

Table 2.5 Results of Regressions Explaining Growth in GDP per Capita, 1960–2000
Kevane (2004)

	Mean of variable, 1970	Mean of variable, 1990	(1)	(2)	(3)	Sub-Saharan Africa only (4)
Real GDP per capita, USD ^a	4,851	6,097	0.039 (3.12) ^b	0.037 (2.58) ^b	-0.031 (1.29)	0.026 (0.47)
Square log real GDP p.c., USD			-0.003 (3.61) ^b	-0.003 (2.78) ^b	0.000 (0.00)	-0.002 (0.40)
Africa, 0–1			-0.031 (2.23) ^c	-0.020 (1.49)		
Englebert measure of state legitimacy	.62		0.013 (2.54) ^c	0.013 (2.26) ^c		0.032 (2.22) ^c
Ethnolinguistic fragmentation	.41		-0.002 (0.24)	0.003 (0.30)		0.040 (1.87)
Extent of democratic polity	-0.13	1.36	0.028 (1.20)	0.004 (0.16)	-0.005 (0.17)	-0.038 (0.55)
Index of commitment to women's rights	5.05	13.05	-0.019 (1.08)	-0.008 (0.39)	0.043 (1.64)	-0.070 (1.44)
Percent of decade in civil war	.06	.12	-0.010 (1.99) ^c	-0.014 (2.67) ^b	-0.011 (1.77)	-0.044 (2.53) ^c
Black market premium	.02	.06		0.005 (0.48)	0.017 (1.24)	0.020 (0.34)
Real exchange rate overvaluation	1.01	1.18		-0.010 (3.20) ^b	-0.007 (2.11) ^c	-0.017 (2.82) ^b
Index of terms of trade	.12	.10		-0.007 (0.21)	-0.040 (1.04)	0.038 (0.54)
Landlocked country, 0–1	.19			-0.002 (0.47)		0.006 (0.66)
Oil exporting country, 0–1	.09			-0.005 (0.78)		0.006 (0.48)
Constant			-0.086 (1.81)	-0.095 (1.70)	0.264 (2.71) ^b	-0.106 (0.57)
Observations		387	270	272	71	
Number of countries		115	89	90	30	
R-squared			.23	.34	.30	.28

Sources: World Bank Development Indicators (2002); Easterly and Levine dataset available at <http://www.worldbank.org/research/growth/ddeale.htm>; Polity IV dataset available at <http://www.cidcm.umd.edu/inscr/polity/>; Gleditsch et al. (2002); Kevane (2003).

Notes: Absolute value of z-statistics in parentheses; a. In the regression this value is logged; b. significant at 1% level; c. significant at 5% level. Regressions (1) and (2) include regional dummies, of which only Latin America is consistently significant. Regression (3) includes country dummies, and so is a “fixed effects” regression looking at variation over time within countries. Each country can have up to four observations, one for each decade. Several variables (polity, women’s rights, real overvaluation, black market premium, and terms of trade) are rescaled in the regression analysis by dividing by 100. The magnitudes of the coefficients, then, are actually much smaller than presented, in terms of economic significance.

TABLE 1
THE AFRICA DUMMY IN FOUR GROWTH REGRESSIONS

Variable	Barro-Lee	Easterly-Levine	Sachs-Warner	Collier-Gunning
Period covered	1965–85	1960–89	1965–90	1960–89
<i>Policies</i>				
Investment/GDP	0.078(0.028)			0.0013[4.72]
Africa*Inv/GDP				0.00043[2.48]
Openness	0.033(0.0087)	0.020[4.63]	8.48[3.41]	0.0184[5.21]
Log GDP*Openness			-0.77[2.52]	
Africa*Openness				0.0111[1.88]
Institutions			0.28[3.49]	
Financial depth		0.015[2.54]		
Fiscal stance	-0.131(0.037)	-0.088[2.88]	0.12[5.34]	
<i>Initial Conditions</i>				
Initial Income	-0.026(0.0038)	0.066[2.69]	-1.63[7.89]	
Idem squared		-0.005[3.10]		-0.0009[6.97]
Labor force-pop.			1.20[3.41]	
Landlocked			-0.58[2.63]	-0.00789[2.40]
ELF		-0.016[2.54]		-0.0148[3.76]
Male schooling	0.0090(0.0044)			
Female schooling	-0.0052(0.0047)			
Schooling		0.009[2.28]		0.0148[1.64]
Life expectancy	0.0712(0.0148)		45.53[2.58]	
Idem squared			-5.40[2.39]	
Natural res. exports			-3.28[3.30]	
Social disturbance	-0.0163(0.0087)	-14.874[1.56]		-0.000004[0.10]
Tropics			-0.85[3.54]	
Latin America	-0.0087(0.0037)	-0.017[4.74]		-0.0132[4.27]
East Asia	0.0040(0.0057)			
Africa	-0.0116(0.0051)	-0.012[2.46]	0.02[0.05]	-0.0052[0.98]

Notes: The dependent variable is the growth rate of per capita GDP, measured over the full period in Barro and Lee, and Sachs and Warner, and as decade averages (with decade dummy variables) in Easterly and Levine, and Collier and Gunning. Openness: proxied by the parallel market premium, except for Sachs and Warner who devise their own classification. Fiscal stance is measured by Barro and Lee as G/Y ; by Easterly and Levine, and Sachs and Warner, as fiscal surplus/ Y . Schooling is enrollment in secondary schooling in 1960; Easterly and Levine, and Collier and Gunning enter this as the log of enrollment. Social disturbance is proxied by revolutions in Barro and Lee, by assassinations in Easterly and Levine, and by months of civil war in Collier and Gunning. For test statistics on the first three regressions see the original sources. For our regression: $n = 236$, formed from an unbalanced panel of decade average growth rates for 84 countries, of which 21 are in Sub-Saharan Africa: $\text{adj}r^2 = 0.56$; $F [13,222] = 23.91$; Breusch-Pagan chi-squared = 58.8; results are corrected for heteroskedasticity. Standard errors are shown (-), t-scores are shown [-].