

**ECS3707**October/November 2014  
Oktober/November 2014**DEVELOPMENT ECONOMICS**  
**ONTWIKKELINGSEKONOMIE**Duration      2 Hours  
Tydsduur      2 Uur100 Marks  
100 Punte**EXAMINERS / EKSAMINATORE :**

FIRST / EERSTE : MRS/MEV R BEZUIDENHOUT  
 SECOND / TWEEDE : MS/ME NW GAMEDE  
 EXTERNAL / EKSTERNE : MR/MNR FK SIEBRITS

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

Closed book examination.  
 Toeboekeksamen.

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This paper consists of 19 pages including 3 pages for rough work (pp 17 to 19) plus the special front page.

Hierdie vraestel bestaan uit 19 bladsye insluitende 3 bladsye vir rofwerk (pp 17 tot 19) plus die spesiale voorblad.

STUDENT NUMBER / STUDENTENOMMER									

This paper consists of Section A and Section B. Section A is compulsory and represents 40 marks. Answer ALL questions from Section A. Choose ANY THREE questions from section B. Section B represents 60 marks.

Hierdie 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****QUESTION 1 / VRAAG 1**

Define the following concepts (10 x 2 = 20 marks)

- (a) Subsistence economy
- (a) Self onderhoudende ekonomiese

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- (b) Common property resource
- (b) Gemeenskaplike grond hulpbronne.

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- (c) Hidden momentum of population growth
- (c) Verskuilde momentum van bevolkingsgroei

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- (d) Poverty gap.  
(d) Armoede gaping

- (e) Total fertility rate  
(e) Totale fertilitetskoers

- (f) Agglomeration economies  
(f) Opeengehopte ekonomies

- (g) Urban giantism
  - (g) Stedelike reusagtigheid

- (h) Discount rate  
(h) Diskontokoers

- (i) Aggregate growth model  
(i) Totale groei model

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- (i) Tied aid.  
(i) Gebonde hulp

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**QUESTION 2 / VRAAG 2**

Define the neocolonial dependence model (4)

Definieer die neo-koloniale afhanklikheidsmodel (4)

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### **QUESTION 3 / VRAAG 3**

The following income distribution data are for Mexico

Die volgende inkomste verdelings data is van Mexiko

Quintile / Kwantiel	Percentage share / Persentasie aandeel
Lowest / Laagste 20%	2,4%
Second quintile / tweede kwantiel	5,7%
Third quintile / derde kwantiel	10,7%
Fourth quintile / Vierde kwantiel	18,6%
Highest / Hoogste 20%	62,6%
Highest / Hoogste 10%	46,2%

- (a) Draw the Lorenz curve, labeling the axes (6)  
(a) Teken die Lorenz kromme en benoem die asse. (6)

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- (b) Explain how to find the Gini coefficient, graphically (4)  
(b) Verduidelik hoe die Gini koeffisient grafies bereken word (4)

## **QUESTION 4 / VRAAG 4**

- 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)

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

**QUESTION 1 / VRAAG 1**

1.1 Explain and interpret the information in the table below (12)

Verduidelik en interpreteer die inligting in die tabel hieronder (12)

	Relative HDI ranking Relatiewe MOI rang	HDI value MOI waarde	Real GDP per capita Reële BBP per capita	GDP rank minus HDI Rank BBP rang minus MOI rang	Gini coefficient Gini koeffisiënt
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

- 12 Speaking at the African Union Summit in Addis Ababa, Ethiopia, UN Secretary-General Ban Ki-moon called on the continent's leaders to boost efforts to lift millions out of poverty and end recurrent cycles of violence to accelerate development in the region

**Discuss how far South Africa has progressed in achieving the Millennium Development Goals**

(8)

Gedurende 'n toespraak by 'n Afrika Unie beraad in Addis Ababa, Etiopie het Ban Ki-Moon, Sekretaris Generaal van die VN 'n beroep op die kontinent se leiers gedoen om alle pogings te verskerp om miljoene memse uit armoede te lig. 'n Beroep is ook gedoen om 'n einde te bring aan die herhalende siklusse van geweld om sodoende ontwikkeling op die kontinent te bespoedig.

Bespreek hoe ver Suid-Afrika al gevorder het in die bereiking van die Millennium Ontwikkelings doelwitte

(8)

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**QUESTION 2 / VRAAG 2**

- 2.1 It has been widely held that the Solow Growth model can predict differences in growth rates across countries in qualitative terms, but not in quantitative terms. Explain equilibrium in the Solow growth model (10)

Dit word wyd erken dat die Solow Groei Model verskille in groei koerse tussen lande in kwalitatiewe terme kan voorspel, maar nie in kwantitatiewe terme nie. Verduidelik ewewig in die Solow groei model (10)

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- 2.2 Explain which experiences of the 1950's and 1960's led to the new economic view of development. What was the new definition of development that flowed from this realisation? (4)

Verduidelik watter ervarings gedurende die 1950's en 1960's aanleiding gegee het tot die nuwe ekonomiese siening oor ontwikkeling. Watter nuwe definisie van ontwikkeling het hieruit voortgevloei? (4)

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- 2.3 Describe Kuznets's inverted-U hypothesis by reflecting on the conceptual merits and limitations. (6)

Bespreek Kuznets se ongekeerde U-hipotese deur te reflekter op die konseptuele verdienstelikhede en beperkinge. (6)

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**QUESTION 3 / VRAAG 3**

- 3.1 The cause of falling birth rates (stage III in demographic transition theory) is nowadays, attributed to micro economic behaviour. Explain how the microeconomic theory of fertility relates to consumer choice (12)

Die oorsaak van dalende geboortekoeurse (fase III in die demografiese oorgangsteorie) word deesdae toegeskryf aan mikroekonomiese gedrag. Verduidelik hoe die mikroekonomiese ferilitetsteorie verband hou met verbruikerskeuse (12)

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- 3.2 Briefly outline two international examples of integrated programmes to promote education, health and other developmental objectives in developing countries (4)

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

- 3.3 What is an industrial district? How might governments of developing countries help them to succeed? (4)

Wat is 'n industriële distrik? Hoe kan owerhede in ontwikkelende lande help om dit suksesvol te maak?

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## **QUESTION 4 / VRAAG 4**

- 4.1 Foreign aid or (development assistance) is often regarded as being too much, or wasted on corrupt recipient governments despite any good intentions from donor countries. Discuss in detail why donors give aid (12)

Buitelandse hulp (formele ontwikkelingshulp) word soms beskou as te veel of as 'n vermorsing op korrupte ontvanger regerings ten spyte van enige goeie bedoelinge deur die skenker lande. Gee 'n volledige uiteensetting waarom skenkers hulp gee (12)

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- 4.2 Despite the failings of the free market, there is still merit in considering each of the principles of the Washington Consensus. Compare the Washington Consensus with the New Consensus (8)

Ten spye van die tekortkominge van die vrye mark, maak dit steeds sin om die meriete van elke beginsel van die Washington se konsensus te oorweeg. Vergelyk die Washington konsensus met die nuwe konsensus (8)

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## **ROUGH WORK / ROFWERK**

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## **ROUGH WORK / ROFWERK**

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## **ROUGH WORK / ROFWERK**