

# **INSTITUTIONS AND ECONOMIC GROWTH: A CROSS COUNTRY EVIDENCE**

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## **ABSTRACT**

This paper explores the role of state institutions in promoting growth using a GMM technique applied to cross-sectional data from 45 countries. Specifically it attempted to test the impact of different dimensions of institutions on growth using an index of institutionalized social technologies and its sub indices namely Risk reducing technologies and Anti rent seeking technologies. The result suggests strong links among institutional quality, macroeconomic stability and economic performance, and also confirms conditional convergence as predicted by modern theories of growth

**KEYWORDS:** Macroeconomic Stability, GMM Technique, “Institutionalized Social Technologies”