

The  
Management  
University  
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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES**

**BDS 100: FOUNDATION OF DEVELOPMENT: CONCEPTS AND CRITICAL ISSUES**

**DATE: 2<sup>ND</sup> APRIL 2026**

**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:**

### **ECONOMIC GROWTH AND DEVELOPMENT IN KENYA: THE ROLE OF INDUSTRIALIZATION**

Industrialization is a transformative process that significantly impacts the economic, social, and environmental landscape of a country. One of the defining features of industrialization in Kenya is the increased foreign investment in sectors such as manufacturing and technology. This influx of capital has been facilitated by the establishment of export processing zones (EPZs), which attract multinational companies seeking to leverage Kenya's strategic position in East Africa. Alongside this, there has been notable growth in manufacturing sectors, including textiles, food processing, and construction, contributing significantly to the country's GDP. Furthermore, the expansion of infrastructure has played a crucial role in supporting industrial activities. Improvements in transportation networks, such as the Nairobi-Mombasa highway, have enhanced connectivity and facilitated the movement of goods. This has coincided with a rise in urban migration, as individuals from rural areas flock to cities in search of better employment opportunities.

Industrialization has also led to the introduction of new technologies within various sectors, enhancing productivity and efficiency. This technological advancement has contributed to the diversification of the economy, reducing reliance on agriculture and opening new avenues for growth. Furthermore, the transformation of the labor force is evident, as many workers shift from traditional agricultural roles to employment in industrial settings. The development of small and medium enterprises (SMEs) has flourished as a result, providing local entrepreneurs with opportunities to innovate and participate in the industrial economy. The Kenyan government has recognized the importance of industrialization, implementing policies that support industrial growth as part of its Vision 2030 initiative.

The positive impacts of industrialization in Kenya are manifold. Chief among these is job creation, with thousands of new positions arising in manufacturing, services, and

technology sectors. This surge in employment has contributed to economic growth, significantly boosting the country's GDP and improving overall economic stability. As incomes rise, there have been noticeable improvements in living standards, with many families experiencing enhanced access to food, healthcare, and education. Moreover, industrialization has led to increased tax revenues for the government, facilitating better public services and infrastructure development.

As industries expand, they also contribute to the enhancement of technological skills amongst the workforce, equipping individuals with valuable capabilities that benefit the economy. The improved infrastructure resulting from industrial growth has further boosted local businesses, creating a more vibrant economic landscape. Industrialization has also played a role in the reduction of poverty levels, as more job opportunities arise and incomes increase. With greater economic activity, there is improved access to goods and services, allowing consumers to benefit from a wider variety of products. Lastly, Kenya's industrialization journey has strengthened its trade relations with other countries, enhancing its position in the global market.

Industrialization in Kenya has also brought about significant challenges such as environmental degradation. The rapid pace of urban overcrowding is another concern, with cities struggling to accommodate the influx of people seeking employment, leading to inadequate housing and strained public services. Many workers face poor working conditions, particularly in informal sectors where labor laws may be inadequately enforced. The process of industrialization has also led to the displacement of local communities, as land is repurposed for industrial use. This has exacerbated income inequality, as the benefits of industrial growth are often unevenly distributed. The deterioration of traditional industries is another consequence, as local crafts and agricultural practices decline in the face of industrial competition. The dependence on foreign technology poses risks, limiting local innovation and increasing vulnerability to global market fluctuations. Lastly, the strain on public services, coupled with pollution from industrial processes, has heightened concerns regarding public health and environmental sustainability.

**Required:**

- a) Evaluate any negative impact of industrialization to an economy such a Kenya as seen in the case study above **(10 Marks)**
- b) By use of various examples, discuss five features of industrialization as evidenced from the case study above **(10 Marks)**
- c) Briefly explain any five positive impacts of industrialization as given in (a) and (b) above **(5 Marks)**

## QUESTION TWO

- a) Modernization theory suggests that all societies can develop similarly, with modernization leading to greater wealth, power, and individual freedom. The theory emphasizes the importance of social progress, technology adoption, and the reduction of traditional cultural influences.  
With an aid of a diagram, illustrate the process of modernization theory according to Walt Rostow **(12 Marks)**
- b) Identify any three development theories **(3 Marks)**

## QUESTION THREE

- a) Development policy is a set of guidelines, principles, and actions formulated by a government or organization to promote economic growth, social welfare, and sustainable development within a country or region.  
Discuss FIVE reasons why development policies essential for a country like Kenya, and how they contribute to national progress **(10 Marks)**
- b) Illustrate the Criticisms of the Millennium Development Goals (MDGs) **(5 Marks)**

## QUESTION FOUR

- a) Kenya's economic pillars refer to the key sectors and strategies identified in the country's Vision 2030 development plan, aimed at transforming Kenya into a newly industrializing, middle-income country. These pillars are designed to

drive economic growth, enhance social welfare, and improve the overall quality of life for Kenyans.

Describe any SIX economic pillars of Kenya Vision 2030. **(12 Marks)**

- b) Identify THREE ways that capacity building can enhance the skills and competencies of individuals, and how do these individual contributions collectively impact the economic development of a country in terms of productivity, innovation, and overall growth? **(3 Marks)**

#### QUESTION FIVE

- a) Sustainable development is a holistic approach to growth that seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs. With appropriate examples, Illustrate the three pillars of sustainable development **(9 Marks)**
- b) Classify the various ways that sustainable development goals (SDGs) can be effectively achieved in developing economies such as Kenya, considering the unique challenges and opportunities it has encountered **(6 Marks)**

#### QUESTION SIX

- a) Corporate governance, in the context of development studies, refers to the systems, principles, and processes by which corporations are directed and controlled.

Discuss FIVE roles that corporate governance plays in the overall development of a country, and how it can influence economic growth, social stability, and investor confidence **(10 Marks)**

- b) International trade is the exchange of goods and services between countries, allowing nations to import products that they do not produce domestically and to export those that they can produce efficiently. However, there are disadvantages associated with international trade. Briefly describe FIVE disadvantages of International trade? **(5 Marks)**

