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Autore	Berg Andrew
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Altri autori (Persone)	PortilloRafael YangSusan ZannaLuis-Felipe
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Nota di contenuto	Cover; Contents; I. Introduction; II. Model Setup; A Households; B Firms; C The Government; D Some Market Clearing Conditions and Identities; III. Equilibrium and Calibration; A The CEMAC Region; B Angola; IV. Investing with a short revenue horizon; A Saving in a SWF vs. Investing in Public Capital; B Sustaining Public Capital; C Endogenous Depreciation of Public Capital; D The Sustainable Investing Approach; E Development without the Windfall; V. Investing Volatile Resource Revenue; A The Sustainable Investing Approach to Managing Volatility B Allocation between Investing and External SavingVI. Conclusion; Tables; 1 Baseline Parameter Calibration; 2 Welfare Comparison with All-Investing; 3 Stabilization Effects of the Sustainable Investing Approach; Figures; 1 CEMAC application: saving in a SWF vs. all-investing; 2 CEMAC application: all-investing and sustaining public capital by fiscal Adjustments through consumption taxes or transfers; 3 CEMAC application with constant depreciation rate of public capital: Saving in a SWF vs. all-investing; 4 CEMAC application: sustainable investing approach 5 CEMAC application: investing without a Resource Windfall 6 Angola application: conservative vs. aggressive scaling-up under sustainable investing; 7 Angola application: conservative vs. aggressive scaling-up With constant depreciation rate; Appendix I: Equilibrium and Optimality Conditions; References
Sommario/riassunto	Natural resource revenues provide a valuable source to finance public investment in developing countries, which frequently face borrowing constraints and tax revenue mobilization problems. This paper develops a dynamic stochastic small open economy model to analyze the macroeconomic effects of investing natural resource revenues, making explicit the role of pervasive features in these countries including public investment inefficiency, absorptive capacity constraints, Dutch disease, and financing needs to sustain capital. Revenue exhaustibility raises medium-term issues of how to sustain capital built during a windfall, while revenue volatility raises short-term concerns about macroeconomic instability. Using the model, country applications show how combining public investment with a resource fund---a sustainable investing approach---can help address the macroeconomic problems associated with both exhaustibility and volatility. The applications also demonstrate how the model can be used to determine the appropriate magnitude of the investment

scaling-up (accounting for the financing needs to sustain capital) and the adequate size of a stabilization fund (buffer).