

AP[®] HUMAN GEOGRAPHY 2007 SCORING GUIDELINES

Question 3

Economic restructuring is transforming the world economy.

Part A

Define and discuss the key features of the new international division of labor (also known as global division of labor). **(2 points)**

“... the reorganization/relocation of economic activities (e.g., jobs) from a national to a global scale.”

Economic interdependence/globalization	Dependence of the core (MDC) on lower-cost production from the less-developed countries (LDCs) for mass-produced goods.
Transportation/communications	Time-space compression via communications and transportation efficiencies leads to separation of production and consumption.
Comparative advantage	Advantages to locations that combine lower operating costs (labor, taxes, relaxation of environmental regulations, specialization efficiencies) resulting in trade/sale opportunities.
Outsourcing/offshoring	Specialized jobs contracted to companies/locations in order to achieve comparative advantages.
Profit drive	Transnational/multinational corporations need to reduce costs.
Trade agreements	Formal agreements such as NAFTA and company/country pacts that reduce trade barriers (tariffs, borders).
Foreign management	Upper management is from MDCs and not the local economy.

Part B

Explain an impact of the new international division of labor on the socioeconomic structure of the United States. **(2 points)**

Unemployment	Job losses affect the middle class. The remaining management and service jobs increase the income gap.
Deindustrialization	Regional unemployment requires retooling/reeducation into tertiary/quaternary sector jobs.
Profit	Drive for profits via division to LDCs has combined with consumerism to swell retail jobs. However, these jobs are largely at the part time/nonbenefit level.
Internal migration	Migration from areas of unemployment to areas of employment (Rust Belt to Sun Belt)

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Question 3 (continued)

Labor relations	Decrease in membership in and influence of labor unions.
Consumption	Availability of less-expensive goods changes the standard of living.

Part C

Explain an impact of the new international division of labor on the socioeconomic structure of developing countries such as Mexico, China, and India. **(2 points)**

Added job opportunities	Positive addition to personal and national income that raises societal status, family income, etc.
Gender	Entry of women into work force means added income for household support, which improves the standard of living and lowers population growth rate.
Child labor	Use of child labor discourages further education.
Wage gap	Increased wage gap between the local “haves” and “have nots.”
Migration	Migration of nationals to specialized manufacturing areas improves personal economic positions but weakens family and traditional cultural ties—coastal China, maquiladoras or Mexico.
Environmental	Relaxation/lax enforcement invites new health ailments/problems.
Regional growth	Location of new jobs fosters regional growth and concentration of wealth, pollution, etc. Uneven nature of growth creates a spatial gap between “have” and “have not” areas.
Cultures change	Westernization of production, management, etc., changes the social and cultural relationships (e.g., women in the workplace, language, cultural disruption).

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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 exam.

3A. In the glory days of Flint, Michigan, the men enjoyed high paying jobs at the local General Motors plant. Business revenues were increasing the wealth of the region, and jobs were easy to get and stable. However, those days have long gone. A new international division of labor has taken over, characterized by the outsourcing of labor to countries with low minimum wages and the prominence of export-processing zones.

Outsourcing of labor is defined as the relocation of a firm or industry, usually for economic benefit. Jobs are being lost in developed countries as large corporations frequently relocate to less-developed countries. Additionally, export-processing zones can be defined as areas that attempt to attract foreign investment by offering tax breaks and low environmental regulations. Countries such as Mexico and Nigeria have low taxes and virtually non-existent environmental-policy enforcement.

Accordingly, manufacturing jobs are moving to less-developed countries, while service and research jobs are remaining in developed countries.

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3B. An important socioeconomic impact from the global division of labor in America is the loss of many manufacturing jobs. As earlier mentioned, many regions of the Great Lakes lost their automobile industries to countries like Mexico. The impact is increased unemployment, loss of consumption and investment spending. On a large scale, less consumption and investment stunts economic growth in the long run, lowers aggregate expenditures and GDP in the short run, and makes current interest rates increase. The outsourcing of jobs from the Great Lakes "Rust Belt" is essentially pushing the economy into a recession.

3C. However, less developed countries like Mexico are greatly benefitting from the new division of labor. Jobs are being relocated in to Mexico, for example, by GM and Ford. Investment and jobs will increase aggregate expenditures, which raises GDP and the standard of living as money trickles down. Additionally, sustained investment spending is the largest determinant of economic growth in the long run. Accordingly, the international division of labor is helping to develop countries like Mexico and will substantially increase their standard of living in the long run.

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A) The new international division of labor places the primary and secondary economic activities in less developed countries and the tertiary, quaternary, and quinary activities in more developed countries. This creates a disparity in wealth between more and less developed countries that is continually widening.

B) In the United States, primary and secondary economic activities have been outsourced to less developed countries, while the service sector is expanding rapidly. This creates many high-income jobs for Americans, but these jobs require a high level of education. As factories continue to close down, factory workers are left with no job and not enough education to go into services.

C) In developing countries, where labor costs are lower, resource extraction and manufacturing have been expanding rapidly. This creates numerous low-skill jobs in factories owned by transnational corporations. A good example is the Mexican maquiladoras. These factories have created jobs and sparked economic growth around the U.S.-Mexico border, but ship all finished products back to the U.S. Also, in some transnational corporation-owned factories, discrimination and poor working conditions run rampant.

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Key features of the international division of labor are that a company may hire employees in another state or country, such as customer support and IT companies going to India. Another key feature is that an employee may go to another country and retain their profession, much like living in the city you work in then moving to a suburb and commuting to work, like people live in Broomfield and work in Boulder.

An impact of this new method of work in the US is that once companies start looking across borders, it will be harder for US citizens to obtain a job because someone in, say, India is doing their \$14 an hour job for \$3 an hour.

In countries such as Mexico, China, and India, new job opportunities will open. In Mexico, women make clothing for Americans. In China, tons of consumer objects are made for rich countries. In India, Indian workers assist others with their computer problems. Their economies will get a jump start, which has the possibility to raise them from LDCs to MDCs. They might also become dependant on a company, which, if the company fails and has to cut ties, the country in question will suffer.

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Question 3

Overview

The intent of this question was to evaluate students' knowledge of key concepts related to the structure and activity of the global economy and their understanding of the impacts of this global economy within distinct national and regional contexts. Specifically, this question required students to show their understanding of the new international division of labor, its key features, and its impacts on the socioeconomic structure of both the United States and developing countries.

The context of the question was established by an introductory statement that economic restructuring is transforming the world economy. Part A asked students to define and discuss the key features of the new international division of labor. In part B students were prompted to explain an impact of the new international division of labor on the socioeconomic structure of the United States. Similarly, in part C they were asked to explain an impact of the new international division of labor on developing countries such as Mexico, China, and India.

This question evaluated students' knowledge of material from the "Industrialization and Economic Development" section in the *AP Human Geography Course Description*, which includes "accounts of economic globalization, which accent time-space compression and the new international division of labor." Part B of the Topic Outline for this section ("Contemporary patterns and impacts of industrialization and development") emphasizes the "Spatial organization of the world economy" as well as deindustrialization, economic restructuring, and related issues. Moreover, the Course Description notes the importance of understanding "geographies of interdependence in the global economy" and the effects of the global economy on nations, regions, and communities. Although this question focused on issues of industrialization and economic development, material from other sections of the Course Description (for example, "Population") was also useful for answering the question, especially in parts B and C.

Sample: 3A

Score: 6

This essay received 2 points in part A for defining and discussing "the relocation of a firm" from a developed country to a less-developed country for economic benefits such as low wages. As part of this outsourcing strategy, manufacturing jobs are moving to less-developed countries and tertiary jobs remain in developed countries. The student also mentions advantages to corporations, such as "low taxes and virtually non-existent [*sic*] environmental [*sic*]-policy enforcement." The essay received 2 points in part B for a discussion of "the loss of many manufacturing jobs" in America and the socioeconomic impacts (e.g., recession, lower aggregate spending) in places such as the "Rust Belt." Two points were awarded in part C for the statement that some jobs are relocated from the United States to Mexico. The student further explains that these jobs will raise the GDP of Mexico, and this newly created wealth will trickle down to the general labor force, increasing the standard of living.

Sample: 3B

Score: 4

The essay received 1 point in part A for defining the new international division of labor as the relocation of secondary activities to less-developed countries and tertiary, quaternary, and quinary activities to more developed countries. There was no discussion of the key features identified, so the second point was not given. In part B the student received 1 point for noting the effect of the loss of primary and secondary jobs

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Question 3 (continued)

in the United States to less-developed countries. Another point was awarded for discussing the impact of the fact that the remaining jobs “require a high level of education,” and laid-off factory workers lack the education to compete for jobs in the service sector. The essay received 1 point in part C for describing how extractive and manufacturing jobs have been increasing in developing countries that have created “numerous low-skill jobs in factories.” There was no discussion related to the impact of these changes on the socioeconomic structure of the developing countries.

Sample: 3C

Score: 2

The essay did not receive any credit for part A because the student relies on a generalized discussion of labor, commuting, and employee freedom, instead of providing a definition for the new international division of labor. The essay received 1 point in part B for discussing the movement of jobs in the United States to places with cheaper labor costs (\$3 an hour instead of \$14, for example). One point was awarded in part C for noting that global labor shifts open new job opportunities in places like Mexico, China, and India. There was no discussion related to the impact on the socioeconomic structure of either the United States or the developing countries.