



General Certificate of Education

Economics 6141

**EC4W: Working as an Economist:
The European Union**

Mark Scheme

2009 examination - January series

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Advanced Level Economics**January 2009****EC4W****Mark Scheme*****General Instructions***

Marks awarded to candidates should be in accordance with the following mark scheme, and examiners should be prepared to use the full range of marks available. Where the candidate's response to a question is such that the mark scheme permits full marks to be awarded, full marks **MUST** be given. A perfect answer is not necessarily required. Conversely, if the candidate's answer does not deserve credit, then no marks should be given.

Occasionally, a candidate may respond to a question in a reasonable way, but the answer may not have been anticipated when the mark scheme was devised. In this situation **OR WHENEVER YOU HAVE ANY DOUBT ABOUT THE INTERPRETATION OF THE MARK SCHEME**, telephone the Senior Examiner to discuss how to proceed.

Quality of Written Communication

The marks awarded for Quality of Written Communication are included in this mark scheme.

The Case Study paper is marked holistically using the same marking criteria as are used for marking coursework. When marking the report, examiners should identify evidence of the skills being assessed by using the following key.

k	Knowledge and Understanding
ap	Application
an	Analysis
e	Evaluation
c	Quality of Written Communication

Case Study: The European Union

Requirements of the report

You are to write a report entitled: 'Free movement of labour: good or bad for an economy?'

Your report should:

- use economic analysis to explain how the free movement of labour is likely to affect the markets for workers such as plumbers in **both** the UK **and** Poland;
- assess the likely **costs** to the economies of the UK **and** new entrants such as Poland of the free movement of labour in the enlarged Single European Market;
- assess the likely **benefits** to the economies of the UK **and** new entrants such as Poland of the free movement of labour in the enlarged Single European Market;
- make a recommendation as to whether the UK and other 'old' EU countries should continue to welcome the free movement of labour from 'new' EU entrants, or whether they should insist on restrictions. Justify your recommendation.

Use economic concepts and principles where appropriate. You will be given credit for demonstrating your ability to analyse, comment critically on, and make effective use of, the data provided. (84 marks)

Specific instructions to examiners

Examiners should use the following notes as guidance on what the question-setters expected to elicit from candidates as evidence of particular skills and levels of performance. This guidance should **NOT** be regarded as a 'straitjacket' and examiners should approach the work they are marking with an open mind, giving credit where it is justified by the evidence before them. Credit should always be given in circumstances where candidates respond in an unanticipated, but economically valid, way.

Points that could be raised by candidates include the following (it is stressed again that the suggestions put forward here are by no means exhaustive):

- use economic analysis to explain how the free movement of labour is likely to affect the markets for workers such as plumbers in **both** the UK **and** Poland;

This is intended to be a relatively easy aspect to address. The supply of labour is specifically mentioned in the A2 specification as a syllabus item, so candidates should be equipped, if they so choose, at least to make a list of influences on the supply of labour to these markets (**k**), then move up the skills levels to assess which of these influences are likely to be affected and how (**ap**). There is information in the **extracts** on the European aspect, and better candidates should be able to select some relevant influences (skills, languages and, of course, occupational and geographical mobility (**an**)). The 'such as' is inserted deliberately so that discussion of, say, dentists, would be perfectly acceptable.

However, the semi-iconic figure of the 'Polish plumber' acts as a thread through the first three extracts, so candidates can be expected to use this example repeatedly throughout their report;

better candidates might also (especially as they move through the bullet points) take a broader picture and this might help examiners in the task of discrimination, as more perceptive candidates should appreciate that the ‘polish plumber’ is being used here as a motif, and that there are wider implications for labour markets (**an, e**).

Theoretical models, including diagrams, might be utilised at the level of the firm (increasing marginal labour productivity) or the market (increasing the supply of labour). The discussion offered by candidates could lead up to some comments about effects on wage rates (**ap**) or they could take those effects a step further and examine their implications for incentives, competitiveness, etc (**ap, e**).

- assess the likely **costs** to the economies of the UK **and** new entrants such as Poland of the free movement of labour in the enlarged Single European Market;
- assess the likely **benefits** to the economies of the UK **and** new entrants such as Poland of the free movement of labour in the enlarged Single European Market;

Candidates can get a good steer on these two bullet points from **Extract H**, interpreting ‘disadvantages’ as ‘costs’, and ‘advantages’ as ‘benefits’. This would be a starting point (**k, an**), and they could amplify some of the points listed in the extract (**an, ap, e**). For instance, they could explain some relationships between ‘supply of labour’ and ‘economic growth’, e.g. through greater AS and AD, lower labour costs, closing output gaps through reducing bottlenecks caused by skills shortages, etc. The phrase ‘cultural enrichment’ is likely to be translated into economic terms by only the sharpest economic minds among the candidature, but they could mention possibilities such as a wider range of goods and services appearing in the shops, the transfer of entrepreneurial skills, etc. On the ‘costs’ side, some of the ‘social infrastructure’ could be identified, e.g. roads, health services; and strong evaluation could come from candidates who realise that some ‘benefits’ have associated ‘costs’ and vice versa; for example: while immigration might put pressure on housing, this demand might help postpone or avoid a ‘crash’ in the housing market; and while immigrants might or might not be great consumers of the NHS, their presence enables the NHS to function in the first place (**e**).

Again, the ‘such as’ is inserted deliberately, so candidates could, possibly, obtain high marks with little or even no reference to Poland. The Single European Market is also deliberately mentioned. Even though this exact phrase does not appear in any of the extracts, perceptive candidates might realize that this is the context, and could comment on the fact that in any true market the mobility of labour is a key component of economic efficiency (**k, ap**); in **Extract E** there are some points of comparison with the USA, and a candidate with the skills to pick up this and use it would make a good impression (**an, e**).

The wider ‘economy’ (economies) can be interpreted at a ‘micro’ level, by considering different labour markets (skilled, unskilled, services, agriculture, etc, all mentioned in the extracts); at an ‘intermediate’ level (e.g. the effect on the production possibility frontier); or at a ‘macro’ level (effects on employment, inflation, trade) (**an, ap**).

The highest skills levels should be awarded to candidates who follow the guidance to consider effects on both old and new Europe. The **extracts** give plenty of scope for viewing both sides of the picture.

Extract D gives an interesting argument against free movement from the left of the political spectrum; Extract G reminds us that mobility works in more than one direction.

- make a recommendation as to whether the UK and other ‘old’ EU countries should continue to welcome the free movement of labour from ‘new’ EU entrants, or whether they should insist on restrictions. Justify your recommendation.

One good starting point would be the classification of labour market policies offered within **Extract A (k, an)**. While evaluation can occur throughout the report, this bullet point provides a clear opportunity to demonstrate this skill. **Extracts A to C** give the case for and against, and examination of the sources should elicit a comment on the possibility of **bias (e)**. The information in **Extract E** can be used in order to exemplify theory on supply, productivity, prices, etc. **(ap)**, and also can be used in evidence to support evaluative comments **(an, e)**.

In **Extract F**, the figures can be interpreted in the following way: they show a strong increase in immigration into the UK during the past four years, rising from 349,200 in 2002/03 to 662,400 in 2005/06. It can be seen that in the earlier year the vast majority of overseas nationals were from Asia and the Middle East, and although this figure rose over the next three years by 20,000, this was far outstripped by the numbers coming in from the new EU accession countries. In fact, no less than 270,200 arrived from these countries in 2005/6 **(an)**. The author’s comments below the table of figures should help with evaluation **(e)**.

An overall judgement/ justification should also be evaluative **(e)**, and candidates could suggest some further data that might have been included, or which they would seek if called upon to write a follow-up report **(e)**.

Overall Assessment

Stronger candidates should be writing closely to the scenario. Weaker candidates will simply copy chunks out of the data. This approach would suggest lower level performance. However, if the data is appropriately selected and re-ordered to be relevant to an aspect highlighted in the scenario, this should tend to put a candidate’s work in the middle levels. To move higher, the candidate should go beyond the selection and re-ordering of material from the case study.

Assessment Criteria

Examiners are to mark the report using the following assessment criteria, which are divided into five sections.

k	Knowledge and Understanding (AO1)	10 marks
ap	Application (AO2)	20 marks
an	Analysis (AO3)	20 marks
e	Evaluation (AO4)	30 marks
c	Quality of Written Communication	4 marks
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	Total	84 marks
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Knowledge and Understanding (k)

		Candidates are expected to demonstrate knowledge and understanding of economic concepts and theories which are relevant to the problem/issue being investigated.
Level 5:	8-10 marks <i>Mid-Point: 9</i>	An accurate, comprehensive and appropriate use of a range of relevant knowledge and understanding of economic concepts or theories.
Level 4:	5-7 marks <i>Mid-Point: 6</i>	Use of relevant knowledge and understanding of economic concepts or theories.
Level 3:	3-4 marks <i>Mid-Point: 4</i>	Some knowledge and understanding of economic concepts or theories but these are used inappropriately or may not be relevant to the problem or issue.
Level 2:	1-2 marks <i>Mid-Point: 2</i>	Limited knowledge or understanding of economic concepts or theories.
Level 1:	0 marks	No knowledge or understanding of economic concepts or theories is demonstrated.

Application (ap)

		Candidates are expected to demonstrate their ability to apply economic concepts and theories to the problem/issue being investigated.
Level 5:	16-20 marks <i>Mid-Point: 18</i>	An accurate, clear and sophisticated use of a relevant range of economic concepts and theories which are used to demonstrate an impressive grasp of the problem or issue.
Level 4:	11-15 marks <i>Mid-Point: 13</i>	Selection of appropriate economic concepts and theories which are appropriately applied to the problem or issue.
Level 3:	6-10 marks <i>Mid-Point: 8</i>	Some use of economic concepts and theories which are superficially or partially applied to the problem or issue.
Level 2:	1-5 marks <i>Mid-Point: 3</i>	Limited attempt to apply economic concepts and theories and these are applied inappropriately or may not be relevant to the problem or issue.
Level 1:	0 marks	No attempt to apply economic concepts and theories.

Analysis (an)

		Candidates should be able to present and analyse relevant economic data that relates to the problem/issue being investigated.
Level 5:	16-20 marks <i>Mid-Point: 18</i>	An appropriate range of relevant economic data is logically analysed to produce outcomes that relate directly to the problem/issue. Results are presented clearly using a range of formats as appropriate.
Level 4:	11-15 marks <i>Mid-Point: 13</i>	A range of economic data is presented and analysed with some relevance to the problem or issue. Results are presented clearly with a reasonable attempt at using appropriate formats.
Level 3:	6-10 marks <i>Mid-Point: 8</i>	Some attempt is made to present and analyse economic data which is limited in scope but has some relevance to the problem or issue.
Level 2:	1-5 marks <i>Mid-Point: 3</i>	A very limited attempt is made to present and analyse economic data which has little relevance to the problem or issue.
Level 1:	0 marks	No attempt to present and analyse economic data.

Evaluation (e)

		Candidates should be able to demonstrate a critical approach to economic models and methods of enquiry. They should demonstrate the ability to produce reasoned conclusions clearly and concisely and to assess the strengths and weaknesses of economic arguments and the value and limitations of the data used.
Level 6:	25-30 marks <i>Mid-Point: 28</i>	Conclusions are reached with accurate and valid reasoning showing originality and insight, combined with a thorough and critical evaluation of the validity of the data and arguments and findings.
Level 5:	19-24 marks <i>Mid-Point: 22</i>	Conclusions are reached with accurate reasoning with sound, critical examination of the validity of the data and/or arguments and/or findings.
Level 4:	13-18 marks <i>Mid-Point: 16</i>	Conclusions are reached with reasoned explanation and/or with some critical examination of the validity of the data and/or arguments and/or findings.
Level 3:	7-12 marks <i>Mid-Point: 10</i>	Conclusions are reached with some reasoned explanation and/or with some examination of the validity of the data and/or arguments and/or findings.
Level 2:	1-6 marks <i>Mid-Point: 4</i>	A limited attempt is made to draw conclusions and to make reasoned judgements, but these are largely generalised and unsupported.
Level 1:	0 marks	No attempt is made to draw conclusions.

Quality of Written Communication Marking Criteria (c)

The following marks are to be awarded to candidates for the Quality of Written Communication they have demonstrated when writing the report.

4 marks	Complex ideas have been expressed clearly and fluently. Sentences and paragraphs have followed on from one another smoothly and logically. Arguments are consistently relevant and have been well structured. There are few, if any, errors of grammar, punctuation and spelling. There is extensive use of specialist vocabulary which is applied adeptly and with precision.
3 marks	Moderately complex ideas have been expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and have been well structured. There may be occasional errors of grammar, punctuation and spelling. A wide range of specialist vocabulary is used with facility.
2 marks	Straightforward ideas have been expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments have strayed sometimes from the point or have been weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas. There is a good range of specialist vocabulary which is applied appropriately.

1 mark Simple ideas have been expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive and may suggest a weakness in these areas. Some use of specialist vocabulary is made but this is not always applied appropriately.

0 marks Ideas have been expressed poorly and sentences and paragraphs have not been connected. There are errors of grammar, punctuation and spelling, showing a weakness in these areas. There is very limited use of specialist vocabulary.