

ABSTRACT

This study aims to examine whether dependence on natural resources—specifically palm oil production—constitutes a natural resource curse or, conversely, a natural resource blessing for regional economic development in Indonesia. The analysis covers 280 parent districts/municipalities using 2018 cross-sectional data and employs Ordinary Least Squares (OLS) as well as Two-Stage Least Squares (2SLS) to address potential endogeneity. The results reveal that palm oil production has a statistically significant positive effect on economic growth and a significant negative association with poverty and income inequality. These findings do not support the natural resource curse hypothesis; instead, they suggest that in 2018 palm oil production tended to serve as a natural resource blessing for regional economic development in Indonesia.

Keywords: *Natural Resource Blessing, Natural Resource Curse, Natural Resources, Palm Oil, Economic Growth, Poverty, Inequality*

JEL Classification: *Q32, O13, R11.*

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