

Title of Article: International Trade Do Institutions Matter? Evidence from Regional Studies

Author(s): Ojeaga P and Adeyemi Ogundipe

Outlet: MPRA Working Paper No. 50628 October 2013 Forthcoming in Economic Management and Innovation

Date: 2014

Abstract: The study investigates the relationship between trade and institutions across regions using panel data for seven regions for the period 1980 to 2010 (31 years) and general method of moment estimation method (GMM). Consistent with past literature, institutions were found to have a significant effect on trade. Different measures that capture institutions were used, domestic and international institutions were found to be significantly promoting exports across regions and it was concluded that institutions mattered reasonably in the trade promotion discussion. Domestic institutions were protectionist in nature since they increased tariffs on imported goods, while international institutions were probably reducing regional tariffs.