

9.4 Economics in the Global Age

Name: _____ Class: _____ Date: _____

Total: 13 marks

KEY WORDS knowledge economies 知识经济 • changing economic institutions, multinational corporations 跨国公司
• and regional trade agreements 区域贸易协定 • free-market economic policies 自由市场政策 • global economy 全球经济

Objective

Build the skills to explain the **global economy** 全球经济 after 1945.

You must be able to:

- state what accelerated free-market policies
- state where knowledge economies and manufacturing were located
- name the three things reflecting free-market principles
- explain why this is continuity as well as change

1 Worked examples

Study these first. Each one shows the method for a task used later.

■ The acceleration

In a trend accelerated by the end of the Cold War, many governments encouraged free-market economic policies and promoted economic liberalisation in the late 20th century. The trend existed before 1991 and was accelerated by it.

■ Two locations

Revolutions in information and communications technology **led to the growth of knowledge economies in some regions, while industrial production and manufacturing were increasingly situated in Asia and Latin America.** A relocation, not a disappearance.

■ Three reflections

Changing economic institutions, multinational corporations and regional trade agreements reflected the spread of free-market principles and practices throughout the world.

■ Continuity

5.7 recorded Western European states abandoning mercantilism for free trade. The late 20th century repeats the argument on a global scale, so this is a return as much as a novelty.

2 Practice

2.1 State what accelerated free-market policies and when. [2]

2.2 State where knowledge economies and manufacturing were located. [2]

2.3 Name the three things reflecting free-market principles.

(a) Name them. [3]

(b) State the earlier subtopic this repeats. [1]

3 Exam-style questions

3.1 The trend towards free-market policies was [1]

- A created by the end of the Cold War
- B accelerated by it
- C ended by it
- D unaffected by it

3.2 Industrial production was increasingly situated in [1]

- A Asia and Latin America
- B Western Europe

- **C** the Arctic
 - **D** nowhere
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3.3 Manufacturing leaves one region and grows in another.

- (a) State whether world manufacturing has fallen. [1]
- (b) Explain the distinction being made. [2]
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Solutions

2.1 the end of the Cold War accelerated it in the late 20th century.

2.2 knowledge economies grew in some regions; industrial production and manufacturing were increasingly situated in Asia and Latin America.

2.3 (a) changing economic institutions; multinational corporations; regional trade agreements. (b) 5.7's abandonment of mercantilism for free trade.

3.1 B. accelerated, so it pre-existed.

3.2 A. Asia and Latin America.

3.3 (a) no. (b) the location of production changed rather than its quantity, which is the same share-versus-output distinction as 5.4.