

ECS207G

OCTOBER/NOVEMBER 2010
OKTOBER/NOVEMBER 2010

DEVELOPMENT ECONOMICS
ONTWIKKELINGSEKONOMIE

STUDENT NUMBER / STUDENTENOMMER					

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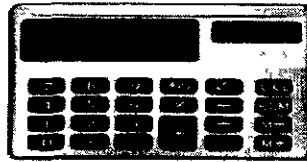
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**ECS207G**
 October/November 2010
 Oktober/November 2010

DEVELOPMENT ECONOMICS (ECS 207G)
ONTWIKKELINGSEKONOMIE (ECS 207G)

 Duration 2 Hours
 Tydsduur 2 Uur

 100 Marks
 100 Punte
EXAMINERS / EKSAMINATORE
 FIRST / EERSTE PROF AG OOSTHUIZEN
 SECOND / TWEDE PROF P LALTHAPERSAD-PILLAY

 Use of a non-programmable pocket calculator is permissible.
 Gebruik van 'n nie-programmeerbare sakrekenaar is toelaatbaar

This paper consists of 30 pages including 2 additional pages for longer answers or rough work (pp 29 to 30) plus the special front page

Hierdie vraestel bestaan uit 30 bladsye insluitende 2 ekstra bladsye vir langer antwoorde of rofwerk (pp 29 tot 30) plus die spesiale voorblad

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STUDENT NUMBER / STUDENTENOMMER

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INSTRUCTIONS:

- 1 Please write legibly We cannot mark what we can't read
- 2 Do NOT use a red pen or a pencil to answer questions
- 3 Answer any 4 questions and write these numbers on the front

INSTRUKSIES:

- 1 Skryf asb leesbaar Ons kan nie merk wat ons nie kan lees nie
- 2 MOENIE met 'n rooi pen of 'n potlood die vrae beantwoord nie
- 3 Beantwoord enige 4 vrae en skryf die nommers voor op die vraestel

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THE PAPER CONSISTS OF SECTION A AND SECTION B.

SECTION A IS COMPULSORY AND REPRESENTS 40 MARKS ANSWER ALL QUESTIONS FROM SECTION A.

CHOOSE ANY 3 QUESTIONS FROM SECTION B. SECTION B REPRESENTS 60 MARKS.

DIE VRAESTEL BESTAAN UIT AFDELINGS A EN B.

AFDELING A IS VERPLIGTEND EN VERTEENWOORDIG 40 PUNTE. BEANTWOORD ALLE VRAE IN AFDELING A.

KIES ENIGE DRIE VRAE IN AFDELING B. AFDELING B VERTEENWOORDIG 60 PUNTE.

SECTION A: COMPULSORY
AFDELING A: VERPLIGTEND

- A1 Economic development was traditionally measured by means of the GDP per capita but was recently replaced by the Human Development Index (HDI) Explain what components of development is measured with this new tool and evaluate its advantages and disadvantages as a tool of measuring development (6)
- Ekonomiese ontwikkeling is tradisioneel gemeet deur middel van BBP per capita maar is onlangs vervang deur die Menslike Ontwikkelingsindeks (MOI) Verduidelik watter komponente van ontwikkeling deur hierdie nuwe instrument gemeet word, en evalueer die voordele en nadele daarvan as metingsinstrument (6)
- A2 Give a comprehensive description and evaluation of the Gini coefficient (8)
- Gee 'n omvattende verduideliking en evaluering van die Gini koeffisient (8)
- A3 The debate on whether high population growth is good or bad for economic growth and development is still not resolved Four points of consensus have however been reached on the issue of population growth that can be used for policy formulation Identify these points of consensus (4)
- Die debat rondom die effek van hoë bevolkingsgroei op ekonomiese groei en ontwikkeling is nog nie bygelê nie Vier punte van konsensus oor bevolkingsgroei bestaan egter reeds en kan gebruik word vir beleidsformulering Identifiseer hierdie vier punte van konsensus (4)
- A4 Explain why education and health are considered to be joint investments in development (4)
- Verduidelik waarom onderwys en gesondheid beskou word as 'n saamgevoegde belegging in ontwikkeling (4)

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- A5 Argue for and against foreign direct investment (FDI) from a developing country's point of view (10)
Stel die argumente vir en teen buitelandse direkte investering vanuit 'n ontwikkelende land se gesigspunt (10)
- A6 State the different opinions of the proponents for and the opponents of foreign aid (2)
Gee die verskillende opinies van die voorstanders sowel as die teenstanders van buitelandse hulp (2)
- A7 Identify the six (6) main reasons for the failing of planning in developing countries (6)
Identifiseer die ses (6) hoofredes vir die mislukking van beplanning in ontwikkelende lande (6)

SECTION B: ANSWER ANY 3 QUESTIONS
AFDELING B: BEANTWOORD ENIGE 3 VRAE

QUESTION B1/VRAAG B1

- 1 1 According to Sen's Capabilities Approach we should consider the advantages derived (functionings) from income rather than the actual real income (commodities) when we determine the level of development. Give five possible reasons why there may be a difference between real income and its functionings (10)
Volgens Sen se '*Capabilities Approach*' moet ons eerder kyk na voordele (funksionaliteit) wat voortvloei uit die besit van reële inkome (kommoditeite) as na die inkome self as ons die vlak van ontwikkeling wil bepaal. Gee vyf moontlike redes waarom daar 'n verskil kan wees tussen funksionaliteit en reële inkome
- 1 2 Discuss and evaluate the Lewis Theory of Development (10)
Bespreek en evalueer Lewis se Teorie van Ontwikkeling [20]

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QUESTION B2/VRAAG B2

2 1 Explain and interpret the information in the table below

	Relative HDI ranking	HDI value	Real GDP per capita	GDP rank minus HDI rank	Gini coefficient
Tanzania	162	0 430	674	+13	0 346
Nigeria	159	0 448	1 154	-1	0 437
South Africa	121	0 653	11 192	-66	0 578
Chile	38	0 859	10874	+18	0 571

Verduidelik en interpreteer die inligting in die tabel hieronder

(12)

	Relatiewe MOI rang	MOI waarde	Reële BBP per capita	BBP rang minus MOI rang	Gini koëffisiënt
Tanzanië	162	0 430	674	+13	0 346
Nigerië	159	0 448	1 154	-1	0 437
Suid- Afrika	121	0 653	11 192	-66	0 578
Chile	38	0 859	10874	+18	0 571

2 2 Differentiate between the demographic transition processes in the developed vs the developing countries

(8)

Differensieer tussen die demografiese oorgangsprosesse in die ontwikkelde vs die ontwikkelende lande

[20]

QUESTION B3/VRAAG B3

3 1 Discuss the educational gender gap in detail and explain why it should be eradicated

(6)

Besprek die onderwys-geslags-gaping in detail en verduidelik waarom dit uitgewis moet word

3 2 In terms of accepted economic theory, developing countries should promote exports for economic growth Explain why developing countries find it difficult to increase their exports of both primary and manufactured goods

(14)

Volgens aanvaarde ekonomiese teorie moet ontwikkelende lande uitvoere bevorder vir ekonomiese groei. Ontwikkelende lande sukkel egter om hul uitvoere van beide primêre en vervaardigde produkte te verhoog Verduidelik waarom

[20]

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QUESTION B4/VRAAG B4

- 4 1 Differentiate between an economic plan and economic planning (2)
Onderskei tussen 'n ekonomiese plan en ekonomiese beplanning
- 4 2 Explain the role and limitations of markets in developing countries (10)
Verduidelik die rol en beperkings van markte in ontwikkelende lande
- 4 3 Differentiate between the Washington Consensus and the Santiago Consensus (8)
Onderskei tussen die Washington Konsensus en die Santiago Konsensus
- [20]**

* * * * *

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A1 Economic development was traditionally measured by means of the GDP per capita but was recently replaced by the Human Development Index (HDI). Explain what components of development is measured with this new tool and evaluate its advantages and disadvantages as a tool of measuring development.

Ekonomiese ontwikkeling is tradisioneel gemeet deur middel van BBP per capita maar is onlangs vervang deur die Menslike Ontwikkelingsindeks (MOI) Verduidelik watter komponente van ontwikkeling deur hierdie nuwe instrument gemeet word, en evalueer die voordele en nadele daarvan as metingsinstrument

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A2 Give a comprehensive description and evaluation of the Gini coefficient (8)

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- (4)

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A4 Explain why education and health are considered to be joint investments in development (4)

Verduidelik waarom onderwys en gesondheid beskou word as 'n saamgevoegde belegging in ontwikkeling

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(10)

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Gee die verskillende opinies van die voorstanders sowel as die teenstanders van buitelandse hulp

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Identifiseer die ses (6) hoofredes vir die mislukking van beplanning in ontwikkelende lande

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1 1 According to Sen's Capabilities Approach we should consider the advantages derived (functionings) from income rather than the actual real income (commodities) when we determine the level of development. Give five possible reasons why there may be a difference between real income and its functionings.

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- (10)

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QUESTION B2/VRAAG B2

2.1 Explain and interpret the information in the table below

	Relative HDI ranking	HDI value	Real GDP per capita	GDP rank minus HDI rank	Gini coefficient
Tanzania	162	0.430	674	+13	0.346
Nigeria	159	0.448	1 154	-1	0.437
South Africa	121	0.653	11 192	-66	0.578
Chile	38	0.859	10874	+18	0.571

Verduidelik en interpreteer die inligting in die tabel hieronder:

(12)

	Relatiewe MOI rang	MOI waarde	Reële BBP per capita	BBP rang minus MOI rang	Gini koëffisiënt
Tanzanië	162	0.430	674	+13	0.346
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- Differentieer tussen de demografiese oorgangsprosesse in die ontwikkelde vs die ontwikkelende lande.**

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QUESTION B3/VRAAG B3

- Bespreek die onderwys-geslags-gaping in detail en verduidelik waarom dit uitgewis moet word**

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- 3 2 In terms of accepted economic theory, developing countries should promote exports for economic growth. Explain why developing countries find it difficult to increase their exports of both primary and manufactured goods (14)

Volgens aanvaarde ekonomiese teorie moet ontwikkelende lande uitvoere bevorder vir ekonomiese groei. Ontwikkelende lande sukkel egter om hul uitvoere van beide primêre en vervaardigde produkte te verhoog. Verduidelik waarom.

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4 1 Differentiate between an economic plan and economic planning (2)

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4 2 Explain the role and limitations of markets in developing countries (10)

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Onderskei tussen die Washington Konsensus en die Santiago Konsensus

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ADDISIONELE SPASIE VIR ANTWOORDE OF VIR ROFWERK