



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

GLOBAL PERSPECTIVES

0457/32

Paper 3

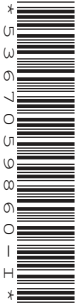
May/June 2017

INSERT (Resource Booklet)

1 hour 15 minutes

READ THESE INSTRUCTIONS FIRST

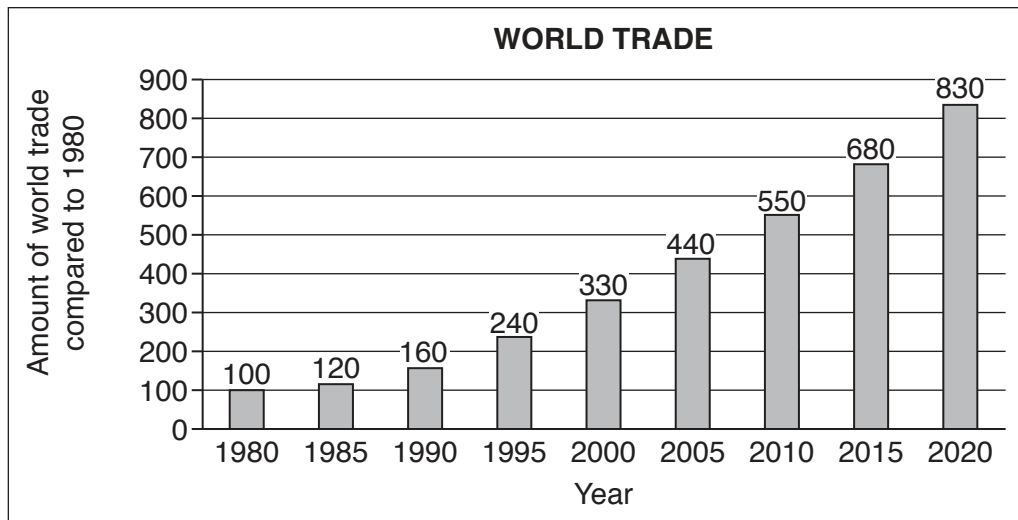
This Insert contains Sources 1 to 4. The time spent reading these Sources is allowed for within the examination.



This document consists of **3** printed pages and **1** blank page.

SOURCE 1

The graph below shows the trend in world trade since 1980.



Countries do not benefit equally from world trade; some countries are more able to trade and therefore become wealthier than others.

Country	Level of trade (US \$ per person per year)
Australia	27 813
Brazil	2 980
China	3 175
Kazakhstan	8 805
Malawi	258
Norway	67 436
Vietnam	2 757

SOURCE 2

Trading with other countries has many benefits. For individuals, there is increased opportunity to find a job and improve their standard of living. This allows people to afford better housing and improve their health.

For governments, increased trade with other countries helps the economy so that more businesses can grow and become successful. With increased tax income from larger businesses, governments can spend more money on education, health and transport.

Increased world trade brings closer communication and more cultural sharing between countries. The United Nations (UN) believes that increased world trade will build relationships and promote global peace.

SOURCE 3

Rich countries have many advantages in world trade. Rich countries spend more money on science and research than poor countries. According to the World Bank, the United States spends over \$1250 per person on research but Malawi in Africa spends less than \$1 per person. Spending money on research leads to technological advances; for example in computing, robotics, genetic engineering and medical treatments. These technological advances can be sold to other countries.

The rich countries also control the international trade organisations. They make the rules. The rules are unfair. For example, rich countries often create trade barriers. This makes it expensive and more difficult for others to sell goods and services to the rich countries. Even worse, some rich countries only give aid to less developed countries if they agree to spend it in the rich country.

What's the point of growth in trade and wealth if it benefits the rich countries more than others? The problem with world trade is that it is not equal.

SOURCE 4**The Great Debate: Fair Trade**

The worldwide fair trade movement aims to give better prices, decent working conditions, sustainable production and reasonable contracts to farmers and workers in the developing world. But does it really work?

Pavel

Fair trade is growing globally. In many countries there are more than 4500 fair trade products for sale. Over 40 per cent of bananas sold in some countries are fair trade. Many multinational businesses are selling products made from fair trade ingredients.

Fair trade results in better prices which benefit all workers in developing countries – not just those working for fair trade producers. Any additional profit created by fair trade can be used to improve quality and production. It can also be used to improve local schools, health care and the environment.

Many people in rich countries want to improve the lives of poor people in developing countries. Everybody wins! Listen to what a farmer from the Caribbean says:

'Farmers here get almost double the money for fair trade bananas and about \$2 extra per box. We can now borrow from the bank, have a good relationship with our customers and pay for preschool education for 29 children in our village. We feel empowered.'

Fair trade will continue to grow in the future.

Lara

Fair trade cannot help all workers. Some farmers are so remote that they cannot join the organisation. You also have to pay a fee to join and many poor farmers can't afford this.

There is no evidence to prove that fair trade really works. Most of the people who promote fair trade only quote individuals or make unsupported claims. Where are the hard facts and statistics?

Fair trade is only a very small part of world trade. It will never be enough to make a difference.

Fair trade is just a dream. The market alone should set prices. I believe that 'survival of the fittest' works best.

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