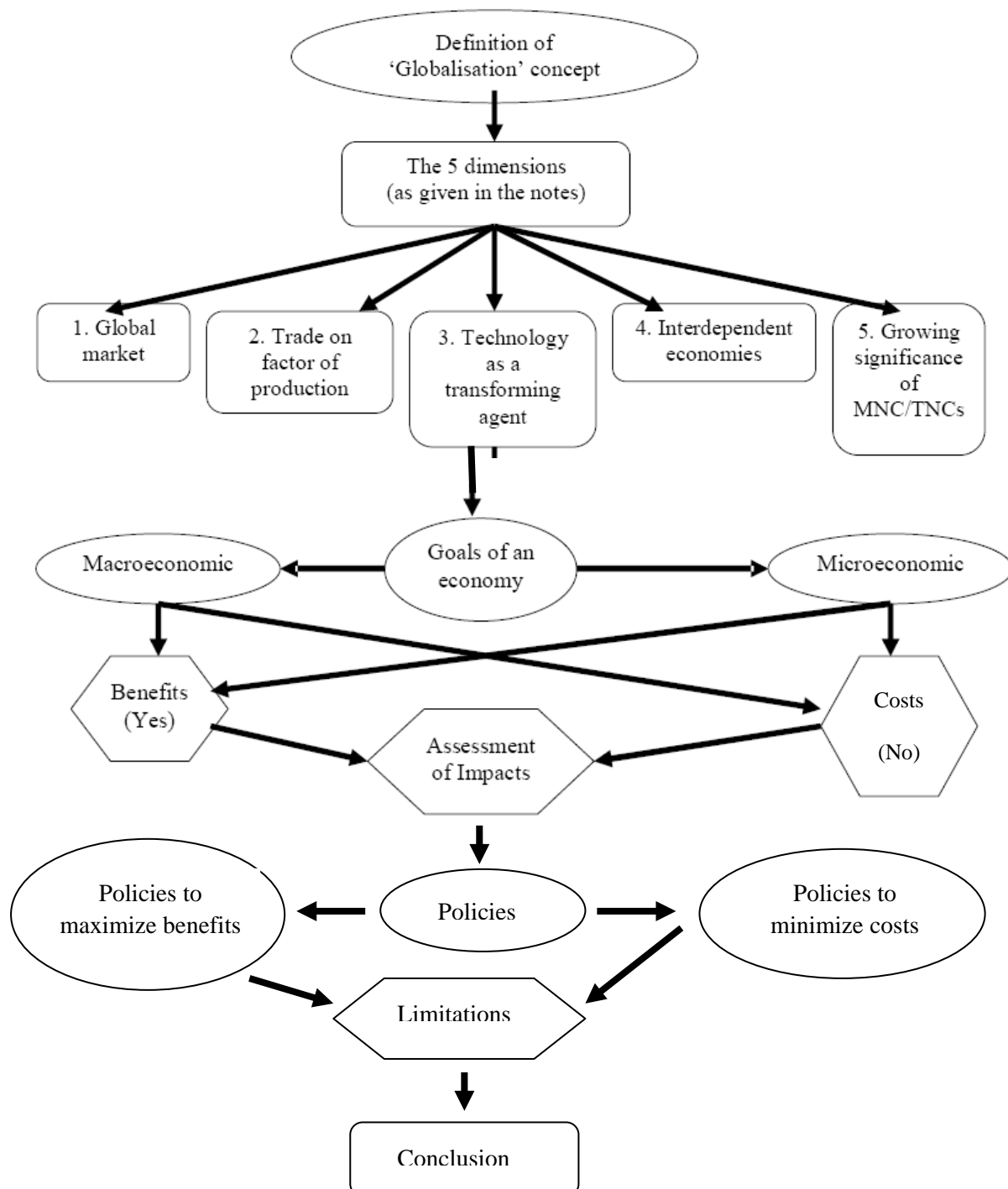


6. *‘Globalization is much like fire. Fire itself is neither good nor bad. Used properly, it can cook food, sterilize equipment, form iron, and heat our homes. Used carelessly, fire can destroy lives, towns and forests in an instant.’* www.globalenvision.org

In the light of the above statement, assess measures that the Singapore government may adopt to manage globalisation. [25]

Synopsis

Students are expected to identify and explain positive and negative effects of globalisation and showing how the Singapore government adopts measures to exploit the benefits of globalisation and reduce the harm from globalisation.



Suggested essay approach:

1. Define the (economic) 'Globalization' concept/phenomenon
2. Identify the possible dimensions that describes/facilitates the concept/phenomenon
 - *Global market* – the impact of opening up of new markets on globalised economies (eg. different marketing strategies for different regions/countries)
 - *Interdependent economies* – leading to the international trade multiplier where countries are becoming less insulated from economic shocks regardless of its origins
 - *Trade in factors of production* – regionalization and freer trade (via FTAs) between members and non-member economies and the impacts of capital (FDI flows) & labour mobility
 - *Technology as a facilitating agent* – the speed of technology changes (in communication & transportation) in promoting a more inter-connected environment and newer organizational and operational structures
 - *Growing significance of MNCs/TNCs* – its growing influence on the world economy and the implications for governments in having to tweak their domestic policies to ensure the continued existence of these firms by providing infrastructural (physical & social) support
3. Explain and analyse how the dimensions of globalization could have a *varied (positive &/or negative) impacts* in terms of:
 - *goals for an economy* – macroeconomic or microeconomic
 - *time frame of impacts* - short-run & long run
4. Assess the economic benefits and costs to Singapore.
5. Explain policies to maximize the economic benefits and minimize the economic costs to Singapore.
6. Explain limitations of the policies.
7. Conclusion and Evaluation

Expectations:

- *Knowledge and understanding in usage of Economics jargon & terms. For e.g.: Impact on LT capital a/c, current a/c, AD, real NY, inflation, comparative advantage, economies of scale.*
- *Demonstrate the ability to apply Economics fundamentals and reasoning in explanation.*
- *Use economic framework/tools of analysis ie. diagrams (AD-AS, DD-SS, etc.) to support analysis.*
- *Use real-life examples to demonstrate the applications of globalization to substantiate answers.*
- *Demonstrate a good understanding of the Singapore economy in the globalized world.*
- *Explain how Singapore has maximized the net benefits of globalization.*
- *Limitations of Singapore policies.*

L3	A well-developed analysis of the extent of benefits of globalization to Singapore. A good understanding of globalization was demonstrated with a clear explanation of the dimensions of globalization. Well-elaborated discussion of Singapore policies to maximize the net benefits of globalization. Essay is well-developed and coherent.	16-21
L2	A good analysis of the extent of benefits to globalization but with limited relevance to the Singapore economy OR to the dimensions of globalization. A weak discussion of Singapore policies to maximize the net benefits of globalization.	10-15
L1	Sketchy discussion, with limited relevance to the Singapore economy OR no relevance to the dimensions of globalization. Weak explanation of policies, with limited or no discussion.	1-9
E2	Makes a judgment on the extent of benefits to Singapore.	3-4
E1	Makes a judgment on the policy mix for Singapore to maximize the net benefits of globalization.	1-2

Marker's Comments

- i. Candidates seemed unfamiliar with the globalization concept from an economics perspective – concepts used & discussions presented were usually generic and superficial (having either a geography or political bias).
- ii. Analysis and application skills were generally at low levels – ideas and examples given when relevant were theoretical and were not customized to the context nor using an economic framework to reflect understanding of the complexities of the issue. Examples were a rarity.
- iii. Little evidence of adequate planning, organization or a clear focus – candidates with relevant ideas on the issues went on a long-winded description of ‘chain-of-events’ without a definite focus expected in an economics analysis. Candidates were expected to link to the macroeconomic & microeconomic goals of Singapore.
- iv. In addition, students presented an unbalanced argument. Some elaborated too much on the costs and benefits with limited explanation on the policies.
- v. The quality of the answers by a large majority was descriptive, without a strong understanding of the Singapore economy in the globalized world and the policies that our government has addressed the costs and benefits.