Research Framework: Legislative Output and Economic Growth

PHASE 1: Data Collection & Measurement

- Sample:States of US
- Time:1965-2012
- State Law
- Economic Growth
- Legislative Output Measure

Source

PHASE 2: Identification Strategy

- Sentence Analyse
- LDA Topic Analyse
- Word Bag of Contingency
- Syntactic Parser
- Independent Variable

Estimate

PHASE 3: Empirical Analysis

MAIN FINDING
More Laws → Higher Growth
+10% legislation = +0.15pp GDP growth

- Alternative Processing & Specs
- Exclude Other Channels

Support

PHASE 4: Mechanism Analysis

Uncertainty Reduction → Investment

- Economic vs Social Laws
- Contingent Provisions
- Decreasing Returns
- Customized Inputs
- Economic Uncertainty

POLICY IMPLICATIONS
Comprehensive legislation can be growth-enhancing through reduced uncertainty