Three Essays on Empirical Applications of Nonlinear Econometric Models in Economic Growth
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Abstract

This thesis utilizes the recently developed nonlinear econometric models to answer some of the challenging questions in empirical growth.   In the first chapter we investigate the role of economic policies in moderating the impact of natural disasters on economic growth with the application of threshold regression approach.   Our analysis in this chapter reveals several interesting patters such as: the countries with higher degree of openness to trade, higher per capita income, less fiscal and external imbalances, and greater financial stability are better able to with stand in case of natural disasters and further prevent this negative impact to transfer to their long-term economic growth.

In the second chapter we investigate one of the most challenging questions in empirical growth literature that is the impact of foreign aid in promoting economic growth by utilizing the threshold and partial linear regression approaches.   Our results in this chapter provide strong evidence that the quantity of aid is important in transferring its position impact on growth.   Aid has a positive and significant impact on growth only in countries where aid flows are sufficient.

In the last chapter we examine the relationship between Foreign Direct Investment (FDI) and economic growth from a different angle that has not been explored before.   By considering the dualistic growth framework and smooth coefficient semi-parametric technique we are able to capture both direct and as well as indirect effects of FDI on economic growth across countries.   Our results in this chapter support the view that inward FDI plays important role during the development process: Initially, as an important determinant of growth, secondly, by creating higher factor productivities in exports sector and finally, through spillover affects due to fostering the linkages between the Multinational Corporations and their host country partners.