

**National University of Lesotho**  
**BA SUPPLEMENTARY EXAMINATIONS**  
**EC3309: The Lesotho Economy**

**JANUARY 2023**

**100 MARKS**

**3 HOURS**

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**INSTRUCTION:** Answer any **FOUR** questions.

### **Question 1**

For the first time after 43 years since independence, the Lesotho government developed and published a comprehensive curriculum and assessment policy in 2009 as a strategy to minimize the negative influence of examinations on the education system by integrating curriculum with assessment. This policy overhauled the primary and junior secondary education programmes into a nine-year basic education programme. It abolished the national examination (PSLE) that learners were taking after seven years of primary education. With these new reforms, learners are now required to take the first national examination after nine years of uninterrupted schooling. During the basic education phase, learners are assessed continuously and the assessments are no longer used as the instruments that sort them for promotion. The main purpose of these assessments is now to inform teachers about the learners' progress in the acquisition of knowledge and skill.

Fully discuss the pros and cons of this policy on educational outcomes in Lesotho. **(25)**

### **Question 2**

The combined, textile, apparel and footwear manufacturing industry remains Lesotho's largest formal private sector employer – employing around 46 500 workers. Its current employment is below its early-2003 peak of about 54 000 workers. The African Growth and Opportunity Act (AGOA), since its enactment in 2000, has been at the core of this since it provides eligible sub-Saharan African countries with duty-free access to the U.S. market for over 1,800 products, in addition to the more than 5,000 products that are eligible for duty-free access under the Generalized System of Preferences program. Lesotho is one of the eligible countries. However, the AGOA agreement for Lesotho expires in 2025 and is yet to be renewed.

**a)** If the agreement is not renewed, what are the three main economic effects that will result. Discuss. **(15)**

**b)** How can the government effectively counter each effect? Discuss. **(10)**

### Question 3

“Most of the people in the world are poor, so if we knew the economics of being poor, we would know much of the economics that really matters. That is the Economics of Agriculture” Theodore W. Schultz (1979 Noble Prize Winner in Economic Sciences).

- a) Given the above statement, do you think Agriculture is given a deserving attention in Lesotho? Support your answer. (5)
- b) Highlight four major challenges facing this sector and ways to improve the agricultural production in Lesotho. *N.B. Consider both Animal Rearing and Crop Farming.* (20)

### Question 4

According to the research there are several factors which lead to high food insecurity in Lesotho. Outline five factors and show how each factor is contributing to food insecurity. (25)

### Question 5

“Mr Speaker and the Honorable House will recall that, in my Mid-term Budget Review, I indicated that feasibility study of Artisanal and Small-scale Mining (ASM) on localization of diamond trading was undertaken and completed where 9 sites were found to have potential. The public will now be invited to apply for licensing following the approval of the Mines and Minerals Act 2005 Amendment Bill” Mr. Thabo Sofonea (Former MP and Minister of Finance). Suppose Basotho apply for such licenses and are offered, what are the likely impacts of ASM on the Lesotho Economy (state both positive and negative). (25)