1 INTERNATIONAL SPECIALISATION-SET-3-QP-MS

In 2014 global steel demand slowed because of a halving of the growth in consumption by China, the world's biggest market for steel. The world's biggest steel producing firm forecast higher profits for 2014 although it thought that it might have to cut production. The firm was increasing its specialisation within the steel market. Employment in the industry has declined as firms have sought to reduce their capacity.

(a) Define 'specialisation'. [2]

MARKSCHEME:

Concentration / focus (1) on particular products/tasks (1).

2 The Gulf countries, some of which are quite specialised, import a high proportion of the food their inhabitants eat. For example, the United Arab Emirates imports 83% of all the food that it consumes. The Gulf countries are trying to reduce their reliance on imports of food.

(a) Define 'specialisation'. [2]

(b) Explain **two disadvantages** that workers may experience from specialising. [4]

MARKSCHEME:

(a)The concentration/focus (1) on one task/product / what they are best at (1).
(b)
1 mark each for each of two disadvantages identified:
- **risk may not find another job easily**
- **not finding where key strengths lie**
- **limited skills**
- **boredom**
- **demotivation**
- **increased risk of being replaced by machines**
- **disruption caused by absent fellow workers.**

1 mark each for each of two explanations of the disadvantages:
- **workers may not find it easy to transfer their skills to another job should they lose their jobs / risk of long term unemployment**
- **concentrating on a particular task may mean that workers do not find out what they are best at**
- **performing the same task each day can become tedious**
- **breaking down a process into its separate parts may make it easier to mechanise**
- **workers may feel less appreciated**
- **may have to cover for absent colleagues / example of impact on the workers.**

3 Free trade has allowed the Mexican economy to specialise in low-cost manufacturing. Unemployment nationally is relatively low, but approximately 50 million people were still considered to be in poverty in 2016. In addition, there are worries that technological advances will soon replace labour with capital.

(c) Analyse how firms can benefit from specialisation. [6]

MARKSCHEME:

Coherent analysis which might include:
Improve skills of workers (1) save time (1) lead to invention of new technology (1) increase productivity (1) raise quality (1) decrease average cost of production (1) decrease prices (1) increase demand (1) enable advantage to be taken of economies of scale (1) increase profits (1).

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