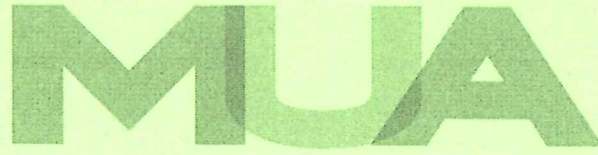


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES

BDS 401 : TRADE AND DEVELOPMENT

DATE: 8TH AUGUST 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

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

COMMUNITY'S VULNERABILITY

According to the findings of the study by Timu and Moses (2022) an evaluation of drought management strategies for enhanced food security in West Pokot County in Kenya, 20% of respondents suggested limiting meal portion sizes, 38% preferred access to early warning information, 44% indicated that livestock migration is the primary mitigation measure for drought risk reduction initiatives, and 32% stated that growing drought-tolerant crops is a key strategy for reducing the effects of drought. The majority of the factors that contributed to a community's vulnerability to drought were poverty, followed by climatic variability (35 percent), dependency syndrome on foreign aid (17 percent), and climatic variability (40 percent). The study also found that 36% of respondents preferred food aid and 28% preferred cash transfers for humanitarian programs in West Pokot. These findings can be used to improve communities' resilience to the negative effects of prolonged drought and food insecurity and to develop mitigation measures to reduce drought risks.

Undeniably, climatic changes are not simply a phenomenon of the future, but also of the relatively recent past, as well as of the present. As shown in this work, the African continent is currently warmer than it was 100 years ago. Climate change will hit hardest in communities - like those in Africa - that already face social and economic challenges such as living in socio-economic poverty. In fact, there is a growing consensus that climate change will cause more harm to poor countries because poor people rely more heavily on natural resources for survival, and these natural resources are susceptible to destruction by floods and drought, for instance, that are caused by climatic changes. This, in turn, is likely to destroy the livelihoods of the poor as well as deepen poverty.

While climatic changes will be harmful to the poor, it is their vulnerability to the various elements of climate change that determines whether they survive, and if they

do, whether their livelihoods are destroyed. According to Bailey (2009), people's vulnerability is inextricably linked with poverty, as poor people tend to live in poorly constructed homes, often in communities exposed to environmental hazards such as floods, landslides or droughts, and in areas lacking basic health services or infrastructure. Poor people also tend to have fewer assets to use and/or sell to cope in the aftermath of an environmental or natural disaster, and they also generally lack access to social safety nets. Undoubtedly, climate change will exacerbate poverty and, at the same time, the poor are the most vulnerable to climatic changes and their resultant impacts. In fact, as pointed out by World Bank (2009a), ~~the welfare~~ losses associated with climate change are likely to be much greater for poor countries and poor people.

Africa contributes the least to climatic change globally but will be the region most affected by climate change. The continent is a victim of circumstances beyond its influence and is therefore one of the most vulnerable regions in the world to climate change. Climatic changes have, consequently, emerged as a major threat to sustainable growth and development in Africa, with the potential to undermine, and even undo, the progress made in improving the socio-economic well-being that the continent has been experiencing in the past several years. Apart from poverty, the negative impacts now associated with climate change are also compounded by other factors including weak capacity, diseases and high population density, for example. In addition, while there are some actions that Africans can take, as discussed in this work, by far, as also pointed out the most important aspects of relief for Africa are the implications of the mitigation strategies chosen by the developed countries. Consequently, the rich developed countries again have the ability to subvert the viability of the livelihoods of millions of Africans if they (the rich developed countries) do not make serious efforts to tackle climate change.

Agriculture and fisheries are very sensitive to climate change and this makes their production processes likely to be affected by climate change. By the 2080s, climate change is estimated to place an additional 80-120 million people at risk of hunger

and 70-80% of these will be in Africa. This will, in turn, worsen the state of food insecurity and malnutrition while demonstrating agriculture's position as the most vulnerable sector to climate change (Nyong,2009). The majority of the African population derive their livelihoods from agriculture, and it represents the single largest economic activity on the continent. In sub-Saharan Africa, it contributes at least 40% of exports, 34% of GDP (more than 50% in some countries), up to 30% of foreign exchange earnings and 64-80% of employment (Hope 2008).

On the entire continent, as previously mentioned, both arid and semi-arid areas are expected to expand by 5% and 8% by 2080. The effects of climate change on human health in Africa and elsewhere continue to be a matter of scientific debate, primarily due to the mixed results of research on climate suitability for malaria transmission. Nonetheless, there is a sufficient body of research that suggests that climate change is anticipated to have significant negative effects on human health in poor countries such as those found in Africa. The continent is already vulnerable to several climate-sensitive diseases, and altered temperatures and rainfall patterns resulting from climatic change are expected to increase incidences of vector-borne diseases such as malaria. A number of studies have demonstrated a correlation between climatic change and malaria incidence as well as the incidence of dengue fever, for instance; and projections of the regional health effects due to climatic change signal a massive impact on the poorer countries such as those in Africa. The impact on malaria occurs because weather disturbances influence vector breeding sites, and hence the transmission potential of the disease.

The nature of the rapid urbanization and the increasing pattern of slum settlements in Africa mean that the continent's cities and the urban poor, in particular, will be most vulnerable to health hazards from climate change. Africa's urban poor generally live in slum-like conditions, which tend to be opportunistic breeding grounds for disease carriers such as mosquitoes. These slums are also characterized by high population densities, supplying a large pool of susceptible individuals. Looking at the available data, it is estimated that of the almost 1 million people who

die of malaria each year, the majority are poor African children, and by 2100 it is projected that malaria cases will increase by 5-7% (WHO 2008). The social and economic costs of the additional burden of malaria, as a result of climate change, will also be significant and this has serious implications for growth and development on the continent.

Required:

- a) From the case study explain any five causes of community's vulnerability
(5 Marks)
- b) Trade and development cannot progress until we address climate change and poverty. Using the case study above discuss
(10 marks)
- c) Discuss from the case study the strategies to be implemented to reduce community's vulnerability
(10 Marks)

QUESTION TWO

- a) Explain five ways in which free trade negatively affect economies of the poor countries giving relevant examples,
(10 Marks)
- b) Explore the role played by trade in achieving the following target areas linked to successful achievement of this Sustainable Development Goal 9(SDG9); Promotion of inclusive and sustainable industrialization (5 Marks)

QUESTION THREE

- a) Explain how the Tariff Rate Quotas types of trade barriers work in an economy by giving their pros and cons to a poor economy
(5 Marks)
- a) Illustrating relevant examples, discuss briefly any five points how trade contributes to development of local economies in Africa
(10 Marks)

QUESTION FOUR

- a) Examine the difference between static and dynamic gains from trade.

(5 Marks)

- b) Development critics have argued that the '*theory*' of foreign direct investment as a strategy to developing poor countries is more of a myth than reality; Discuss this statement with an aim of lobbying your National government to adopt FDI from Germany multinational companies as a viable development strategy

(10 Marks)

QUESTION FIVE

- a) Discuss any five contribution of trade to wealth distribution between the rich and the poor countries and people;

(10 Marks)

- b) Corruption is prevalent in many developing countries and hampering trade regulation. Discuss any five reasons for this societal rampant vice

(5 Marks)

QUESTION SIX

- a) Social development is all about investing in people, our country is busy with Education and Training ; and the Health Sector, highlight some key steps that governments and developing partners working in developing countries should undertake to improve the two sectors

(10 Marks)

- b) Describe five challenges facing industrialization and manufacturing sector in Kenya.

(5 Marks)