



Lectures' Outlines – Prof. Erwin BULTE

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In the lectures I will outline the recent literature on the so-called resource curse: the negative statistical relationship between natural resource abundance and economic growth. In the first lecture we will review the empirical evidence and discuss several of the more popular explanations for the phenomenon in detail. This includes Dutch disease arguments, rent seeking models, structuralist explanations and political economy models. In the second lecture we focus on the link between the abundance of "point resources" and (endogenous) institutional quality - building work that has analyzed the linkages between resources, conflict and democracy. While the contours of a consensus view on the curse now seem to be gaining shape, a novel set of empirical results suggests that the paradoxical resource curse is not a paradox at all, but a red herring instead. The lectures are therefore not just about economics -- they also serve as an illustration of the non-linear nature of progress in science.

LECTURE 1:

ORIGINS OF THE RESOURCE CURSE (NEGATIVE RELATIONSHIP BETWEEN RESOURCE ABUNDANCE AND ECONOMIC GROWTH)

What does the concept 'resource curse' mean? What is the empirical basis? Traditional explanations (Dutch disease, structuralist approaches). Modern explanations: a focus on institutions.

LECTURE 2:

AN ASSESSMENT OF THE RESOURCE CURSE

Models with exogenous institutions and endogenous institutions. Link between resource curse and parallel literatures on resources and democracy and resources and conflict. Towards a consensus? Recent views: resource abundance versus resource dependence.