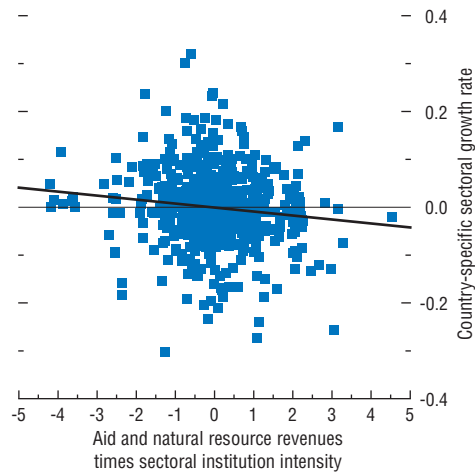


Impact of Unrequited Transfers on Institutions¹



Source: Rajan and Subramanian (2005).

¹The x-axis depicts the ratio of aid and exports of fuel and minerals to GDP in country j times institution intensity of industry i . The y-axis depicts that portion of the annual average growth rate of industry i in country j which is not explained by determinants other than the above. The regression includes country and industry fixed effects as well as a convergence term.