

ECT1
ECONOMICS TRIPOS PART I

Thursday 12 June 2014 9:00-12:00

Paper 4

POLITICAL AND SOCIOLOGICAL ASPECTS OF ECONOMICS

Answer **FOUR** questions only.

Answer all parts to the question.

Each question carries equal weight.

Write your **candidate number** (not your name) on the cover of each booklet.

Write legibly.

STATIONERY REQUIREMENTS

20 Page booklet x 1

Rough work pads

Tags

**SPECIAL REQUIREMENTS TO BE SUPPLIED FOR THIS
EXAMINATION**

**You may not start to read the questions printed on the subsequent
pages of this question paper until instructed that you may do so by the
Invigilator.**

- 1 Why has there been increased interest in having legally enforced labour standards in recent years? What particular circumstances apply to the European Union? Why was the United Kingdom one of the last countries in the European Union to introduce a statutory minimum wage?
- 2 Why has trade union influence diminished substantially in the private sector in the past three decades? What has changed this influence in the public sector?
- 3 To what extent did Clement Attlee originate the post World War 2 British political order?
- 4 Thatcherism transformed British politics. Discuss.
- 5 Tony Blair was the most successful Labour Prime Minister since Clement Attlee. Discuss.
- 6
 - (a) Explain the microeconomic problems of information, monitoring and contract enforcement that arise in providing bank lending in rural areas of developing countries.
 - (b) How do informal lenders get around these problems?
 - (c) In this context, why do informal lenders charge much higher rates of interest than the formal banking sector?
- 7 The Lewis model of dualistic development explains the process of development using the concept of surplus labour.
 - (a) Explain the Lewis model of dualistic development and the assumptions upon which it is based.
 - (b) What is surplus labour?
 - (c) Does the empirical evidence from poor countries support the predictions of the Lewis model?
- 8
 - (a) What is the difference between economic growth and economic development?
 - (b) GNP per capita is often used to measure economic development. What are the problems associated with using a measure like GNP per capita?
 - (c) Some economists argue that in order to assess development appropriately we ought to use social indicators such as the Human Development Index as well as GNP per capita. Is this feasible? Are income and social indicators likely to be highly correlated with each other?

END OF PAPER