



**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**FINAL YEAR SECOND SEMESTER EXAMINATION IN**  
**BACHELOR OF BUSINESS ADMINISTRATION/SPECIALISATION IN**  
**MARKETING MANAGEMENT/HUMAN RESOURCES MANAGEMENT – 2014/2015**  
**(NOVEMBER, 2017)**  
**(PROPER/REPEAT)**

**ECN 4023 – ECONOMIC DEVELOPMENT & PLANNING**

*Answer all Questions*

*Time: Three hours*

**Read the Case Study given below and answer the questions based on it.**

**PROBLEMS OF PLANNING IN DEVELOPING COUNTRIES**

It is difficult to implement the policies and required actions contained in plans, programmes or projects unless they are widely recognised to be one, if not the major weakness of contemporary planning in Developing Countries, (Waterston, 1965; Faber and Seers, 1972). If a plan or project does not result in change necessary to achieve desired goals and objectives then it is, in effect, meaningless. Goals and objectives have to be translated into action and it is implementation which provides the crucial mechanism that permits this progression from plan to action and to change in those dimensions of economic, social and physical environments that are the object of planning activity.

Although there have been significant changes and improvements in approaches to planning and its techniques used to formulate and appraise plans and projects, implementation still remains a major problem. All too often it is assumed that planning is only about producing a 'good' plan and that once this has been done and the plan has been endorsed by politicians then somehow the actions that must be taken will follow as a matter of course. This, however, is a very misguided view of the nature of planning and the nature of the relationship between preparing plans (or projects) and the means by which the objectives embodied in them can actually be achieved. In fact, preparing plans is in some sense the easiest part of the overall planning process. It is much more difficult to identify precisely what has to be done to make a plan or project, operational. Who should be responsible, the time – scales involved, and of course, implications for resource allocation and the implementation process. These are central problems in the implementation task.

Since the end of the World War II, a considerable third world countries chose planning models for development. Most of them were concerned with how planning should be practiced or how planning should work for their requirements. However, experience from implementation of the plan had been generally frustrated. There was always a gap – often a great one – between the models they adopted and planning as it is practiced, especially in less developed countries, (John Healy and Mark Robinson, 1992).

It is questionable whether planning is relevant in developing countries today. Since planning has to be an integral part of government, in the absence of proper planning, projects of national interest cannot be implemented, (Tony Killick, 1990). The government planning of these countries fail to produce desired results that contribute poor resource mobilisation and ineffective economic policies. There are millions of people who do not have running water or even enough to eat right now. Young people and graduates do not have enough jobs which only lead to more crime and terrorism in the less developed countries. There are droughts in many areas and high pollution in cities. The gap between the rich and poor is getting larger day by day.

Although cost-benefit analyses have been used in all aspects of government planning, discrepancies between private and social estimates have appeared more than before. If we take the role of government in allocating resources in less developed countries, government policy experiences have shown negative effects on the economy due to non-optimal allocation of resources. Policy makers and planners adopt four problem areas which effect the implementation of plans.

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- a) What are the '**Four Problems**', indicated in the last paragraph? (08 Marks)
- b) Why was planning '**Failure**' in many developing countries? Justify your answer with examples. (12 Marks)
- c) As the planner of your area, you have just been informed that you are in charge of '**Implementing a Plan**' for one year term schedule. Describe how you would implement this plan. (08 Marks)

(Total 28 Marks)

Q2.

- a) What is the '**Ultimate Purpose**' of development economics? (04 Marks)
- b) List out some '**Traditional Economic Measures**' of development'? (04 Marks)
- c) What is the '**New View Point**' of development'? (04 Marks)
- d) How would do you measure the development through the "**Capability Approach**" of *Amartya Sen*? (06 Marks)
- (Total 18 Marks)

Q3.

- a) Briefly examine the '**Problem of Higher Population Growth Rate**' in third world countries with proper data. (06 Marks)
- b) Describe the '**Role of the Adverse Geography**' in the poor condition of development in less developed countries. (12 Marks)
- (Total 18 Marks)

Q4.

- a) What are the economic causes and negative consequences of '**Environmental Pollution**'? Analyse. (10 Marks)
- b) Using diagram illustrate the '**Burden of Pollution Tax**' in a market with examples. (08 Marks)
- (Total 18 Marks)

Q5. Discuss on the following.

1. Arthur Lewis model
2. Labour-intensive industries
3. Kuznets curve and sustainable development

(03×06 = Total 18 Marks)