**Q1.**

Outline the spatial organisation of **one** transnational corporation (TNC) you have studied.

**[4 marks]**

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**Q2.**

‘The UN has worked tirelessly to promote growth and stability across the globe, but TNCs have been far more successful in this regard.’

To what extent do you agree with this view?

**[20 marks]**

Mark schemes

**Q1.**

Point marked

Allow 1 mark per valid point with extra mark(s) for developed points (d). For example:

Notes for answers

Allow credit for specific knowledge and understanding of the spatial organisation of any TNC. Max 3 marks if the TNC is not clearly identified. If more than one TNC used, credit the best response.

•   Apple is a global brand which has its main operations based across North America, Europe and Asia (1). Its HQ and research centre is based on its own campus – Apple Campus in Cupertino, California (1) (d). Assembly is mainly outsourced to Foxconn who have bases across China making use of a vast low-cost labour market (1). Foxconn has its main production base in its own purpose-built city, Foxconn City in Guangdong (1) (d).

•   The Indian Tata group is a made of several different companies involved in products as diverse as cars, coffee, steel and software (1). It operates in over 80 countries with most of the headquarters based in India (1). Over 60% of its revenue is accrued outside India (1).

•   Nestle is the world’s biggest food company with its headquarters based in Vevey, Switzerland (1). It has operations in 86 countries across the world employing 328 000 people globally (1) (d). It is an umbrella organisation, which has acquired or has stakes in many other brands such as L’Oreal, Starbucks and Crosse and Blackwell (1). Nestle shows evidence of vertical and horizontal integration (1) (d). Although a Swiss company, nearly 45% of its sales occur in North America (1).

•   The TNC has its headquarters in the home country with subsidiary headquarters in three other continents where their operations are based (1). Research and development is based in the home country near to major universities (1) (d). This allows them to make use of the facilities and attract a graduate labour force (1).

The notes for answers are not exhaustive. Credit any valid points.

**AO1 = 4**

**[Total 4 marks]**

**Q2.**

**AO1** – Knowledge and understanding of attempts at global governance by the UN. Knowledge and understanding of TNCs and their impact on countries they work in.

**AO2** – Application of knowledge and understanding to analyse and evaluate the role played by the UN and TNCs in promoting growth and stability and their relative success in doing so.

Notes for answers

The question requires students to evaluate the comparative success of TNCs and the UN in promoting growth and stability. Responses may consider the impacts of this, for example reducing inequalities. They may answer with reference to one or more TNCs.

**AO1**

•   Knowledge and understanding of the role of the UN in global governance. Knowledge of different organisations working under the umbrella of the UN such as the UNDP and the General Assembly.

•   Role of UN in promoting growth and stability for example the peacekeeping forces sent to areas that have recently been in conflict.

•   UN projects to promote growth and stability for example the Sustainable Development Goals.

•   The causes of inequalities between and within countries as a result of globalisation. Unequal flows of people and money at different scales – global, regional and local.

•   Unequal flows of money lead to an increasing gap in wealth. Evidence suggests that this gap is decreasing between rich and poor countries but the gap within countries is widening as the wealthier residents are able to take more advantage of changes in education, technology and labour demands.

•   Knowledge of the nature of TNCs and their contribution to a global system. TNCs are found across all sectors of industry and many are truly global in the sense that they produce global brands which are sold across the globe for example Apple.

•   TNCs are hierarchical and operate on a top-down basis from a HQ in a developed country. This means that branches are vulnerable to change as they are not part of the decision-making process for example there may be sudden factory closures or re-location resulting in severe job-losses.

•   Knowledge of the nature of a specific TNC. For example, Nissan based in Tokyo employs 186 000 people worldwide in the production of vehicles. It has a revenue in excess of $88billion. It has production plants in 16 countries across the globe.

**AO2**

•   Evaluation of attempts by the UN to promote growth. For example, the FAO has negotiated fairer trade agreements between LICs and HICs promoting agricultural growth for countries such as Ghana.

•   Attempts by the UN to reduce inequalities have had mixed success as well – the Millennium Development Goals have had mixed success. Some countries such as Brazil met all of them, others such as Benin didn’t reach any – this has increased global inequalities.

•   Evaluation of the role of the UN in promoting growth through the resolution of conflict. For example, peacekeeping forces in Africa have been able to maintain a fragile peace, resulting in development in those countries. However, they have not been able to resolve some long-standing conflict issues in places such as Somalia, resulting in further inequalities.

•   Evaluation of the social and economic impacts of TNCs on the host country. For example, outsourcing has created considerable employment in countries like Bangladesh. However, there have also been concerns about child labour. Economically TNCs encourage FDI and this has promoted growth.

•   Evaluation of the social and economic impacts of TNCs on country of origin. For example, the increased tax revenue for the USA and local taxes in Oregon from Nike HQ. However, there is high local unemployment due to lack of manufacturing in the US.

•   Analysis of the role of TNCs in creating inequalities. In the host country, there is increased rural-urban migration as farm workers seek out higher wages in TNC factories or call-centres. This creates a greater level of inequality between urban centres and rural areas.

•   Analysis of the role of TNCs in promoting economic growth. In the host country, contrary to popular beliefs TNCs often pay higher wages – average wage is 40% higher than that paid by local firms this can result in local firms having to close due to lack of workers. On the other hand, many TNCs use local firms to complete part of the production process increasing investment in the local area.

•   They may consider that TNCs have on some occasions undermined the work of the UN. For example, despite attempts by UN to negotiate fairer trade between LICs and HICs, TNCs have frequently moved in and bought up land used by local farmers.

•   Overall conclusion should seek to consider the extent to which the UN and TNCs are successful in creating growth. They should come to a conclusion as to whether TNCs are more successful than the UN. Any conclusion is valid as long as it is supported by the evidence in the response.

Any valid assessment will be credited.

**Level 4 (16–20 marks)**

•   Detailed evaluative conclusion that is rational and firmly based on knowledge and understanding which is applied to the context of the question (AO2).

•   Detailed, coherent and relevant analysis and evaluation in the application of knowledge and understanding throughout (AO2).

•   Full evidence of links between knowledge and understanding to the application of knowledge and understanding in different contexts (AO2).

•   Detailed, highly relevant and appropriate knowledge and understanding of place(s) and environments used throughout (AO1).

•   Full and accurate knowledge and understanding of key concepts and processes throughout (AO1).

•   Detailed awareness of scale and temporal change which is well integrated where appropriate (AO1).

**Level 3 (11–15 marks)**

•   Clear evaluative conclusion that is based on knowledge and understanding which is applied to the context of the question (AO2).

•   Generally clear, coherent and relevant analysis and evaluation in the application of knowledge and understanding (AO2).

•   Generally clear evidence of links between knowledge and understanding to the application of knowledge and understanding in different contexts (AO2).

•   Generally clear and relevant knowledge and understanding of place(s) and environments (AO1).

•   Generally clear and accurate knowledge and understanding of key concepts and processes (AO1).

•   Generally clear awareness of scale and temporal change which is integrated where appropriate (AO1).

**Level 2 (6–10 marks)**

•   Some sense of an evaluative conclusion partially based upon knowledge and understanding which is applied to the context of the question (AO2).

•   Some partially relevant analysis and evaluation in the application of knowledge and understanding (AO2).

•   Some evidence of links between knowledge and understanding to the application of knowledge and understanding in different contexts (AO2).

•   Some relevant knowledge and understanding of place(s) and environments which is partially relevant (AO1).

•   Some knowledge and understanding of key concepts, processes and interactions and change (AO1).

•   Some awareness of scale and temporal change which is sometimes integrated where appropriate. There may be a few inaccuracies (AO1).

**Level 1 (1–5 marks)**

•   Very limited and/or unsupported evaluative conclusion that is loosely based upon knowledge and understanding which is applied to the context of the question (AO2).

•   Very limited analysis and evaluation in the application of knowledge and understanding. This lacks clarity and coherence (AO2).

•   Very limited and rarely logical evidence of links between knowledge and understanding to the application of knowledge and understanding in different contexts (AO2).

•   Very limited relevant knowledge and understanding of place(s) and environments (AO1).

•   Isolated knowledge and understanding of key concepts and processes (AO1).

•   Very limited awareness of scale and temporal change which is rarely integrated where appropriate. There may be a number of inaccuracies (AO1).

**Level 0 (0 marks)**

•   Nothing worthy of credit.

**AO1 = 10, AO2 = 10**

**[Total 20 marks]**

Examiner reports

**Q2.**

This question was the highest average scoring essay on the paper. More able students who had detailed knowledge of both TNCs and the UN were able to apply that knowledge the assess the relative success in promoting growth and stability. Weaker responses frequently indicated lack of understanding of the demands of the question.