

QUESTION ONE

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

KENYA ON ECONOMIC DEVELOPMENT AND FINANCIAL INCLUSION

Kenya is a developing nation and has embarked on a journey towards sustainable development, aiming to balance economic growth with environmental conservation and social inclusivity. Kenya, with a diverse economy and rich natural resources, recognized the need for sustainable development to address pressing challenges such as poverty, environmental degradation, and social inequality. The government initiated comprehensive reforms to align economic policies with sustainability goals, leveraging financial mechanisms to support inclusive and environmentally friendly projects.

Kenya implemented policies to diversify its economy in order to reduce dependency. A significant portion of financing for these initiatives came from both domestic and international sources. The government introduced tax incentives, subsidies, and concessional loans to encourage private sector investments in renewable energy, eco-tourism, and sustainable agriculture. Kenya sought support from international financial institutions, including the World Bank and regional development banks, to finance large-scale infrastructure projects. These projects focused on improving access to clean energy, enhancing transportation networks, and promoting sustainable urban development. The international financing came with conditions related to environmental impact assessments and social inclusivity, aligning with the country's commitment to sustainability.

Kenya prioritized microfinance initiatives to empower marginalized communities as part of inclusive growth. Local financial institutions collaborated with international organizations to provide microcredit and financial literacy programs. This grassroots approach aimed to create economic opportunities at the community level, breaking the cycle of poverty and fostering sustainable development. To attract private sector investments in environmentally sustainable projects, it issued green bonds. These financial instruments were designed to fund initiatives such as renewable energy projects and sustainable agriculture practices. The government established regulatory frameworks to ensure transparency and adherence to green standards, attracting responsible investments from domestic and international investors.

While Kenya has made significant strides in sustainable development, challenges persist. Balancing economic growth with environmental preservation remains a delicate task. The transition to sustainable practices has encountered resistance from some traditional industries, necessitating careful policy adjustments. Additionally, ensuring the inclusivity of development initiatives requires ongoing efforts to address social disparities and provide equitable access to opportunities.

Required:

- a) From the case study above, we have been informed that Kenya prioritized microfinance initiatives to empower marginalized communities. Describe five (5) challenges that Kenya has faced in implementation of microfinance initiatives
(10 Marks)
- b) In the case study, it is noted that Kenya implemented policies to diversify its economy. Examine the importance of implementing policies to diversify the economy.
(10 Marks)
- c) Outline five (5) challenges that still ails Kenya despite all the reforms undertaken as stated in the case study.
(5 Marks)

QUESTION TWO

- a) Discuss the roles of globalization in addressing global challenges
(10 Marks)
- b) Assess five benefits of foreign private investment to an economy
(5 Marks)

QUESTION THREE

- a) Explain five limitations of Human developing index (HDI)
(10 Marks)
- b) State five dimensions of poverty as underscored in development economics
(5 Marks)

QUESTION FOUR

- a) Assess five alternatives to structural adjustment programmes
(10 Marks)
- b) Analyze five challenges faced by foreign direct investors
(5 Marks)

QUESTION FIVE

- a) Evaluate five roles of Sustainable Development Goals (SDGs) in guiding economic development (10 Marks)
- b) Highlight five benefits of economic integration (5 Marks)

QUESTION SIX

- a) Examine the role of financial institutions in fostering economic development (10 Marks)
- b) Outline five criticisms of International monetary fund (IMF) (5 Marks)