

Public Abstract

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Title: Inflation and Seigniorage Studies in Africa

This paper explores the link between inflation and seigniorage, which is the revenue governments get from printing money. This paper studies twenty-nine African countries in the time period 1981 to 2005 to find the inflation and seigniorage connection in long-term, short-term, and country-by-country analysis. The inflation-seigniorage link should be in the form of a Laffer curve and my results confirm this hypothesis. The inflation-seigniorage link is a significant problem in monetary economics as it relates to maximizing government revenues from the printing of money and the possibility of hyperinflation from the excessive pursuit of seigniorage. My research implies that seigniorage comes from the inflation tax alone and that countries rarely attempt to maximize seigniorage.