



**Evidence A: Standard of Living**

Country	GDP per head of the population \$US (2004 estimates)
Turkey	7,400
United States	40,100
Mexico	9,600
Malawi	600
United Kingdom	29,600
Sierra Leone	600
Luxembourg	58,900
Sudan	1,900

Source: CIA World Factbook – <http://www.cia.gov/cia/publications/factbook/rankorder/2004rank.html>

The United States is very rich and very powerful but, despite this, 12% of the population live below the poverty line. The lowest 10% of wage earners own just 2% of the total wealth of the country. The richest 10% own over 30% of the total wealth of the country.

**Evidence B: Different types of poverty**

**Photograph 1:**



Mother and daughter in an apartment in St Petersburg, Russia. 28 people from different families share ten bedrooms, one kitchen, one toilet, one bathroom and a long corridor.

**Photograph 2:**



Street children in Mongolia. Magni lives in and around the sewers where it can be slightly warmer than living on the street.

**Photograph 3:**



Mozambique 2005: A one year old boy sits in a mud hut. Both his parents have died from AIDS.

**Photograph 4:**



Two boys from a family in a house in Pontypridd, Wales.

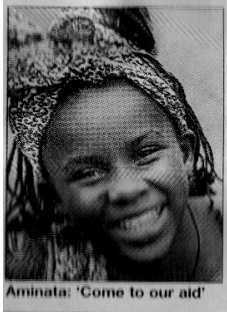
Source: Getty Images: Education Image Gallery



### Evidence C: Income Inequality and Poverty

Sierra Leone in Africa is a country with huge economic problems. 7% of the population (170,000 people) have HIV or AIDS and there are 11,000 deaths every year from this disease.

Malaria is also a big killer. "It kills more than AIDS because not enough children have access to clean drinking water" said Aminata Palmer, an 11 year old native girl of Sierra Leone.



Two thirds of the population just survive by growing their own crops but many live below the poverty line unable to afford even mosquito nets.

Source: Michael Tait, Metro, July 4th 2005

### Evidence D: Unemployment



A Nepalese beggar sleeps alongside his son on the streets of Kathmandu, the capital of Nepal, in 2003. Nepal suffers from severe economic problems. Approximately 17% of the population are unemployed.

Source: Getty Images: Education Image Gallery



### Evidence E: Division of labour and specialisation



Some developing countries such as Costa Rica, Honduras and Panama rely heavily on a product like bananas for much of their wealth. Companies employ workers to specialise in one task like packing bananas. With their wages, workers can buy the things they need.

Source: Getty Images: Education Image Gallery and [http://www.bized.co.uk/current/mind/2003\\_4/190104.htm](http://www.bized.co.uk/current/mind/2003_4/190104.htm) credit, Nick Shaw, Banana Link

### Evidence F: Multi-Nationals

Unilever is a trans-national or multi-national company operating in Indonesia. As a result of Unilever's investment, around 300,000 people earn a living based on work related to this investment. Unilever also pays taxes to the Indonesian government as a result of its work in the country.

Source: adapted from [http://www.oxfam.org.uk/what\\_we\\_do/issues/livelihoods/unilever.htm](http://www.oxfam.org.uk/what_we_do/issues/livelihoods/unilever.htm)

The former United Nations (UN) Secretary General, believed more multi-nationals were looking to invest in developing countries not just as a source of cheap labour but to help the countries grow and develop new skills and technologies.

Less developed countries tend to rely on agriculture for generating wealth and employment. It is hard for them to take advantage of the developments in new information and communications technologies (ICT) and they tend to fall further behind richer countries whose economic growth is stronger.

Source: adapted from <http://www.un.org/esa/ffd/0304-BS-Report%20on%20workshop2.pdf>

### Evidence G: Reducing Debt for Poor Countries

In Tanzania a third of the 36 million population live on less than £1.15 a day.

The World Bank agreed to cancel half of the debt owed by Tanzania. It meant that £80 million a year that would have been spent on interest payments on the debt could be used elsewhere.

Some of this money went into education. It has helped to increase the number of teachers, desks and books that the children have. The investment must be continued to help those leaving primary school to go on to secondary school but also to fund clean water supplies, health services, and infrastructure all of which are necessary to reduce poverty.

If the investment is not continued then children leaving primary school will not be able to continue with their education and the country will miss out on the benefits this could bring.

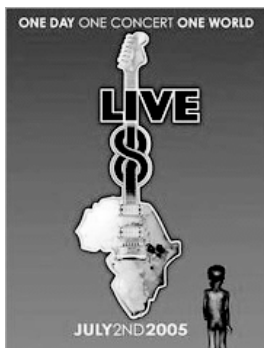
Source: adapted from Mike Pflanz, Debt relief, July 6th 2005. *The Daily Telegraph*



**Evidence H: Live 8**

“20 years ago, LIVE AID raised a staggering \$200m for those suffering death by starvation.

LIVE 8 in July 2005 was not about raising money but raising awareness of poverty. We wanted the leaders of the wealthy nations to give \$25 billion per annum for Africa to attack poverty.



The leaders eventually agreed – LIVE 8 was wonderful and devastatingly effective.

- This means 10 million people will live because you danced for life.
- This means 20 million children will go to school because we played our guitars.
- 5 million orphans will be taken care of because we sang for joy. 600,000 people every year will not now die of malaria.

The list of excellence goes on.

You did this. Thank you so very much. Millions live because of you.”

Source: adapted from <http://www.live8live.com/>

**Evidence I: Help or Hindrance?**

Demba Moussa Dembele of the African Forum on Alternatives was critical of Bob Geldof and Live 8. “He did it for his self-promotion. The objectives of the whole Live 8 campaign had little to do with poverty reduction in Africa. To the press, and therefore to most of the public, he is a saint. Among those who know something about the issues, he is detested”.

Source: adapted from <http://www.monbiot.com/archives/2005/09/06/the-man-who-betrayed-the-poor/>

A man from Cameroon in Africa said:

What use is a concert to people in Africa? The concert was not for us but to amuse the crowds and to make them feel better about themselves. Africans are not children who need to be told by the West what they are doing wrong, we know what the problems are.

Source: adapted from [http://en.wikipedia.org/wiki/Live\\_8#Criticisms](http://en.wikipedia.org/wiki/Live_8#Criticisms)



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### Section A

Answer ALL of the questions in this section.

1. (See Evidence A)

(a) Using an example, explain the meaning of the term '*income distribution*'.

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(b) Discuss the effects on the population of the unequal income distribution in a 'rich' country like the United States.

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(Total 12 marks)

Q1

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2. (See Evidence B)

(a) Using an example, explain the meaning of the term '*standard of living*'.

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(b) Look at the four photographs in the evidence. Put the four photographs in order. Start with the photo showing the highest standard of living.

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(c) All of the photographs show examples of people living in poverty. Do you think that each person in the evidence is equally poor? Explain your reasoning.

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**(Total 12 marks)**

**Q2**

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(b) Problems such as disease make it harder for people in countries such as Malawi or Sierra Leone to escape from poverty. Explain why.

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Q3

(Total 14 marks)

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4. (See Evidence D)

Analyse the impact of high unemployment on a country.

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Q4



5. (See Evidence E)

(a) Using an example, explain what you understand by the term '*specialisation*'.

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(b) Describe **one** advantage of specialisation for a banana company.

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(c) Explain **two** problems that relying on just one product might cause for countries such as Costa Rica, Honduras and Panama.

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Q5

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6. (See Evidence F)

Investment is an important factor in generating growth in developing countries.

(a) Define 'investment' **and** explain how investment can lead to economic growth.

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(b) Identify and explain **one** problem a developing country might face in attracting investment into the country.

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(Total 10 marks)

Q6

**TOTAL FOR SECTION A: 70 MARKS**



**Section B**

**You must answer ALL parts of the question in this section.**

7. (a) Explain how putting funds into education might help a developing country develop flexibility and creativity in its workforce.

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(See Evidence F)

(b) Discuss the impact of business investment from overseas in improving the standard of living of people in a less developed country.

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(See Evidence G, H and I)

(c) Describe **one** strategy to reduce the level of poverty in a country such as Sierra Leone.

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Bob Geldof used his contacts to set up a series of concerts to raise awareness of global poverty through the Live 8 concerts.

(d) To what extent do events such as Live 8 help solve the problems facing less developed countries?

Dotted lines for writing.





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Q7

(Total 30 marks)

TOTAL FOR SECTION B: 30 MARKS

TOTAL FOR PAPER: 100 MARKS

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