

# Governance & Natural Resources :

## Evidence from OPEC Countries

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*The 'curse' that accompanies the prevalence of natural resources is well-documented and broadly-accepted. Natural resource wealth has fostered various political pathologies and in turn promoted poor development performance. But this is not certain. While most resource abundant countries have performed poorly in developmental terms, a few have done quite well. Natural resources induce prosperity in some countries but stagnation in others. Whatever the level of government, good management is a precondition for good performance. Natural resources are "governance-intensive" assets. In low-income countries, natural resources make up a very significant share of the total wealth, one that is substantially larger than the share of produced capital. Management of these natural resources can support and sustain the welfare of poor countries, and poor people in poor countries, as they move up the development ladder. Therefore, this study will examine the impact of dependence of natural resources on governance indicators. We will use the recent data available for governance indicators up to 2008 OPEC countries which have access to the relevant statistical data. Our findings based on comparing the mean of governance indicators for OPEC countries and other developing countries using SPSS support a better governance in other developing countries under considerations as compared to OPEC.*

Key words: Natural Resources; Governance Indicators; OPEC<sup>3</sup> Countries; SPSS.

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