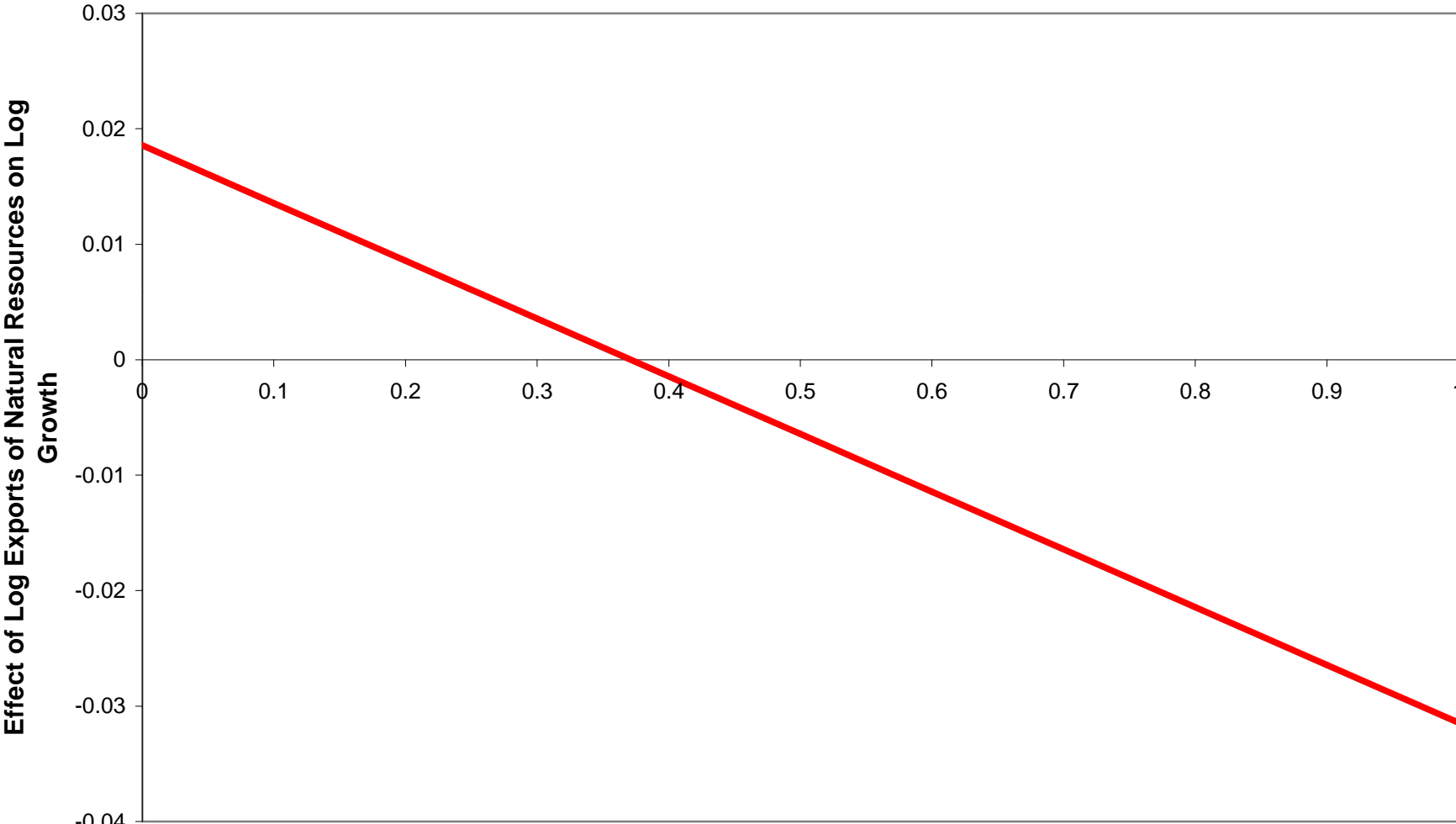


# Growth, Natural Resources and Institutions

- How does the Resource curse, i.e. the effect of natural resources on growth, interact with institutions?
- Empirics (Aghion, Egorov, and Meyersson, 2007):
  - Evidence from manufacturing industries, UNIDO, 1963-2003, 180 countries, 28 manufacturing sectors.
  - Specification: Country-sector, year fixed effects, interaction of NR with democracy and distance-to-frontier as well as triple interaction.
- How 'appropriate' are democratic institutions for growth with natural resources?

# How does the Effect of Natural Resources on Growth vary with Democracy?



Source: Aghion, Egorov, and Meyersson (work in progress)

Polity2