

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**  
**ADVANCED GCE**  
**2886**  
**ECONOMICS**

**Economics of Development**

**FRIDAY 5 JUNE 2009: Afternoon**

**DURATION: 1 hour 30 minutes**

**SUITABLE FOR VISUALLY IMPAIRED CANDIDATES**

**Candidates answer on the Answer Booklet**

**OCR SUPPLIED MATERIALS:**

**8 page Answer Booklet**

**OTHER MATERIALS REQUIRED:**

**None**

**READ INSTRUCTIONS OVERLEAF**

## **INSTRUCTIONS TO CANDIDATES**

- **Write your name clearly in capital letters, your Centre Number and Candidate Number in the spaces provided on the Answer Booklet.**
- **Use black ink. Pencil may be used for graphs and diagrams only.**
- **Read each question carefully and make sure that you know what you have to do before starting your answer.**
- **Answer Question 1 in Section A and answer ONE question from Section B.**
- **Write all your answers in the separate answer booklet provided.**
- **If you need to use additional answer sheets, fasten these sheets securely to the answer booklet.**

## **INFORMATION FOR CANDIDATES**

- **The number of marks is given in brackets [ ] at the end of each question or part question.**
- **The total number of marks for this paper is 45.**
- **The quality of your written communication will be taken into account in the marking of your answer to Section B.**

## **SECTION A**

**Answer this question.**

### **1      MILLENNIUM DEVELOPMENT GOALS (MDGs)**

**In 2000, world leaders at a United Nations summit agreed to set Millennium Development Goals to be achieved by 2015. These covered poverty, hunger, health, education, equality, environment and global partnership. MDG reports were to be produced regularly for all developing and transition economies.**

**A recent UN report compared progress in achieving economic development by 2002 to the position in 1990. Fig. 1 on page 4 gives data from this report for three regions in Asia.**

**FIG. 1 SELECTED INDICATORS FOR THREE  
REGIONS IN ASIA, 1990 AND 2002**

	<u>East Asia</u>		<u>South Eastern Asia</u>		<u>Southern Asia</u>	
<u>Indicator</u>	<u>1990</u>	<u>2002</u>	<u>1990</u>	<u>2002</u>	<u>1990</u>	<u>2002</u>
<b>Real GDP per capita, US\$</b>	<b>351</b>	<b>943</b>	<b>1012</b>	<b>1421</b>	<b>379</b>	<b>547</b>
<b>Undernourishment, %</b>	<b>16</b>	<b>11</b>	<b>17</b>	<b>13</b>	<b>25</b>	<b>22</b>
<b>Enrolment in primary education, %</b>	<b>98</b>	<b>92</b>	<b>92</b>	<b>91</b>	<b>73</b>	<b>80</b>
<b>Under 5 years mortality rate, per 1000</b>	<b>48</b>	<b>38</b>	<b>78</b>	<b>48</b>	<b>126</b>	<b>93</b>
<b>Access to improved water supply, %</b>	<b>72</b>	<b>78</b>	<b>73</b>	<b>79</b>	<b>71</b>	<b>84</b>
<b>Urban population living in slums, %</b>	<b>41</b>	<b>36</b>	<b>37</b>	<b>28</b>	<b>64</b>	<b>59</b>

In the same report, progress by 2004 towards achieving the 2015 MDGs was assessed. Fig. 2 comments on this progress for the same regions in Asia.

**FIG. 2 PROGRESS IN ACHIEVING SELECTED MDGs FOR THREE REGIONS IN ASIA**

<b><u>Goal</u></b>	<b><u>East Asia</u></b>	<b><u>South Eastern Asia</u></b>	<b><u>Southern Asia</u></b>
<b>Reduce extreme poverty by half</b>	<b>met</b>	<b>on track</b>	<b>on track</b>
<b>Reduce hunger by half</b>	<b>progress but lagging</b>	<b>progress but lagging</b>	<b>progress but lagging</b>
<b>Universal primary schooling</b>	<b>on track</b>	<b>lagging</b>	<b>progress but lagging</b>
<b>Reduce under 5 years mortality by two-thirds</b>	<b>progress but lagging</b>	<b>on track</b>	<b>progress but lagging</b>
<b>Halve proportion without improved water in urban areas</b>	<b>declining access</b>	<b>high access, no change</b>	<b>met</b>
<b>Halve proportion without improved water in rural areas</b>	<b>progress but lagging</b>	<b>progress but lagging</b>	<b>met</b>
<b>Improve the life of slum dwellers</b>	<b>progress but lagging</b>	<b>on track</b>	<b>some progress</b>

**(a) Using Fig. 1, explain:**

**(i) which region is most likely to have achieved greatest economic growth between 1990 and 2002; [2]**

**(ii) which region was the least developed in 2002. [3]**

**(b) Comment on ONE possible reason why different regions within the same continent might have achieved different levels of economic development. [4]**

**(c) Using Fig. 2, explain:**

**(i) which MDG is most likely to be achieved by 2015; [2]**

**(ii) which region is least likely to achieve its MDGs by 2015. [3]**

**(d) Discuss the extent to which the data in Figs. 1 and 2 matches that needed to construct the Human Development Index. [6]**

## **SECTION B**

**Answer ONE question.**

- 2 (a) Explain the limitations of Rostow's model in accounting for the process of development. [10]**  
**(b) Discuss the extent to which a country's level of development is solely the result of economic forces. [15]**
- 3 (a) Explain why developing countries often face macro-economic instability. [10]**  
**(b) Discuss the possible contribution of the World Bank, the IMF and non-government organisations (NGOs) in promoting greater macro-economic stability in developing countries. [15]**
- 4 (a) Explain how the employment situation in the world's least developed countries limits their prospects of development. [10]**  
**(b) Discuss whether a policy of increasing fixed capital stock or improving human capital is better able to promote development. [15]**

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