

**AP[®] COMPARATIVE GOVERNMENT AND POLITICS
2006 SCORING GUIDELINES**

Question 7

6 points

Part (a): 2 points

One point is earned for a description of one argument for joining the European Union (EU) single currency, and 1 point is earned for a description of one argument against joining the EU single currency.

Acceptable descriptions of arguments for joining the EU single currency may include:

- European solidarity.
- Economic advantages. Response must explain why (e.g., lowering of transaction costs, compete with United States). “Transaction costs” alone is not sufficient to earn the point.
- “Improving trade” alone is not sufficient to earn the point.
- Larger market for goods.
- Easier access to market.

Acceptable descriptions of arguments against joining the EU single currency include:

- Psychological attachment to the pound.
- Nationalism.
- Sovereignty issues.
- Loss of control over interest rates.
- The United Kingdom’s economy is better off if not part of single currency (must explain why).
- The United Kingdom has a stronger economy.

Part (b): 1 point

One point is earned for a description of the current British government’s response to the issue of the EU single currency.

Acceptable descriptions may include:

- They did not join.
- The Prime Minister has promised to hold a referendum.
- “Wait and see” approach.
- “Five tests” of economic conditions.

Part (c): 2 points

One point is earned for a description of one argument for privatization of industry in China, and 1 point is earned for a description of one argument against the privatization of industry.

Acceptable descriptions of arguments for privatization of industry include:

- Efficiency.
- To attract domestic and foreign investment.
- Addresses market needs/consumer demands.
- People have incentives to work/innovate (opportunity for upward mobility).
- Competition (response must explain for what; e.g., innovation, quality).

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Question 7 (continued)

- State industries were not performing well (this is an alternative).

Acceptable descriptions of arguments against privatization of industry include:

- Loss of control.
- Creation of oligarchs.
- Higher unemployment.
- Ideological inconsistency.
- Creates economic inequality (regional or personal).
- Loss of legitimacy of the Chinese Communist Party (CCP).
- Loss of social safety net.
- Harms the agricultural economy.

Part (d): 1 point

One point is earned for a description of the Chinese government's response to global pressures to privatize industry.

Acceptable descriptions may include:

- Privatization of some industries (consumer goods, etc.), but retained state control over some crucial industries.
- Internet—must be explained in terms of privatization.
- Special economic zones.
- Acknowledged private property in constitution.
- Allowed capitalists in the CCP.

A score of zero (0) is earned for an attempted answer that earns no points.

A score of dash (—) is earned for a blank or off-task answer.

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Write in the box the number of the question you are answering on this page as it is designated in the examination.

7A1

In the world of international trade, inflation and deflation of currency is of great importance, as it affects the value (and buying power) of your currency in relation to another nation's. Depending on which currency is more valuable, a nation's trade can stand to gain greatly, or could be devastated. This is why the European Union (EU) adopted the single currency - the euro. Beyond the simple portability of the euro within the EU, it simplifies inter-European trade, and ~~strengthens the EU's economic position~~ solidifies the EU as a major ~~economic~~ player in international trade, a ~~clear~~ trend which some say is good for the EU and its member nations. However detractors believe that by joining a single currency, you are taking on all the shortcomings of other economies, and are limiting your potential to that of the group's. This may be good for struggling nations, who can be pulled along by stronger economic powers, but for robust economies, like Britain's, this could actually retard the economy's growth.

This is why the current British government, while part of the EU, has rejected the euro, and continues to conduct trade on its own economic merits - with the euro.

The Chinese government is struggling with a different question: to privatize or not. ~~Recently, the~~ Recently, the Chinese government has been slowly privatizing industry, ensuring by its glacially slow pace, that it offers all the

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7

7A2

"perestroika without glasnost" — if it did otherwise, then Communism might fail and the government would lose its power. But it has found the argument of privatization proponents very convincing: that by ~~privatizing~~ privatizing, competition in the marketplace can occur, allowing for increased product quality, and reduced price. Furthermore, privatization would create more jobs, more available income, and help grow the economy. Meanwhile, opponents of privatization hold that privatization will encourage greed, introduce globalization in newer and more significant ways, and will not only lead to the downfall of Communism, but China's sovereignty as well. They warn of a China once again exploited by foreign western powers and say that in order to keep China a single, sovereign force, — even a world superpower — it must not rely on any outside economic force, but ~~the~~ ^{instead on the} Communist party.

International economics has been a topic very important to many governments around the world. Great Britain, especially, has been under great pressure to take the Euro, the currency of the EU, as its national currency.

There are many in Britain who support this venture, however there are more still who oppose it. Many say that the Euro, if taken, would simplify intra European commerce with the UK. That would mean no more currency exchanges, which would mean expedited commerce. Likewise, there are those who oppose it.

They believe that it is a foolish venture to reduce the currency to the Euro, which is valued less than the pound. Also, the cost of implementing a new currency can be very high, costing the Brits a lot in "wasted" money. However, it's up to the government, and the government has since said no.

While it is a currently debated topic on the floor of parliament, the government has not taken on the Euro, and may not do so for quite some time.

Other than Britain, China is another nation feeling external pressure to conform. While the UK is being pressured to accept the Euro, China is being pressured to privatize their industry.

Privatization for China could lead to a big economic boom, which would help all of China. However, while

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7B2

This new wealth may help the average ~~Chinese~~ Chinese person, it could mean trouble for the government. Whether or not economic success causes democracy, or is a mere correlation, it seems that democracy will come, which would be an end for Communist China.

However, it seems the government isn't getting the message. Now, more than ever, China is becoming a capitalist nation. More and more businesses of China are going to the people, and it seems that only a little time will pass before the government goes to the people too.

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- a) Great Britain is against joining the single currency with the EU because of how it would affect the economy. When ever the value of the euro changed, it would affect all of the nations that use it. A reason to switch to it is that it would be easier to have one currency across all of Europe, and not just in parts.
- b) Britain is just avoiding it right now. They have refused to switch currency in the past and are not in the process of switching now.
- c) China is still run by a Communist government so the government controls industry. It is easy to control the economy when the national government controls ~~the~~ major industry. However, the rest of the world wants China to end its communist government, and therefore Privatize industry so foreign relations could improve if privatization occurred.
- d) the Chinese government has not privatized industry because that would be going against the Communist ideals

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Question 7

Overview

The intent of the question was to have students demonstrate knowledge about the impact of international integration of economies on political debates in Great Britain and China. Students were required to describe arguments for and against Great Britain adopting the European Union's single currency. Students also were required to describe arguments for and against privatization of industry in China.

Sample: 7A

Score: 6

Part (a) earned 2 points. One point was earned for describing one argument in favor of Great Britain adopting the European Union's single currency. The response provides a complete description of the value of a single currency for Europe and its member states: promoting intra-European trade and strengthening the position of "the EU as a major player in international trade" (1 point). The response then accurately describes one argument against Great Britain adopting the single currency: the difficulties that a strong economy suffers when "taking on all the shortcomings of other economies" (1 point).

In part (b) the response describes the British response to the issue of the single currency as rejection of the euro (1 point).

In part (c) the response describes one argument in favor of privatization in China by stating that competition fosters "increased product quality, and reduced price" (1 point). The response then describes one argument against privatization by stating that, among other things, it would threaten China's sovereignty and "lead to the downfall of Communism" (1 point).

In part (d) the response correctly describes China's response as "slowly privatizing industry" (1 point).

Sample: 7B

Score: 3

In part (a) the response describes one argument in favor of Great Britain adopting the European Union's single currency, stating that this would improve "intra-European commerce with the UK," in part by eliminating the need for "currency exchanges, which would mean expedited [*sic*] commerce" (1 point). The description of one argument against joining the single currency is based on the statement that the euro "is valued less than the pound" (1 point).

In part (b) the response correctly describes the current British government's response, stating that while the issue is currently being debated, the government has not yet taken action on the matter (1 point).

Part (c) did not earn any points. Rather than describing an argument in favor of privatization in China, the response simply states that privatization "could lead to a big economic boom, which could help all of China." For the argument against privatization, the response states, "Whether or not economic success causes democracy, or is a mere correlation, it seems that democracy will come." This statement is a prediction rather than a description of one argument in the debate over the privatization of industry in China.

Part (d) did not earn a point. The response states that "the government isn't getting the message" that capitalism will lead to a situation in which "the government goes to the people." This does not accurately describe the response of the Chinese government to global pressures to privatize industry.

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Question 7 (continued)

Sample: 7C

Score: 1

No points were earned in part (a). Rather than describing an argument in favor of Great Britain adopting the European Union's single currency, the response merely states that changes in the value of the euro "would affect all of the nations that use it." Similarly, the response states, "A reason to switch to [the euro] is that it would be easier to have one currency across all of Europe, and not just in parts." This is not an accurate description of a current argument in favor of Great Britain adopting the European Union's single currency.

In part (b) the response accurately describes the British response to the issue as "just avoiding it right now" and refusing to adopt the euro (1 point).

Part (c) did not earn any points. For an argument against privatization, the response states that "the government controls industry. It is easy to control the economy when the national government controls major industry." The argument for privatization says that doing so could improve China's "foreign relations." Neither of these statements correctly describes arguments for or against privatization in the current debate over this issue in China.

Part (d) did not earn a point. The response states, "The Chinese government has not privatized industry." This is an incorrect description of the Chinese government's response to global pressures to privatize industry.