

1. Record Nr.	UNINA9910786482903321
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Titolo	Resource Windfalls, Optimal Public Investment and Redistribution : : The Role of Total Factor Productivity and Administrative Capacity // Alan Gelb, Arnaud Dupuy, Rabah Arezki
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2012
ISBN	1-4755-8712-0 1-4755-2152-9
Descrizione fisica	1 online resource (35 p.)
Collana	IMF Working Papers
Altri autori (Persone)	DupuyArnaud ArezkiRabah
Soggetti	Factors of production - Econometric models Rate of return Investments: Stocks Public Finance Production and Operations Management Natural Resources Macroeconomic Policy, Macroeconomic Aspects of Public Finance, and General Outlook: General International Lending and Debt Problems Efficiency Optimal Taxation National Government Expenditures and Related Policies: Infrastructures Other Public Investment and Capital Stock Agricultural and Natural Resource Economics Environmental and Ecological Economics: General Production Cost Capital and Total Factor Productivity Capacity Pension Funds Non-bank Financial Institutions Financial Instruments Institutional Investors Public finance & taxation Environmental management Macroeconomics Investment & securities Public investment spending

Public investment and public-private partnerships (PPP)
Natural resources
Total factor productivity
Stocks
Expenditure
Environment
Financial institutions
Public investments
Public-private sector cooperation
Industrial productivity
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Cover; Contents; I. Introduction; II. Existing Theoretical Frameworks; III. A Simple Model of Public Investment; A. Model Set-up; B. Discussion of Results; IV. An Extension of The Model with Endogenous Investment in Administrative Capacity; V. Policy implications; References; Appendixes; Appendix 1: Parametric Specification; Appendix 2: Parametric Specification of the Extended Model; Figures; Figure 1. Share of Natural Capital around the World; Figure 2. Public Management Index by Sub-Groups; Figure 3. Investor Protection Index; Figure 4. Non-Resource Sector Total Factor Productivity Figure 5. Public Investment Management Index and Non-resource Sector Total Factor Figure 6. Resource Windfall, Consumption and Foreign Debt under the Permanent; Figure 7. Evolution of Wages, Resource Windfalls and Sovereign Debt; Figure 8. Evolution of the Stock of Public Capital under Different Scenarios; Figure 9. Evolution of Wages under Different Scenarios; Figure 10. Evolution of Private Consumption under Different Scenarios; Figure 11. Evolution of the Stock of Public Capital under Different Scenarios; Figure 12. Evolution of the Stock of Private Capital under Different Scenarios Figure 13. Private Consumption under Different Scenarios
Sommario/riassunto	This paper studies the optimal public investment decisions in countries experiencing a resource windfall. To do so, we use an augmented version of the Permanent Income framework with public investment faced with adjustment costs capturing the associated administrative capacity as well as government direct transfers. A key assumption is that those adjustment costs rise with the size of the resource windfall. The main results from the analytical model are threefold. First, a larger resource windfall commands a lower level of public capital but a higher level of redistribution through transfers. Second, weaker administrative capacity lowers the increase in optimal public capital following a resource windfall. Third, higher total factor productivity in the non-resource sector reduces the degree of des-investment in public capital commanded by weaker administrative capacity. We further extend our basic model to allow for "investing in investing" - that is public investment in administrative capacity - by endogenizing the adjustment cost in public investment. Results from the numerical

simulations suggest, among other things, that a higher initial stock of public administrative "know how" leads to a higher level of optimal public investment following a resource windfall. Implications for policy are discussed.
