



AFRICAN ECONOMIC RESEARCH CONSORTIUM

Collaborative PhD Programme in Economics

JOINT FACILITY FOR ELECTIVES (JFE) 2013

JULY 1 - NOVEMBER 1, 2013

ECON 656: DEVELOPMENT ECONOMICS I

First Semester: Final Examination

Duration: 3 Hours

Date: Tuesday, August 27, 2013

INSTRUCTIONS:

1. There are **TWO PARTS** in this examination.
 2. Answer the **TWO QUESTIONS** in **PART I** and **TWO QUESTIONS** from **PART II**.
 3. You are required to answer a total of **FOUR QUESTIONS**.
 4. Note that **QUESTION 1** and **QUESTION 2** are **COMPULSORY**.
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PART I

Answer the TWO Questions from this Section

Question 1

- (a) Discuss two most well-known and influential models that capture “structuralist” characteristics, which have also dominated the positive academic economic thinking in the 1950s and 1960s. **(15 marks)**
- (b) What is the relevance of each model to economic development today? **(10 marks)**

Question 2

- (a) Discuss a human development measure of women’s and men’s abilities to participate actively in economic and political life and their command over economic resources. **(15 marks)**
- (b) What are the limitations of such a measure? **(10 marks)**



PART II

Answer ANY TWO Questions from this Section

Question 3

Endogenous Growth Theory (EGT) is a collective term applied to a fairly diverse set of theories that model the process of discovery.

- (a) Present and discuss the major thesis of the EGT. **(15 marks)**
- (b) What are the main criticisms of the model? **(10 marks)**

Question 4

- (a) What are the theoretical causes of poverty? **(7.5 marks)**
- (b) Discuss Valentine (1968) view that “the essence of poverty is inequality”. **(7.5 marks)**
- (c) Prescribe five measures for poverty reduction? **(5 marks)**
- (d) What are the possible challenges for implementing poverty reduction strategies in Africa? **(5 marks)**

Question 5

- (a) What is economic inequality and what is the *intrinsic* and *functional* basis for studying the phenomenon? **(10 marks)**
- (b) Richard Jolly (2006) warns against contemporary inequality investigations that span very dissimilar circumstances over very long periods. What are the problems associated with economic inequality in Africa? **(10 marks)**
- (c) Briefly discuss the challenges in measuring absolute inequality in Africa. **(5 marks)**

Question 6

The external debt in sub-Saharan Africa (SSA) has been considered a crisis since the 1990s.

- (a) Discuss the contributing factors to the external debt problem. **(10 marks)**
- (b) Discuss the debt relief initiatives for sub-Saharan African countries. **(10 marks)**
- (c) Evaluate the risks and challenges of debt relief in Africa. **(5 marks)**