

Question 26 (Answer: C)

- Aid from an international body such as the UN is *multilateral*, not bilateral.
- Aid that must be spent on goods from a specified country is *tied* aid.
- So this is multilateral and tied – the two characteristics have to be read separately.

Question 27 (Answer: A)

- Aid gives the most long-term benefit when it builds lasting productive capacity.
- So it should fund education, infrastructure or healthcare rather than consumption.
- It is also more valuable *untied*, so the recipient can buy at the lowest price.

1	• A small number of relevant knowledge points are included and the response is limited by significant errors or omissions. • The response has little relevance to the question. • Analysis where provided is largely descriptive. Use of analytical tools such as diagrams and formulae, where necessary, may contain significant errors or be omitted completely. • Responses show limited organisation of economic ideas.
0	No creditable response.

Table B: AO3 Evaluation

Use this table to give marks for each candidate response for AO3 Evaluation for **Question 5**.

Level	Description
2	• Provides a justified conclusion or judgement that addresses the specific requirements of the question. • Makes developed, reasoned and well-supported evaluative comment(s).
1	• Provides a vague or general conclusion or judgement in relation to the question. • Makes simple evaluative comment(s) with no development and little supporting evidence.
0	No creditable response.

1(a)	Explain what is meant by absolute poverty. Absolute poverty is when an amount of money is chosen as the poverty level (1) In this case it is US\$ 2.15 per day (1) Allow for a comparison – absolute poverty is about a fixed, universal standard of survival (1), whereas relative poverty is defined by social comparison within a specific country or community (1) Credit basic needs (1) Do not credit minimum wage
1(b)	Explain, with the aid of a diagram, how the migration of workers from a low-income country is likely to affect wages in the low-income country. Labels and axes Wages/labour (1) Initial S and D for labour (1) and equilibrium point (1) Reduction in the supply of labour (supply curve shift) (1) New equilibrium wage and quantity (1) Maximum 3 marks if no diagram
1(c)	The article states: ‘The remittances received by those countries in 2022 was \$650 billion.’ Analyse how this is likely to benefit the migrants’ home economies. Remittances a form of invisible earning for the migrant’s home country (1) thus the US\$650 are secondary income for the home country (1) There BoP effect is to increase exports (X) (1) and to increase the (X–M) element in the aggregate demand equation (1). The increase in AD will shift the AD curve to the right (1) and GDP will increase (1) Candidates can show this effect through an AD/AS diagram (2) NOTE: Candidates may take a wider view than the macro mark scheme and consider groups within the economies as the references in data.
1(d)	Consider if the article contains sufficient information to support the view that migrants have only a beneficial economic impact on the host country. Beneficial to host country: Higher labour force (1), pay taxes (1) allows pay-as you-go pension system (1), increases demand (1), Increased productivity and economic growth (1) Entrepreneurship e.g. new business startups Max 3. Disadvantages: The effects of higher demand for housing (1), health services (1), education services (1). cultural differences (1) are not mentioned, Other considerations-wage suppression in some sectors, short term unemployment effects, integration/training costs, regional disparities Max 3. Justified Conclusion (1)