





## ECS207G

 May/June 2011  
 Mei/June 2011

### DEVELOPMENT ECONOMICS (ECONOMICS 207) ONTWIKKELINGSEKONOMIE (EKONOMIE 207)

 Duration : 2 Hours  
 Tydsduur : 2 Uur

 100 Marks  
 100 Punte

 EXAMINERS / EKSAMINATORE :  
 FIRST / EERSTE · MS/ME R LOTTER  
 SECOND / TWEEDE · PROF AG OOSTHUIZEN

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

This paper consists of 29 pages including 2 pages for rough work (pp 28 to 29) plus the special front page

Hierdie vraestel bestaan uit 29 bladsye insluitende 2 bladsye vir rofwerk (pp 28 tot 29) plus die spesiale voorblad

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 mag nie uit die eksamenlokaal verwyder word nie.

STUDENT NUMBER / STUDENTENOMMER									

#### 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

 [TURN OVER]  
 [BLAAI OM]

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 Differentiate between traditional economics, political economics and development economics

Onderskei tussen tradisionele ekonomie, politieke ekonomie en ontwikkelingseconomie [6]

A2 To grow, economies must save and invest a certain portion of their GDP. According to the Harrod-Domar growth equation, how quickly would the South African economy have grown in 2009 if the gross savings ratio was 15% and the average capital-output 3%?

Ekonomie moet 'n sekere gedeelte van hul BBP spaar en investeer om te kan groei. Hoe vinnig sou die Suid-Afrikaanse Ekonomie in 2009, volgens die Harrod-Domar vergelyking gegroei het as die besparingskoers 15% was en die kapitaal-uitsetkoers 3%? [6]

A3 Briefly explain or describe the following concepts  
Bespreek of omskryf kortliks die volgende begrippe

3.1 Dualism  
Dualisme [3]

3.2 The Kuznets Inverted U-hypothesis  
Die Kuznets Omgekeerde U-hipotese [3]

3.3 Demographic transition  
Demografiese oorgang [3]

3.4 Migration  
Migrasie [3]

3.5 Import substitution versus export promotion  
Invoervervanging teenoor uitvoerbevoordering [4]

3.6 Foreign direct investment  
Direkte buitelandse investering [3]

[TURN OVER]  
[BLAAI OM]

3 7 Economic plan versus economic planning  
Ekonomiese plan teenoor ekonomiese beplanning [3]

A4 Briefly explain why donors give aid to LDC's

Verduidelik kortliks waarom skenkers hulp verleen aan ontwikkelende lande [6]

[40]

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

**QUESTION B1/VRAAG B1**

1 1 What are the basic features and policy implications of the new (endogenous) growth theory?

Wat is die basiese kenmerke en beleidsimplikasies van die nuwe (endogene) groeiteorie? [10]

1 2 List 5 structural changes that often accompany economic development

Noem 5 strukturele veranderinge wat dikwels met ekonomiese ontwikkeling gepaardgaan [5]

1 3 What is meant by the *term* neoclassical counterrevolution and what are the principal arguments of the theory?

Wat beteken die term neo-klassieke teenrevolusie en wat is die hoof-argument van die teorie? [5]

[20]

**QUESTION B2/VRAAG B2**

2 1 The consensus opinion on the effects of rapid population growth on development consists of three propositions

- (a) Identify the three propositions, and
- (b) List the three policy goals that might be included in any realistic approach to the issue of population growth in developing countries

Die konsensus mening rakende die effek van snelle bevolkingsgroei op ontwikkeling bestaan uit drie proposisies

- (a) Identifiseer die drie proposisies, en
- (b) Noem die drie beleidsoogmerke wat ingesluit behoort te word in enige realistiese benadering tot die kwessie van bevolkingsgroei in ontwikkelende lande [6]

[TURN OVER]  
[BLAAI OM]

- 2.2 Explain why the development of a solid elementary education system should take precedence over an expansion of the university education system in developing countries

Verduidelik waarom die ontwikkeling van 'n soliede elementêre onderwysstelsel voorkeur behoort te geniet bo die uitbreiding van die universiteitstelsel in ontwikkelende lande

[6]

- 2.3 Explain why education of girls is probably the most cost-effective development investment in developing countries

Verduidelik waarom die onderrig van meisies waarskynlik die mees koste effektiewe ontwikkelingsinvestering vir ontwikkelende lande is

[8]

[20]

### QUESTION B3/VRAAG B3

- 3.1 The Gini-coefficient of a few selected countries are as follows  
Die Gini-koeffisient van 'n paar geselekteerde lande is as volg

Bulgaria/ Bulgarye	0.28	Bolivia / Bolivië	0.58
Nigeria / Nigerië	0.41	Vietnam	0.35
El Salvador	0.5	South Africa / Suid-Afrika	0.59

- (a) Define a Gini-coefficient

Definieer 'n Gini-koeffisient

(3)

- (b) Explain how it is calculated

Verduidelik hoe dit bereken word

(3)

- (c) Rank the 6 countries above from highest inequality to lowest inequality and briefly explain your answer

Sorteer die 6 lande hierbo vanaf die hoogste tot die laagste inkomingsongelykheid en verduidelik kortliks jou antwoord

(2)

- 3.2 Write an essay on the extent and nature of poverty and inequality in South Africa

Skryf 'n opstel oor die omvang en aard van armoede en ongelykheid in Suid-Afrika

(12)

[20]

**QUESTION B4/VRAAG B4**

- 4 1 Briefly outline two international examples of integrated programmes to promote education, health and other development objectives in developing countries

Omskryf kortliks twee internasionale voorbeelde van geïntegreerde programme wat onderwys, gesondheid en ander ontwikkelingsdoelwitte in ontwikkelende lande bevorder

[4]

- 4 2 Discuss the prospects for expanding developing countries' export of primary and manufactured goods to developed countries

Bespreek die vooruitsigte vir ontwikkelende lande om die uitvoer van primêre en vervaardigde produkte na ontwikkelde lande te verhoog

[8]

- 4 3 Comment on the advantages and disadvantages of foreign portfolio investment for emerging markets such as South Africa

Lewer kommentaar oor die voor- en- nadele van buitelandse portefulje investering vir opkomende markte soos Suid-Afrika

[8]

[20]

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3 2 The Kuznets Inverted U-hypothesis  
Die Kuznets Omgekeerde U-hipotese

[3]

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3 3 Demographic transition  
Demografiese oorgang

[3]

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3 4 Migration  
Migrasie

[3]

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[TURN OVER]  
[BLAAI OM]









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[6]

[TURN OVER]  
[BLAAI OM]





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- (a) Define a Gini-coefficient

Definieer 'n Gini-koeffisient

(3)

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- (b) Explain how it is calculated

Verduidelik hoe dit bereken word

(3)

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**QUESTION B4/VRAAG B4**

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[8]

[TURN OVER]  
[BLAAI OM]









