The exam is in three parts. Please answer all questions. Think carefully, and make your answers brief and to the point.

**Part 1.** No explanations needed in this section. Just fill in the blanks, and circle one item inside each pair of square brackets [...].

1. (9 points) Collier and O’Connell (2008) divide developing countries into a coastal and resource-scarce group, a landlocked and resource-scarce group, and a resource-rich group, on a year-by-year basis.
   1.1. For developing countries as a whole, which group experienced the fastest population-weighted growth in real GDP per capita between 1960 and 2000?
   
   __________________________.

   1.2. Which group was most ‘African’ over this period, in the sense that its share of Africa’s population exceeded its share of non-African populations by the greatest margin?
   
   ____________________________.

   1.3. In which group did SSA under-perform the rest of the developing world by the largest margin, in terms of population-weighted growth rates of real GDP per capita?
   
   ________________________________.

2. (3 points) What is Wangari Maathai’s country? ______________. Where is it on the map of SSA? [Circle one: East Africa/Central Africa/West Africa/Southern Africa]

3. (8 points) Which of the following observations does Edward Miguel cite as evidence of more successful nation-building in Tanzania than in Kenya? For each observation below, circle Yes or No as appropriate.
   
   3.1. After 40 or so years of post-independence policies, ethno-linguistic diversity is now substantially lower in Tanzania than it is in Kenya. [Yes/No]

   3.2. The provision of local public goods depends less strongly on ethno-linguistic diversity in Tanzania than it does in Kenya. [Yes/No]

   3.3. Economic growth was stronger in Tanzania under President Julius Nyerere than in Kenya under President Jomo Kenyatta. [Yes/No]

   3.4. Kenya was a settler regime and Tanzania was not. Colonialism therefore largely destroyed traditional political institutions in Kenya, while leaving them largely intact in Tanzania. [Yes/No]
Part 2. Circle Yes or No, and briefly explain your choice. There may be no single ‘right’ answer: points depend on your explanation (10 points each).

4. It is 1970. Farmers produce cocoa (a cash crop) and sorghum (a food crop), and the government subsidizes rice imports. The government needs revenue, and decides to introduce a tax on cocoa exports, perhaps by forming a marketing board and paying a low producer price that is below the world price at the official exchange rate. A government economist warns that the government’s fiscal surplus is not going to increase by the full amount of the increased export taxes. Is the economist correct?
   Circle your best choice: [Yes/No]
   Briefly explain your choice:

   Circle your best choice: [Yes/No]
   Briefly explain your choice:

6. Bates was concerned mainly with what Collier and O’Connell later called the “Regulatory” syndrome. In his view, this pattern was politically rational for leaders, even though it hurt more citizens than it helped. Drawing on his own logic, Bates thought that a restoration of multi-party politics and contested national elections would probably produce better policies. Briefly: Would Bates have been equally optimistic about the impact of national elections on the Intertemporal syndrome? (The dominant example of this syndrome is unsustainable spending in response to a commodity boom.)

7. Acemoglu et al. observe that Botswana scores high on measures of institutional quality that emphasize the security of private property rights. Identify one features of Botswana’s history and/or institutions that may help explain that country’s unusually high score, and briefly explain how it does this.
8. In her introduction, Wangari Maathai says the following:

“For decades, Africans have belittled or ignored the fundamental cultural and psychological importance of micro-national identity, instead using ethnicity for political gain. I call for Africans to rediscover and embrace their linguistic, cultural and ethnic diversity, not only so their nation-states can move forward politically and economically, but so that they may heal a psyche wounded by denial of who they really are.” [p. 6]

There is a claim here about how African countries can move forward economically. Choose either Miguel, Mkandawire and Soludo, or Collier and O’Connell. Briefly indicate how the author(s) of the reading you chose might respond to Maathai.

Choice of reading: ________________________________.

Brief response from the viewpoint of the author(s) of this reading:

9. Export smuggling is a microeconomic behavior, and it is natural to look for microeconomic and sector-specific explanations, like high export tax rates. But smuggling may also be the inadvertent side effect of weak macroeconomic policies – for example, fiscal deficits that are monetized and create inflation in wages and prices. Briefly explain how a foreign exchange black market can create an adverse link between inflation and export smuggling.