

**TABLE 2: Conditional Convergence in the Solow Model**  
**Single cross section and panel methods: Dependent variable is  $\ln y_t - \ln y_0$**

Sample:	AFRICA				OECD			
	CROSS	POOLED	FIXED	GMM	CROSS	POOLED	FIXED	GMM
<i>Unrestricted</i>								
Constant	2.1520 (2.5227)	1.1679 *** (0.2274)		-0.0177 ** (0.0081)	5.2607 *** (1.0927)	1.1160 *** (0.1764)		0.0414 *** (0.0050)
$\ln(y_0)$	-0.1507 (0.1290)	-0.0466 *** (0.0154)	-0.3152 *** (0.0364)	-0.2217 *** (0.0656)	-0.4850 *** (0.0534)	-0.1141 *** (0.0111)	-0.2056 *** (0.0185)	-0.4161 *** (0.0330)
$\ln(s)$	0.4156 *** (0.1064)	0.0746 *** (0.0136)	0.1462 *** (0.0256)	0.3857 *** (0.0498)	0.4844 ** (0.1916)	0.1027 *** (0.0287)	0.1158 ** (0.0478)	0.3126 *** (0.0318)
$\ln(n+g+\delta)$	-0.7584 (1.1146)	-0.4491 *** (0.1001)	-0.4066 *** (0.1134)	-0.2573 ** (0.1222)	-0.8666 ** (0.3481)	-0.1262 ** (0.0496)	-0.1959 ** (0.0738)	-0.1294 *** (0.0352)
R <sup>2</sup> adjusted	0.26	0.14	0.40		0.81	0.46	0.61	
Implied $\lambda$	0.0054 (0.0051)	0.0080 *** (0.0027)	0.0631 *** (0.0088)	0.0418 *** (0.0141)	0.0221 *** (0.0035)	0.0202 *** (0.0021)	0.0384 *** (0.0039)	0.0897 *** (0.0094)
<i>Restricted</i>								
Constant	1.4146 (0.9419)	0.4254 *** (0.1211)		-0.0174 ** (0.0080)	4.3894 *** (0.5341)	1.0562 *** (0.1059)		0.0307 *** (0.0037)
$\ln(y_0)$	-0.1457 (0.1263)	-0.0494 *** (0.0158)	-0.3444 *** (0.0343)	-0.2120 *** (0.0644)	-0.4791 *** (0.0528)	-0.1130 *** (0.0108)	-0.1979 *** 0.0172	-0.3650 *** (0.0269)
$\ln(s) - \ln(n+g+\delta)$	0.4080 *** (0.1023)	0.0706 *** (0.0139)	0.1587 *** (0.0253)	0.3769 *** (0.0488)	0.5829 *** (0.1578)	0.1082 *** (0.0256)	0.1314 *** (0.0457)	0.2494 *** (0.0266)
R <sup>2</sup> adjusted	0.28	0.10	0.39		0.81	0.47	0.61	
Implied $\alpha$	0.7369 *** (0.0486)	0.5883 *** (0.0477)	0.3154 *** (0.0344)	0.6400 *** (0.0298)	0.5489 *** (0.0670)	0.4891 *** (0.0591)	0.3992 *** (0.0834)	0.4059 *** (0.0257)
Implied $\lambda$	0.0052 (0.0049)	0.0084 *** (0.0028)	0.0704 *** (0.0073)	0.0397 *** (0.0136)	0.0217 *** (0.0034)	0.0200 *** (0.0020)	0.0367 *** (0.0036)	0.0757 *** (0.0071)
N	37	246	246	204	22	132	132	110
Wald test for restriction:								
p-value	0.75	0.00	0.03	0.26	0.37	0.67	0.27	0.00

Notes:

Three asterisks, two asterisks, and one asterisk denote statistical significance at the 0.01, 0.05, and 0.10 levels, respectively, with standard errors in parentheses; for the convergence rate ( $\lambda$ ), and the physical capital share ( $\alpha$ ) the standard errors are estimated using the Delta Method. For the estimation methods: CROSS is the single cross-section, POOLED is the pooled regression, FIXED is the least squares dummy variable with fixed effects, and GMM is the generalized method of moments.