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THE IMPACT AND IMPORTANCE OF NATURAL RESOURCES ON ECONOMIC GROWTH

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Abstract
This article analyzes the impact of natural resources on economic growth, mainly based on the opinions of foreign scientists. In the middle of the last decade of the past century, the focus of researchers on the negative impact of resource wealth on growth rates shifted from the economic field to the field of institutional analysis of the problem.

Keywords: Natural resources, economic growth, wealth, economic field, economy, influence.

Introduction

The topic of the dependence of the country's economic growth rates on the level of natural resources has often been raised in scientific circles in recent decades. As part of the broader question of whether there is a real negative impact of natural wealth on economic growth rates, this article poses a narrower question: what additional variables might influence the nature of this relationship?

Referring to the review of the literature on this issue, it is necessary to touch upon the works of authors describing the so-called "Dutch disease", which is closely related to the problem under consideration: the negative effect exerted by the strengthening of the influence of the real exchange rate of the national currency on economic development as a result of a boom in a separate sector of the economy. Of greatest interest are the articles by M. Corden, J. Neary, and K. Matsuyama. They describe the mechanism of action of the "Dutch disease": the displacement of the sector of tradable goods (manufacturing) by the sector of non-tradable goods (services), which in the long run leads to a decrease in GDP, appreciation of the national currency, inflation, a decline in production, structural deformation of the entire economy, and a decrease in incentives to further development. Subsequently, works were written on the subject

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of finding a way to overcome the "Dutch disease", which also gives examples of countries that have successfully coped with the negative consequences of this economic phenomenon. The main practice of the struggle was the creation of stabilization funds that withdraw additional currency from circulation.

In the middle of the last decade of the past century, the focus of researchers on the negative impact of resource wealth on growth rates shifted from the economic field to the field of institutional analysis of the problem.

In particular, scientists S.M. Guriev and K.I. Sonin found that in resource-rich countries, the displacement of the tradable goods sector by the resource sector can cause Dutch disease, but it is not a direct cause of the resource curse. This confirms the view that although these two phenomena are related, they reflect different aspects of the problem that do not always appear simultaneously. Thus, the accumulation of funds and foreign exchange reserves in the Stabilization Fund helped to avoid the "Dutch disease" in Uzbekistan. Are all countries facing the resource curse? The answer to this question is given in his article by V.M. Polterovich, V.V. Popov and A.S. Tonis. In their opinion, countries with developed economic and political institutions demonstrate positive economic growth in the presence of a large amount of natural resources, and low growth is characteristic of countries with underdeveloped democracies (in addition, they may be threatened by further destruction of institutions).

In the article of the economist A.A. Kurdina also considers the institutional factors of the resource curse. The author argues that in resource-dependent countries, behavior is rent-oriented. A narrow group of special interests controls resources in order to fight for rent (which stimulates military and political conflicts), and institutions, instead of an allocative function, perform the function of rent redistribution. CM. Guriev, G.V. Egorov and K.I. Sonin adds to the above consequences poor-quality state regulation due to the lack of interest of the leadership.

The above variables are analyzed in detail by O.A. Prudnikov, highlighting four factors of the resource curse that negatively affect economic growth. Thus, the struggle for rent, caused by the weakness of state institutions and the insecurity of property rights, can cause civil wars, the closed economy, and a decrease in trade volumes. Groups of people interested in rent, which appeared as a result of bureaucracy, corruption, and an inefficient judicial system, stimulate inequality in the country and reduce the quality of social capital. Due to the fact that resource-extracting industries have ceased to be knowledge-intensive and workers are too highly specialized to use their labor in other industries, human capital is degrading. This entails a reduction in incentives to invest in human capital and knowledge-intensive industries, and thus the free

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movement of resources between industries and the efficiency of their allocation is hindered. Finally, policy failures can significantly slow down economic growth.
To study the problem described in the article, the modern model of M. Kontey, described in his work "A Curse or a Blessing?" Natural Resources in a Multiple Growth Regimes Analysis. The model combines the availability of data needed for further work and the wide coverage of the studied factors, reducing the likelihood of neglecting important indicators.
The model is based on the assumption that the growth rate is a dependent variable, the value of which is influenced by a number of factors that can also be presented in numerical terms.
All variables chosen by the author can be divided into several groups:

- A set of basic economic indicators (GDP per capita, population growth rates adjusted for technological change, level of investment in the economy);
- A group that includes determinants that indicate the quality of the listed economic indicators (the education index in the country and the qualitative composition of GDP - the share of income from the export of natural resources in GDP);
- Indices reflecting the level of development of economic and political institutions within the country (index of economic freedom and index of democracy).

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