exploitation
- Unfair trade

Opportunities:

- Fair trade
- Education/training for workers
- Cheap goods
- Investment
- Economic growth
- Improvements in societal well-being

Extension Questions

10. 6 marks

Answers will be specific to each individual student. Students may choose to include some of the following points:

- Able to eat a diverse range of foods throughout the year
- Able to buy cheap/disposable clothes
- Able to own a large number of material goods
- Able to afford high-tech phones/tablets/computers
- Conscious of ethical purchasing – buying fair trade or locally sourced food
- Online shopping

11. 6 marks

Causes:

- Level of economic development [1]
- Involvement in trading agreements [1] such as free trade areas / customs unions / common markets / economic union [1]
- Geopolitical relations [1]
- Geographical position in the world [1]

Effects:

- Protectionist policies often exclude developing countries from certain trade markets [1]
- Developing countries often experience high trade tariffs or quota barriers [1]
- Good access to trade markets facilitates economic growth [1]
- Good access to trade markets facilitates improvement in social well-being [1]
- Lack of access to markets can hold back growth and development [1]
- Creation of special and differential treatment agreements [1]

Total: 12 marks

Total marks for test: 52 marks

Test 3 – Global Governance

1. 1 mark
Management of affairs affecting the whole world [1]
2. 2 marks
Two from the following points:
 - World Bank [1]
 - International Monetary Fund [1]
 - World Trade Organization [1]
 - World Health Organization [1]
3. 3 marks
Three from the following points:
 - United Nations Development Programme [1]
 - Millennium Development Goals [1]
 - Sustainable Development Goals [1]
 - World Summit on Sustainable Development [1]
 - United Nations Environment Programme [1]
 - United Nations Framework Convention on Climate Change [1]
4. 4 marks
Four from the following points:
 - Five permanent states have disproportionate power [1].
 - Decisions are often made to benefit permanent members over other members [1].
 - Approaches are generally top-down, which does not account for the individuality of situations and places [1].
 - Certain strategies are perceived by some as an assault on personal freedom [1]; for example, attempts to reduce fertility rate may be against some religions or cultural practices [1].
 - Certain regulations are not imposed on all members [1]; for example, the nuclear power of the five permanent member states remains largely unchecked [1].
5. 4 marks
Four from the following points:
 - Encourage democratic decision-making [1]
 - Encourage bottom-up approaches [1]
 - Work with a range of stakeholders at different scales [1]
 - Work internationally [1]
 - Help implement national or global strategies at a local level [1]
 - Act as representatives for the poor or those most in need [1]
 - Independent of government interests [1]
6. a) 2 marks
Resources or parts of the earth [1] that are not controlled by any one nation [1]
- b) 4 marks
 - The high seas [1]
 - The atmosphere [1]
 - Antarctica [1]
 - Outer space [1]
7. 4 marks
Equal access to the global commons means all countries are free to extract and use the resources within the global commons [1]. For a long time, the resources in the global commons were difficult to access; however, improved technology [1] and increased demand [1] have meant these resources are becoming increasingly exploited [1]. If each country is free to act independently with regards to accessing the resources, this will lead to depletion [1], as independent use does not take into consideration the independent use of that resource by all the other nation states [1].
8. 4 marks
 - The high seas are protected by the United Nations Convention on the Law of the Sea [1].
 - The atmosphere is protected by the United Nations Framework Convention on Climate Change (UNFCCC) / the Montreal Protocol / the Kyoto Protocol [1].
 - Antarctica is protected by the Antarctic Treaty System [1].
 - Outer space is protected by the 1979 Moon Treaty [1].
9. 4 marks
Four from the following points:
 - Eastern sea ice is increasing [1]
 - West Antarctic ice sheet has thinned [1]
 - Antarctic Circumpolar Current is warming rapidly [1]. This current is important as it stops warmer currents flowing south towards Antarctica [1].
 - Changing distribution of species such as penguins and krill [1]
 - Increased vegetation cover [1], which decreases albedo, which causes further warming [1]

10. 2 marks

Two from the following points:

- Fishing and whaling [1]
- Exploration and extraction of mineral resources [1]
- Tourism [1]
- Scientific research [1]

11. 6 marks

Students are likely to choose one of the following NGOs:

Antarctic and Southern Ocean Coalition (ASOC) – six from the following points:

- Successful in establishing a precautionary ecosystem approach in the Antarctic Treaty [1]
- Helped block the Minerals Convention [1]
- Contributed to the development of the 1991 Madrid Protocol [1] and is now contributing to its implementation [1]
- Working to establish a Polar Code that will be adhered to by all vessels operating in the Southern Ocean [1]
- Working to establish a network of marine reserves [1]
- Working to manage the fisheries within the Southern Ocean [1]
- Regulates tourism [1]
- Supports the Southern Ocean Whale Sanctuary [1]
- Lobbies for environmental protection [1]

Scientific Committee on Antarctic Research (SCAR) – six from the following points:

- Controls the scientific research carried out in Antarctica [1]
- Advises the Antarctic Treaty Consultative Meeting [1]
- Advises the United Nations Framework Convention on Climate Change [1]
- Advises the IPCC [1]
- Recommendations on the science and governance of Antarctica made by SCAR have been implemented by the Antarctic Treaty System [1]
- Provides information and advice about the role of Antarctica in the Earth System [1]
- Holds an Open Science Conference to raise awareness of and discuss the issues faced by Antarctica [1]

Extension Question

12. 20 marks

Students **must** provide some points supporting the idea that global governance has been effective.

Students **must** provide some points that do not support the idea that global governance has been effective.

Students could provide some form of conclusion.

Some suggested answers:

| Effective global governance | Ineffective global governance |
|---|---|
| Tourism in Antarctica is allowing people equal access to the area, and is having a very limited environmental impact [1]. The international Association of Antarctica Tour Operators has been set up to help facilitate responsible tourism [1]. | While tourism has little impact on Antarctica itself, the surrounding waters are being polluted [1]. Furthermore, membership to IAATO is not compulsory, and so not all tour operators and tourists are adhering to the guidelines [1]. |
| Fishing limits in the Southern Ocean and Antarctica have been implemented [1]. | Overfishing has caused depletion of fish stocks [1] and impacts on other species in the food chain [1]. Fishing limits are being grossly exceeded [1]. |
| The International Whaling Commission halted commercial whaling of most countries by 1846 to prevent species becoming depleted [1]. Japan, Norway and Iceland are the only countries to continue whaling [1], and Norway and Iceland do not take whales from the Southern Ocean [1]. | Whales and seals were hunted to near extinction [1]. Action was not taken until exploitation had already reached a critical level [1]. Japan opposed the agreement to cease whaling [1]. |
| The Scientific Committee on Antarctic Research is providing advice to organisations regarding science and conservation within Antarctica [1]. | Even if researchers take great care in their work, disruption will still be caused to the environment and wildlife [1]. |
| Mining for resources has been completely banned in Antarctica despite the continent having known mineral reserves [1]. | Some members of the Antarctic Treaty continue to try to formulate ways in which they can exploit Antarctica's resources [1]. |
| The Antarctic Treaty System allows free access and research rights to member countries which have agreed to use the continent for peaceful purposes only [1]. | The Treaty still allows access to Antarctica. While access is a right attached to global commons, any activity on the continent is likely to cause some level of environmental instability [1]. |
| NGOs are effectively influencing governments and impacting on the global governance of Antarctica; for example, the Antarctic and Southern Ocean Coalition have successfully campaigned for the inclusion of a precautionary ecosystem approach in the ATS [1]. | While ASOC is effectively protecting the environment in Antarctica, it is the only NGO working full-time to preserve the continent [1]. |

Total: 20 marks

Total marks for test: 60 marks

Test 4 – Overview

1. 3 marks

Four from the following points:

- Interconnections between countries mean they have more common goals [1]
- Increased interdependence [1]
- Formation of WTO / IMF / World Bank has facilitated good geopolitical relations [1]
- Reduced chance of conflict due to mutual reliance and interests [1]
- Improved communications systems makes cooperation and communication easier [1]
- Countries have investments and stakes in a range of different countries, encouraging the maintenance of good international relations [1]

2. 4 marks

Changing patterns of production have meant that environmentally damaging / polluting industrial processes such as manufacturing are moving from Western Europe and North America to emerging countries in Asia [1]. This is known as the global shift [1]. Industrial activity and manufacturing create large amounts of pollution and can be damaging to human health, so the global shift in manufacturing is also shifting the negative environmental impacts from the developed world to the developing world [1]. In some cases, manufacturers outsource production processes in order to avoid the strict environmental laws implemented in developed countries, and, therefore, cause environmental damage in less-developed countries [1].

3. 4 marks

Four from the following points:

- Invention of the Internet has enabled quick and easy global communication at all hours of the day and night [1].
- Development of digital computer technology has helped enable global communication [1].
- Mobile phone development has both enabled improved communication [1] and allowed for access to information from across the world for large proportions of the global population [1].
- Improved transport systems have made the movement of people and goods around the world faster and easier [1].
- Computerised logistics systems have simplified complex processes of moving people, goods and investment [1].
- Improved technology in manufacturing has meant more goods are able to be produced, reducing the price and increasing trade [1].
- Development of digital marketing has meant companies are able to advertise their goods and services across the world, accessing a global market [1].

4. 4 marks

Four from the following points:

- Part of the North American Free Trade Association (NAFTA) [1]
- Proposed Trans-Pacific Partnership between USA and countries in Asia and South America [1]
- Proposed Transatlantic Trade and Investment Partnership between the USA and EU [1]
- EU and USA have the largest bilateral trade relationship in the world [1]
- Strong trade relationship with Canada [1]
- Had a trade deficit for many years; however, the deficit decreased substantially between 2015 and 2016 [1]
- Traditionally been a protectionist economy and was initially reluctant to form trade agreements [1]
- USA is increasingly trying to forge trade agreements with different regions [1]

(Consideration of possible changes to the above as a result of new governmental policies in the USA)

5. 4 marks

Four from the following points:

- Sell goods and services in different countries, creating flows of commodities and money across borders [1]
- Distribution of production processes across the globe, involving a range of countries in the production of a good [1]
- Resources are sourced from across the globe, depending on where they can be obtained the most cheaply, creating a global supply chain [1]
- Global marketing campaigns mean that certain brands are recognisable across the globe and the consumption patterns of different countries are becoming increasingly similar [1]
- The jobs that TNCs create in certain countries and regions can lead to internal and international migration as people move in search of jobs [1]
- TNCs invest in research and development, helping create the technological developments that increase the rate of globalisation [1]

6. 6 marks

Suggested answers (six from the following points):

- Can exacerbate inequality [1]; for example, within the United Nations a disproportionate amount of power lies with the five permanent member states [1]. These states have the power to veto any decision and may influence decisions in their favour [1].
- Can cause injustices, as attempts at governance may be perceived as an assault on personal freedom [1]; for example, attempts at population control may go against certain religions [1] or attempts at climate change control and pollution reduction may be perceived as a restriction on people's personal choices and freedom of actions [1].
- Cooperation between all nations as well as at local, regional and national levels is fundamental but can be difficult to achieve [1]. The need for agreement between all states before action can take place can lead to delayed action [1], which can be detrimental, and incredibly damaging in some cases; for example, in the case of deciding whether to intervene in conflict in or between certain nations [1].

7. 6 marks

Purpose (at least one from the following points):

- To effectively conserve whale populations [1]
- To manage the whaling industry [1]

Scope (at least one from the following points):

- Protects some species entirely [1]
- Creates specific areas as whale sanctuaries [1]
- Implements and enforces catch limits [1]
- Creates restrictions on the type of whales which can be hunted [1]
- Designates certain seasons for whaling [1]
- Maintains records for number of whales hunted [1]
- Coordinates and funds conservation work for species of whales, dolphins and porpoises [1]

Success (at least one from the following points):

- Commercial whaling banned in 1986 – International Whaling Moratorium [1]
- Japan, Iceland and Norway continue to hunt whales [1]
- Iceland and Norway only hunt whales in Exclusive Economic Zones in the North Atlantic [1]
- Russia objected to the International Whaling Moratorium [1] but has not continued to hunt whales [1]

8. 9 marks

Nine from the following points:

- It is difficult to enforce policies and laws to protect Antarctica against the variety of threats it faces because the continent does not belong to any one nation [1].
- Advancements in technology have increased the potential for extracting the resources in Antarctica [1]. Some members within the Antarctic Treaty System have attempted to formulate a convention which would have allowed them to explore and possibly exploit Antarctica's mineral reserves [1].
- The environment of Antarctica is very vulnerable to human-induced climate change, which is causing ice sheets and glaciers to retreat [1].
- Pollution is causing ocean acidification which will disrupt polar and subpolar marine ecosystems [1].
- Initial lack of laws and policies protecting the area meant exploitation of wildlife such as seals and whales occurred when the continent was first discovered [1].
- The Southern Ocean supports a diverse population of fish and krill that are collected commercially, causing worrying reductions in population numbers [1].
- Commercial fishing will also have adverse knock-on effects for the rest of the food chain / food web [1].
- The area is difficult to monitor, and ships passing through the Southern Ocean cause damage to marine habitats [1] as well as polluting the ecosystems by dumping waste into the ocean [1].
- Antarctica is a popular destination for scientific research, and even with the scientists taking great care to limit their impact, some level of environmental damage is inevitable due to the fragile nature of the environment [1].
- Antarctica has become a destination visited by tourists, and, while the impact of tourism is kept to a minimum, it is not non-existent, and peak tourist visiting times coincide with the wildlife breeding seasons [1].
- The international Association of Antarctica Tour Operators has been set up to help facilitate responsible tourism, but membership is not compulsory, meaning some visitors do not adhere to the protective measures set out in the guidelines [1].

Extension Question

9. 20 marks

Students **must** provide some points supporting the idea that global governance has been effective.

Students **must** provide some points that do not support the idea that global governance has been effective.

Students should provide some form of conclusion.

Suggested answers in support of the statement:

- Globalisation has enabled the economic growth of developing countries [1] as they have become involved in production processes [1] which have enabled sufficient economic growth to allow the country to engage in global trade [1].
- Economic growth in developing countries has allowed societal development [1] and improvements in the standard of living and quality of life for many people in developing countries [1].
- Globalisation has also enabled economic growth in developed countries [1], with a large number of TNCs originating from the developed world and, therefore, benefiting from the profits made through globalisation [1]. Developed countries are developing strong service sectors and a knowledge-based economy, which contribute significantly to economic growth [1].
- Globalisation has increased foreign direct investment in both developed and developing countries, improving the infrastructure and aiding development all across the world [1].
- Globalisation has led to increased integration [1] and improved geopolitical relations across the globe [1]. The flows of people, goods and money have meant countries increasingly have a common goal or shared interest and are, therefore, more cooperative with other countries [1].
- The formation of a number of international trade entities has increased stability for many nations, as trading and investment patterns are unlikely to be disrupted by increased tariffs or quotas [1].
- The formation of global governance organisations such as the United Nations actively works to improve development in certain countries, such as through the Millennium Development Goals [1] and Sustainable Development Goals [1].

Suggested answers that do not support the statement:

- In many cases, globalisation has increased inequality [1], as it is largely the wealthier and more educated members of a society who are able to access the opportunities created from globalisation [1].
- Globalisation also creates a range of injustices for different people and places [1]. For example, TNCs exploit the cheap labour in developing countries and force the employees to work long hours, in poor conditions and for little pay [1].
- Injustices are also being created as developed countries exploit the natural resources of developing countries, which do not have the technology to extract these resources themselves [1]. In some cases, it is feared that developing countries are held back from growth and development by developed countries, in order for the exploitation of their labour force and natural resources to continue [1].
- Globalisation is causing conflicts in some instances as it is creating shortages of food and water [1] as well as of resources [1].
- Civil conflict may arise as groups in developing countries feel richer nations are benefiting at their expense [1].
- Restricting trade to a country through implementing sanctions or high tariffs can also lead to tensions and conflict [1].
- Globalisation is also causing significant environmental impact across the world [1]. For example, TNCs often cause significant environmental damage through resource extraction and industrial activity in developing countries [1]. In some cases, TNCs even locate in developing countries in order to take advantage of non-existent or unregulated environmental policies [1].
- Increased transportation of people and goods via planes and ships is also creating huge amounts of pollution and contributing to global warming [1].

Example conclusion:

Both the benefits and costs of globalisation are significant, and global governance has not been effective in significantly reducing these costs. However, globalisation does create many opportunities for both developing and developed countries, and so I argue that the benefits do outweigh the costs, but efforts still need to be taken to remove the costs concentrated in the developing world [1].

Total: 20 marks

Total marks for test: 60 marks