

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[María Teresa Ramírez, Ana María Loboguerrero](#)

AUTHORS AND/OR EDITORS

[Loboguerrero, Ana María](#)

The empirical literature about economic growth has usually ignored spatial interdependence among

---

countries. This paper uses spatial econometrics to estimate a growth model that includes cross-country interdependence, in which a country's economic growth depends on the growth rate of its neighbors. Based on a sample of 98 countries over three decades (1965-75, 1975-85, 1985-95) we find that spatial relationships across countries are quite relevant. A country's economic growth is indeed affected by the performance of its neighbors and then influenced by its own geographical position. This result suggests that the spillover effects among countries are important for growth. Our results indicate that spatial interrelation can not be ignored in the analysis of economic growth. Ignoring such relationships can result in model misspecification.