2738 Development Economics I
T3 2024-2025
Nova School of Business and Economics - Universidade Nova de Lisboa
Instructor: Brais Álvarez Pereira
Make-up Exam (1h30m)

Please answer only three (3) out of the following five (5) questions. All questions are equally weighted. Each answer should be roughly one page, with a maximum of 750 words.

Question 1
How do you expect the current closure of USAID to impact aggregate foreign aid in the short term? How do you expect this to impact relevant development outcomes in low and low-middle income countries? Where possible, refer to specific research and evidence.

Question 2
Please use the figure below to explain how the corresponding paper relates donor country interests and foreign aid. Do you expect the recent cut in U.S. foreign aid to impact the country's influence among low- and lower-middle-income countries? Please motivate your response.
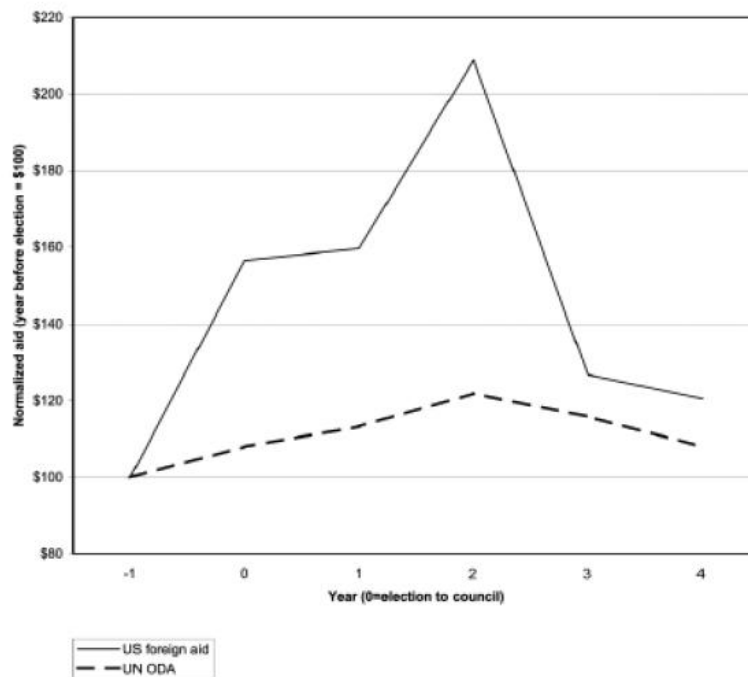

FIG. 2.—Aid to nonpermanent Security Council members in event time

Question 3
Choose a topic and hypothetical intervention of your choice and describe how you would set up a Randomized Controlled Trial to evaluate it. You might choose the following steps:

(a) Theory of Change – Explain the mechanisms through which your intervention is expected to solve the chosen problem.

(b) RCT Design – Define the treatment and control groups, specify the randomization strategy, and outline key outcome variables to measure impact.

(c) Implementation Considerations – Discuss potential challenges in conducting the experiment, including ethical concerns.

Question 4
Use the materials and papers covered in the course to explain the political resource curse, addressing:
- its theoretical foundations,
- evidence at both the country and sub-national levels,
- its relationship with conflict and international interests.

Question 5
Why are Chewas and Tumbukas allies in Zambia but adversaries in Malawi? Use the relevant paper and other course materials (citing them correctly) to explain the factors that make ethnic — or more broadly, group — divisions more salient and relevant for socioeconomic behavior and outcomes.

FIGURE 1. Research Sites