

OLLSCOIL NA hÉIREANN, GAILLIMH  
THE NATIONAL UNIVERSITY OF IRELAND, GALWAY

SUMMER EXAMINATIONS 2000

**Master's Degree / Diploma in Rural Development  
First Year Examination**

**FIRST PAPER (EC540)  
ECONOMIC & SOCIOLOGICAL THEORIES OF  
DEVELOPMENT**

Professor John Bryden, Ph.D., B.Sc.  
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**Time allowed: THREE hours.**

**FOUR questions to be answered. THREE from Section A and ONE from Section B.  
Use separate answer books for each section.**

**SECTION A: ECONOMIC MODULE**

1. Explain the concept of equilibrium price and its determination by the forces of demand and supply. Why might such a demand-supply price determination theory not present a true picture of how international and domestic prices are determined in the real world? Give two examples. In terms of the capital market or the labour market explain how prices that are not equilibrium prices could distort the development effort.
2. What is meant by an 'appropriate' technology of production? Do you think that most developing countries should adopt labour-intensive or capital-intensive technologies? Why? How do resource prices influence techniques of production? What happens when resource prices (especially prices of capital and labour) do not reflect the true scarcity value of these resources to society?
3. Healthy economies export goods and services, retain substantial income and build internal linkages that create jobs for local people. Discuss how to go about formally analysing these features in the local economy.

4. In helping to ensure that funds for local development projects are allocated effectively the following three criteria are important:

- Appropriate rate of return.
- Avoidance of deadweight.
- No displacement.

Discuss the meaning of each of these criteria.

5. "The principal economic role for the neighbourhood is as a source of labour for production that is located elsewhere. As such, the neighbourhood is primarily the locus of reproduction of labour rather than of production itself" (Teitz, M., 1989. *Neighbourhood Economics*). Discuss how this process occurs.

## **SECTION B: SOCIOLOGICAL THEORIES OF DEVELOPMENT**

6. Examine how the process of development is conceptualised and explained either by the Modernisation or Dependency perspective.
7. "The Modernisation perspective is better able to illuminate the process of development in modern Ireland than is the Dependency perspective". Discuss.