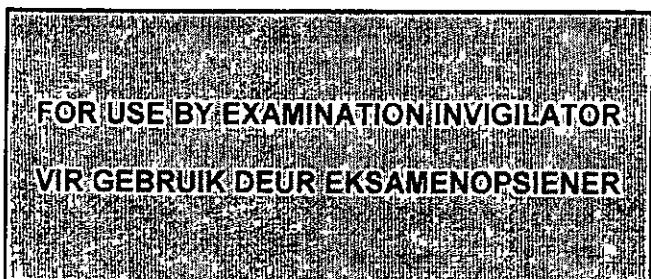


ECS207G

MAY/JUNE 2011
MEI/JUNIE 2011

DEVELOPMENT ECONOMICS ONTWIKKELINGSEKONOMIE



Subject / Vak

Number of paper / Vraestelnommer

Date of examination / Datum van eksamen

Examination centre / Eksamenssentrum

WARNING

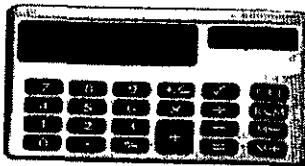
- 1 A candidate who without authorisation takes into the examination venue any book, document or object which could assist him in the examination, and does not hand over such material to the invigilator before the official commencement of the examination, will be guilty of infringing the University's examination regulations and will be liable to punishment as determined by Council
 - 2 Rough work may be done only on the examination question paper and must be labelled as such
 - 3 No notes may be made on any part of the body, such as the hands or on any garment
 - 4 This page/paper is the property of the University and under no circumstances may the candidate retain it or take it out of the examination venue.

NB PLEASE COMPLETE THE ATTENDANCE REGISTER ON THE BACK PAGE, TEAR OFF AND HAND TO THE INVIGILATOR.

WAARSCHUWING

- 1 n Kandidaat wat sonder magtiging enige boek, dokument of voorwerp wat hom in die eksamen behulpzaam kan wees in die eksamenlokaal inbring en nalaat om die ongemagtigde materiaal aan die opsiener te oorhandig voordat die eksamen amptelik 'n aanvang neem, sal skuldig wees aan oortreding van die Universiteit se eksamenregulasies en hom blootstel aan straf soos deur die Raad van die Universiteit bepaal mag word
 - 2 Kladwerk mag slegs op die eksamenvraestel gedoen word en moet as sodanig aangedui word
 - 3 Geen aantekeninge mag op enige liggaamsdeel, byvoorbeeld die hande of op enige kledingstuk aangebring word nie
 - 4 Hierdie bladsy/vraestel is die eiendom van die Universiteit en onder geen omstandighede mag n kandidaat dit behou of uit die eksamenlokaal neem nie

NB VOLTOOI ASSEBLIEF DIE BYWONINGSREGISTER OP DIE AGTERBLAD, SKEUR AF EN OORHANDIG AAN DIE OPSIENER

**ECS207G**May/June 2011
Mei/Junie 2011
DEVELOPMENT ECONOMICS (ECONOMICS 207)
ONTWIKKELINGSEKONOMIE (EKONOMIE 207)
Duration : 2 Hours
Tydsuur : 2 Uur100 Marks
100 Punte**EXAMINERS / EKSAMINATORE :**
 FIRST / EERSTE : MS/MR 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

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue.

Hierdie eksamenvraestel bly die eiendom van die Universiteit van Suid-Afrika en 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 ekonomiese, politieke ekonomiese en ontwikkelingsekonomiese

[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 kortlik die volgende begrippe

3 1 Dualism

Dualisme

[3]

3 2 The Kuznets Inverted U-hypothesis

Die Kuznets Omgekeerde U-hipoteze

[3]

3 3 Demographic transition

Demografiese oorgang

[3]

3 4 Migration

Migrasie

[3]

3 5 Import substitution versus export promotion

Invoervervanging teenoor uitvoerbevordering

[4]

3 6 Foreign direct investment

Direkte buitelandse investering

[3]

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

A4 Briefly explain why donors give aid to LDC's
Verduidelik kortlik 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]

- 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/ Bulgaria | 0.28 | Bolivia / Bolivië | 0.58 |
| Nigeria / Nigérie | 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 inkomse-ongelykheid 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 voorbeeld 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]

* * * *

**SECTION A: COMPULSORY
AFDELING A: VERPLIGTEND**

- A1 Differentiate between traditional economics, political economics and development economics

Onderskei tussen tradisionele ekonomiese, politieke ekonomiese en ontwikkelingsekonomiese

[6]

[TURN OVER]
[BLAAI OM]

- 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 uitvoerbevordering

[4]

3 6 Foreign direct investment
Direkte buitenlandse investering

[3]

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

- 11 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) groei teorie? [10]

**[TURN OVER]
[BLAAI OM]**

[TURN OVER]
[BLAAI OM]

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]

[TURN OVER]
[BLAAI OM]

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]

[TURN OVER]
[BLAAI OM]

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 / Nigérie | 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 inkomse-ongelykheid en verduidelik kortlik 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)

[TURN OVER]
[BLAAI OM]

[20]**[TURN OVER]
[BLAAI OM]**

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]**[TURN OVER]
[BLAAI OM]**

ROUGH WORK / ROFWERK

ROUGH WORK / ROFWERK