



Department SEMINARS

"Crude oil, international trade and political stability: Do network relations matter?"

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A B S T R A C T

The aim of this work is to investigate the different implications in terms of political stability that a high oil dependency has in both oil-exporting and oil-importing countries. We employ network analysis to understand which countries are most connected in the global crude oil trade, and central in the intermediation of the flows. Then, we use this information to estimate the effects of oil dependency on political stability on a panel of 155 countries over the period 1995–2019, by means of a simultaneous-quantile regression model.

Our findings corroborate the resource curse hypothesis in relation to oil-exporting countries, especially linking this outcome to the emergence of rent-seeking behaviours. Interestingly, we find that a different type of resource curse hypothesis – related to the indirect endowment of oil resources – also affects intermediary countries. As for oil importers, we find that countries that are heavily dependent on oil as the main energy source are largely exposed to geopolitical turmoil and risk to import political instability together with oil.

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