

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

DEVELOPMENT ECONOMICS IN AFRICA

Africa, with its rich natural resources and diverse cultures, has been a focal point in discussions about development economics. Despite its potential, the continent has faced numerous challenges in achieving sustainable economic growth. This case study examines the key factors influencing development in Africa, including infrastructure, education, governance, and international trade, with a focus on the successes and ongoing challenges in selected countries.

Infrastructure is a critical component of economic development. In Africa, inadequate infrastructure has been a significant impediment to growth. For instance, the lack of reliable electricity and transportation networks has hindered industrial expansion and reduced competitiveness. However, there have been notable improvements in recent years. The African Development Bank has invested heavily in projects aimed at improving infrastructure. One successful example is the Nairobi-Mombasa railway in Kenya, which has reduced travel time and boosted trade. Despite these advancements, many rural areas still lack basic infrastructure, underscoring the need for continued investment.

Education plays a pivotal role in economic development by enhancing human capital. In Africa, access to quality education remains uneven. Countries like Rwanda and Ghana have made significant strides in improving educational outcomes through government policies and international support. For example, Rwanda's commitment to universal primary education has resulted in increased enrollment rates and improved literacy. Conversely, countries such as Chad and the Central African Republic still struggle with low enrollment and poor educational infrastructure. Enhancing educational systems across the continent is essential for fostering innovation and economic growth.

Effective governance and strong institutions are crucial for development. Corruption and political instability have historically plagued many African nations, undermining economic progress. However, there have been positive changes in governance in several countries. Botswana and Mauritius, for instance, have

demonstrated that sound policies and transparent institutions can lead to sustained economic growth. These nations have implemented robust legal frameworks and anti-corruption measures, which have attracted foreign investment and stimulated economic activity. Nonetheless, challenges remain in countries where governance issues persist, highlighting the need for reforms to build resilient institutions.

International trade and investment are vital for economic development. Africa's trade has traditionally been dominated by the export of raw materials, making its economies vulnerable to global market fluctuations. Efforts to diversify economies and enhance trade have shown promise. The African Continental Free Trade Area (AfCFTA), launched in 2021, aims to create a single market for goods and services, boosting intra-African trade and investment. Countries like Ethiopia and Nigeria are working to attract foreign direct investment (FDI) in manufacturing and technology sectors. However, barriers such as trade tariffs and non-tariff measures continue to pose challenges, requiring coordinated policy efforts to realize the full potential of trade and investment.

Africa's journey towards sustainable economic development is marked by both achievements and challenges. Significant progress has been made in infrastructure development, education, governance, and trade. However, the continent still faces hurdles that require comprehensive strategies and international cooperation. By addressing these challenges, African nations can unlock their full potential and achieve long-term economic prosperity.

Required:

- a) Discuss five roles that infrastructure development play in Africa's economic growth. (5 Marks)
- b) Examine Five contributions of education policies in economic development Rwanda and Ghana. (5 Marks)
- c) Discuss five ways through which Botswana and Mauritius have achieved economic growth with the help of good governance. (5 Marks)
- d) Evaluate five effects of the African Continental Free Trade Area (AfCFTA) intra-African trade. (5 Marks)
- e) Explore five strategies that African countries can use to attract more foreign direct investment (FDI) in sectors beyond raw materials. (5 Marks)

QUESTION TWO

- a) Analyze five (5) effects of income inequality on economic growth and development (5 Marks)
- b) Evaluate five policies that can be implemented to reduce inequality in developing economies (10 Marks)

QUESTION THREE

- a) Examine five roles of international organizations, such as the World Bank and the International Monetary Fund (IMF), in supporting the development of emerging economies (5 Marks)
- b) Discuss Five potential disadvantages of the involvement World Bank and the International Monetary Fund (IMF) in the developing world. (10 Marks)

QUESTION FOUR

- a) Illustrate five (5) shortcomings associated with export-led growth (10 Marks)
- b) Discuss five ways the endogenous growth theory differs from traditional growth models in explaining the sources of economic growth (5 Marks)

QUESTION FIVE

- a) Discuss five (5) roles do renewable energy sources play in sustainable development (5 Marks)
- b) Examine five strategies developing nations can use to transit from fossil fuels to cleaner energy alternatives (10 Marks)

QUESTION SIX

- a) Explain the following terms as used in development economics
 - i. Relative Poverty; (3 Marks)
 - ii. Multi-dimensional deprivation (3 Marks)
 - iii. Subjective Poverty; (3 Marks)
- b) Discuss three ways urban planning and development can be aligned with the principles of sustainable development to create more resilient and livable cities (6 Marks)