

Natural resource curse and labor market in developing countries: A human capital approach

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Abstract

This paper show the effect of natural resource abundance on the educational attainment to young ages in the over lapping generations model with the human capital accumulation and the natural resource transition. Households prefer to engage young people in working rather than the education in natural resource rich countries, because the natural resource abundance causes the increasing in the productivity of unskilled labor and diminishing the value of the education. We show new aspect of the effect of natural resource abundance on the economic development due to shed light on the decreasing in the educational attainment in this model. We discuss some policies toward both the child labor market and natural resource controlling.

JEL classification: O13; O15; O41; Q20.

Keywords: natural resource curse, human capital development, child labor, dynamic analysis.

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