Homework 2

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In my regression, I aimed to observe whether GDP per capita is influenced by political stability in developing countries. As my controls, I have checked middle and low income countries as I did not expect upper-middle and high income countries to have high political stability and less endemic problems than the countries that still struggle to develop. I have also controlled oil rents, corruption in public sector and Women's Human Capital Index (HCI). Public sector corruption was controlled to remove any possible lag in GDP due to the embezzlement and draining of public resources, and HDI for women was controlled as a variable of gender participation which might positively affect the economy. I have also controlled the oil rents because high oil rents might inflate the economy regardless of the internal conditions. When I tested my hypothesis, political stability was a significant influence on the GDP per capita. As expected, all of the control variables influenced the results as previously guessed with %95 percent significance.

Variable	Regression Coefficient	Standard Error	Confidence Interval
Female HCI	15259.68	237.75216679	14865.32 / 15654.04
CPIA transparency, accountability, and corruption in the public sector rating	-588.00	36.08530377	-647.85539495 / -528.14620557
Oil rents (% of GDP)	14.14	2.75037152	9.575/ 18.699
Political Stability and Absence of Violence/Terrorism: Estimate	981.34	25.66880786	938.758 / 1023.91178897