

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
-

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]

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.