



## **The Role of Institutions in Affecting the Course of International Trade in The Neighboring Countries of Ghana**

**Ignatius Abasimi,**

School of Economics, Northeast Normal University, Changchun, Jilin, China.

[abasimiignatus@gmail.com](mailto:abasimiignatus@gmail.com)

**Xuan Li,**

School of Economics, Northeast Normal University, Changchun, Jilin, China.

**Agus Salim,**

School of Economics, Northeast Normal University, Changchun, Jilin, China.

**Muhammad Imran Khan**

School of Economics, Northeast Normal University, Changchun, Jilin, China.

### **Abstract**

A recent dilemma and a discourse among international trade economist is whether political and economic institutions really have an impact in promoting the course of international trade in contemporary epochs. Among this relationship, does these institutions helps developing countries to achieve economic salvation? This study empirically investigates the role of institutions in affecting the course of international trade in the neighboring countries of Ghana (Togo, Burkina Faso, and Cote d'Ivoire). The study uses panel data from 1995-2017. The fixed effect model was employed for the econometric analysis. The output from the model revealed that exchange rate, freedom from corruption, property rights and trade freedom are statistically significant in explaining the role of institutions in promoting the course of international trade in the neighboring countries of Ghana.

**Keywords:** International trade, institutions, mixed effect, neighboring, Ghana.