

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF ECONOMICS**  
**MAIN EXAMINATION PAPER, MAY 2009**

**TITLE OF PAPER** : **DEVELOPMENT ISSUES**  
**COURSE CODE** : **ECON 303**  
**TIME ALLOWED** : **THREE HOURS**  
**INSTRUCTIONS** : **1. ANSWER TWO QUESTIONS FROM EACH SECTION**  
**2. ANSWER FOUR QUESTIONS IN ALL**

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## SECTION A

### QUESTION ONE

(25 MARKS)

- (a) What are the traditional economic measures of development? (9 marks)
- (b) Critically examine the major components of the structural diversity of the countries that make up the Third World. (16 marks)

### QUESTION TWO

(25 MARKS)

- (a) The economic mechanism by which more investment leads to more economic growth can be described in terms of the Harrod-Domar growth model. Discuss (17 marks)
- (b) The possible application of the Harrod-Domar model to the developing countries is limited due to the inappropriateness of some of its assumptions. Explain this statement (8 marks)

### QUESTION THREE

(25 MARKS)

- (a) The Rostow's stages of growth model is one of the important theories of economic growth and development. Discuss (15 marks)
- (b) In September 2000, member countries of the United Nations adopted eight Millennium Development Goals (MDGs) committing themselves to making substantial progress toward the eradication of poverty and achieving other human development goals by the year 2015. Identify five of the MDGs (10 marks)

### QUESTION FOUR

(25 MARKS)

- (a) Examine the "big push model" as one of the examples of the new growth theory. (9 marks)
- (b) In the "Washington consensus", the neoclassicists contend "that slow or negative growth results from poor resource allocation from non-market prices and excessive LDC state intervention". Discuss this statement (16 marks)

**SECTION B**

**QUESTION FIVE**

**(25 MARKS)**

- (a) Define dependency burden and discuss its relationship with the age structure of population in most developing countries (13 marks)
- (b) What are the major counter arguments against private direct investment in developing countries? (12 marks)

**QUESTION SIX**

**(25 MARKS)**

- (a) What is poverty? Discuss the causes of poverty in Swaziland (13 marks)
- (b) Unemployment is one of the most serious socio-economic challenges facing Swaziland. What advice would you give the Swazi Government in its effort to solve the problem? (12 marks)

**QUESTION SEVEN**

**(25 MARKS)**

- (a) Discuss the problems faced by the education sector in Swaziland. How can the government solve such problems? (15 marks)
- (b) Identify the major constraints facing the informal sector in Swaziland (10 marks)

**QUESTION EIGHT**

**(25 MARKS)**

- (a) Briefly discuss the theory of economic integration (9 marks)
- (b) Examine the benefits and limitations of such integration with reference to the Southern African Customs Union (SACU) (16 marks)