

NATIONAL UNIVERSITY OF LESOTHO
FACULTY OF LAW
LL.B FINAL EXAMINATIONS
L5305 - LEGAL ASPECTS OF ECONOMIC DEVELOPMENT I

JANUARY 2024

100 MARKS

3 HOURS

Instructions:

1. This paper contains **SIX (6)** questions. Answer any **FOUR (4)** questions.
 2. All answers must be numbered and must begin on a new page.
 3. Follow all instructions in each question.
 4. Use the appropriate format depending on whether the question is an essay or a problem type question.
-

QUESTION 1

Explain the following terms/concepts:

- a) Income inequality 5 Marks
- b) Standard of living 5 Marks
- c) Poverty 5 Marks
- d) Education 5 Marks
- e) Productivity 5 Marks

[25 MARKS]

QUESTION 2

- a) Differentiate the concepts of economic growth, economic development, and development 15 Marks
- b) Critically discuss any **TWO** legal interventions that governments can implement to achieve any **ONE** of the United Nations Sustainable development goals (SDGs). 10 Marks

[25 MARKS]

QUESTION 3

Below is an abridged example of a balance of payment account in millions USD.

ITEM	2023
Import of goods	-3, 266.95
Export of goods	1, 265.07
Imports of services	- 430. 62
Export of services	722.01

Investment income receipts	855.26
Investment income payments	-522.25
Unilateral current transfers	17.80
Capital account balance	-35.77

- a) Explain what a balance of payment account is. 5 Marks
- b) Identify any **ONE** positive trend that is reflected in the balance of payment and discuss any **ONE** legal intervention that may be implemented to further improve it. 10 Marks
- c) Identify any **ONE** negative trend that is reflected in the balance of payment and discuss any **ONE** legal intervention that may be implemented to mitigate it/reverse it. 10 Marks

[25 Marks]

QUESTION 4

In the following scenarios, identify which international financial organization is appropriate to provide assistance under the circumstances. Assume that all States are members of the International Monetary Fund and the World Bank Group. You must motivate your response.

- a) Drugba is a developed country. It has been hit by an earthquake that has destroyed some vital physical infrastructure. It needs financing to rebuild this right away. 5 Marks
- b) Kola is a Least Developed Country whose government is keen to implement industrial and trade reforms. The government seeks financing

to improve its road and rail network to link industrial sites with its commercial ports. 5 Marks

c) Lima is a developed country that has, for the last two quarters, suffered negative economic growth. It is in a compromised position to meet its international financial commitments. 5 Marks

d) NRM is a mining corporation that is based in a developed country called Tivoy. It is interested in investing in a mine in mineral rich Uxheli, which is a developing country that is notorious for political and civil instability. It needs security from these risks. 5 Marks

e) The island of Parlem is a developing nation. It has been hit by a flood that has decimated its agricultural land and large parts of its commercial hub. In the immediate to medium term, it will be unable to generate any wealth to meet its international financial obligations. 5 Marks

[25 Marks]

QUESTION 5

Despite aid having been given for decades, developing countries are still struggling with the same development issues that they have always suffered from, (e.g., poverty, poor health, extremely vulnerable economies etc). Yet, the purpose of aid is to contribute to the development of these countries. Therefore, there is clearly a disconnect between the financial transfers and their impact on the development status of the recipient states.

Critically evaluate any **TWO** strategies that have been proposed by international instruments to upscale aid effectiveness.

[25 Marks]

QUESTION 6

Critically evaluate the advantages and disadvantages of the Bretton Woods institutions. Your evaluation, thereof, should include proposed reforms on how to improve the institutions, particularly in the interests of their developing member states.

[25 Marks]