



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF ARTS IN DEVELOPMENT STUDIES

**MDE 515: GLOBAL POVERTY AND SOCIAL POLICY
DEVELOPMENT**

DATE: 30TH MARCH 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory.**
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 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:

POVERTY, INEQUALITY, AND STRUCTURAL CHALLENGES IN THE REPUBLIC OF AETHELGARD

The State of Aethelgard

The Republic of Aethelgard is a low-income nation located in the developing world, grappling with entrenched global poverty. Despite recent aggregate economic growth (which is not a choice variable but an outcome of many factors), the benefits have not been equitably distributed, leading to widening gaps between the rich and the poor. Currently, 45% of Aethelgard's population lives below the Absolute Poverty Line defined by the UN/World Bank standard of earning less than \$1.90 USD a day. The high proportion of poor individuals is captured by the Headcount Index (\$P_0\$). However, researchers note that relying solely on the Headcount Index is problematic because it does not indicate *how poor* the poor are. Subsequent analysis using the Poverty Gap Index (\$P_1\$) reveals that the average income deficit of the poor relative to the poverty line is substantial, suggesting that eliminating poverty would require significant, targeted transfers. Aethelgard also suffers from severe income inequality.

Analysis of the nation's income distribution reveals a Gini coefficient of 0.75, illustrating a very high degree of income disparity. This extreme concentration of wealth means that the Lorenz curve for Aethelgard is significantly "bowed" and lies far away from the 45-degree line of perfect equality. For instance, it is estimated that the poorest 80% of Aethelgard's population controls only 35% of the total national income, while the richest 20% controls 65%.

Structural and Environmental Challenges

Several interconnected factors exacerbate Aethelgard's poverty crisis. Economically, the nation relies heavily on exporting raw agricultural commodities, but faces significant barriers due to unfair terms of trade, specifically the high subsidies and protective tariffs maintained by developed countries. This prevents competitive exports by Aethelgard's agricultural sector and effectively drains taxed money. Furthermore, the lack of robust tax enforcement is compounded by the utilization of off-shore tax havens by the domestic wealthy elite, depriving the nation of critical revenue.

Governance failures are also central to the crisis. Aethelgard is characterized by weak rule of law, which can discourage investment. Pervasive corruption and non-developmental politics hinder the delivery of socioeconomic outcomes for poor populations. Environmentally, the intensive farming practices used by subsistence farmers have led to soil exhaustion, erosion, and declining agricultural yields. This environmental degradation directly increases poverty, especially in rural areas. The limited access to essential services, particularly healthcare and education, undermines the resilience of individuals and their ability to develop full human capabilities. This confluence of economic, environmental, and governance issues contributes to the slow progress in poverty alleviation, mirroring global challenges such as insufficient public spending and widening gaps between rich and poor.

Required:

- a) Distinguish between three conceptual approaches of the Absolute Poverty Line and the Relative Poverty Line, and discuss which metric (absolute or relative) is most relevant for measuring poverty in Aethelgard, given its current economic status.

(6 Marks)

- b) Aethelgard's poverty management relies heavily on the Headcount Index (\$P_0\$). Explain three limitations of \$P_0\$ and argue why the government should also prioritize the use of the Poverty Gap Index

(\$P_1\$) for resource allocation and policy intervention.

(6 Marks)

- c) Aethelgard has an extremely high Gini coefficient (0.75). Interpret what this high value signifies regarding income distribution, referencing its relationship to the Lorenz Curve.

(6 Marks)

- d) Identify and categorize three major underlying factors perpetuating poverty and inequality in Aethelgard, drawing on the sources' classification of causes.

(6 Marks)

- e) Propose three specific policy instruments from the sources that Aethelgard could implement to pursue an anti-poverty strategy that explicitly includes equity as an objective.

(6 Marks)

QUESTION TWO

- a) Many international organizations are involved in the Problems without Passports discuss the role played by United Nations(UN), World Bank and world trade organizations **to** eradicate any five of these problems **(5 Marks)**
- b) Analyze how deficiencies in Governance of a country contribute to the persistence of poverty **(5 Marks)**
- c) Specific Social factors contribute to the persistence of poverty. Discuss any five **(5 Marks)**

QUESTION THREE

- a) Explain any five Economic Factors as causes of persisting poverty in Sub-Saharan Africa **(5 Marks)**

b) Explain five reasons why corruption is prevalent in many developing countries

(5 Marks)

c) Explain five ways in which your gained knowledge will deal with the issue of food insecurity as one way of improving the quality of livelihoods in your regions

(5 Marks)

QUESTION FOUR

a) Briefly describe the five key Global Strategies of Poverty Alleviation mentioned in the module notes. **(5**

Marks)

b) Briefly discuss any five major characteristics of poverty in the less developed countries

(5 Marks)

c) Community participation can support the government effort to eradicate poverty. Argue with five points

(2.5 Marks)

d) Government Programmes and Policies on Poverty Alleviation are being implemented all over the country, justify any five anti-poverty strategy success in your county

(2.5 Marks)