

Trade Agreement and Economic Growth: Evidence in D-8 Countries

Arisman^{1*}, Mohammad Nur Rianto Al Arif², Darwis Harahap³

^{1,2}Universitas Islam Negeri (UIN) Syarif Hidayatullah Jakarta, Indonesia

³IAIN Padangsidempuan, Indonesia

E-mail: ¹arisman@uinjkt.ac.id, ²nur.rianto@uinjkt.ac.id, ³darwisharahap18@gmail.com

^{*)}Corresponding author

JEL Classification:

F13

F14

F43

Received: February 12, 2021

Revised: May 11, 2021

Accepted: June 18, 2021

Abstract

The D-8 organization was established to accelerate the economies of eight developing countries that joined the OIC, but the data showed a decline in the share of the D-8 countries towards the total GDP of developing countries. Thus, this study examines whether there are differences in economic growth between D-8 and non-D-8 countries. The tests were carried out on eight D-8 member countries and eight non-D8 countries. Using panel regression with a fixed-effect model, the study results indicate differences in economic growth between D-8 and non-D-8 member countries. These results indicate that joining D-8 made a significant contribution to its member countries. In addition, all control variables such as political stability, population, export, and human development index show a positive impact on economic growth.

Keywords:

trade agreement, economic growth, D-8 countries, OIC countries.

How to Cite:

Arisman., Al Arif, M. N. R., & Harahap, D. (2021). Trade Agreement and Economic Growth: Evidence in D-8 Countries. *Signifikan: Jurnal Ilmu Ekonomi*, 10 (2), 311-324. <https://doi.org/10.15408/sjie.v10i2.21457>.

Introduction

In 1997, eight developing member countries of the OIC (namely Malaysia, Iran, Indonesia, Turkey, Egypt, Pakistan, Bangladesh, and Nigeria) joined forces to form the D-8 organization to strengthen the economy and trade between members facing the global economy. Research conducted by SESRIC (2016) shows that the economy of D-8 countries is worse than non-D-8 countries. This condition raises a question in this study whether joining the D-8 organization will improve the economic performance of its member countries, where one of the performance measures is economic growth.

Economic globalization will have a significant impact on macroeconomic stability (de Mendonça & Nascimento, 2020). Economic relations between developing countries and developed countries are pretty complex. This relationship usually goes through two channels. The first route is through the transfer of resources in loans from developed to developing countries. Then the second route is through trade between countries (Maoz et al., 2011). The number of free trade agreements has increased quite dramatically in the early 1990s, both in bilateral agreements and in the form of organizations (Hur & Park, 2012). The free trade agreement will stimulate the economy by increasing trade volume. However, this agreement will have a negative impact on non-member countries (Jin et al., 2006). Regional trade agreements will promote growth for non-WTO member countries but have a weak influence on WTO member countries (Liu, 2015). Regional trade will be able to predict positive economic growth (Okora et al., 2020). Trade openness will positively impact economic growth in Pakistan (Hey et al., 2016; Zafar, 2020).

Trade organizations will positively affect the economies of their member countries (Lawton et al., 2017). Trade liberalization policies will positively impact economic growth both in the short and long term (Manwa & Wijeweera, 2016; Baier et al., 2018). Developing countries will face higher fixed trade costs compared to developed countries. This condition shows how important it is for the government to prepare a solid economic structure in the face of trade liberalization. Economic integration, especially between developing countries and developed countries, will create a broad market (Ostadi & Shoaie, 2015). One of the things agreed upon in economic integration is a trade agreement. Principally, a trade agreement aims to increase the intensity of trade between its member countries.

Othman et al. (2013) show that not all member countries benefit from the agreed trade agreement. In addition, the impact of trade agreements on economic sectors varies from country to country. The growth in the value of trade transactions with non-member countries is higher than that of fellow member countries (Almasi, 2012). Ostadi & Shoaie (2015) show that the variables (such as total GDP of parties involved in trade, the difference in per capita income, and geographical distance) impact the trade potential of the G8 and D8 countries. But, the variable of similarity in economic size does not have an impact on their trade potential. Those countries with lesser economic power could gather together as a framework of economic zones and create a larger union. The union needs a leader from advanced countries to become successful.

Several previous studies have shown that exports contribute to economic growth in a country. The economy will benefit from the increase in export (Kivaluz & Topcu, 2012; Shafiullah et al., 2017). Export growth in a country will trigger higher economic growth (Chen & Dong, 2012; Marwan et al., 2013; Szkorupova, 2014; Yee Ee, 2016). Bahmani-Oskooee & Oyolola (2007), Nushiwat (2008), and Dritsaki & Stiakakis (2014) found a two-way causality relationship between exports and economic growth in a country. Dritsaki (2013) found a unidirectional causality relationship between exports and economic growth in Greece. Nwosa et al. (2019) shows that export diversification has a positive influence on economic growth in Nigeria.

However, there are several other studies that have found different results. Sujianto et al. (2020) shows that economic growth negatively responded to net export savings. Kartikasari (2017) found that exports had no effect on economic growth. One of the things that cause this condition is the small volume of exports. Tang & Abosedra (2019) mentions several reasons that cause exports to accelerate economic growth. First, increasing the volume of exports will create job opportunities. Increasing job opportunities will have an impact on improving economic performance. Second, an increase in the country's foreign exchange reserves as an implication for export growth. The increasing foreign exchange reserves will strengthen the domestic currency. Third, competition between exporting countries will increase efficiency in the economy. Fourth, the availability of pathways for renewing new technologies as a result of increased exports. New technologies will increase productivity and in turn have an impact on economic growth (Nugroho et al., 2019b).

SESRIC (2016) concludes that the D-8 countries need to intensify the effort and policy to improve the competitiveness through reforms and policy-action in different domains of socio-economic life from regulatory framework to basic infrastructure. These reform and policy actions will improve the competitiveness and boost the productivity growth. So, it will increase the standards of living. Asturias et al. (2016) suggest that the developing countries should adopt policy reforms. The government should design a multi-level approach to understanding financial reform (Bakir & Woo, 2016).

Research related to the impact of the D-8 organization on the economies of its member countries is still limited. So that research can make a significant contribution to show whether the D-8 organization can have a significant influence on its member countries. This study aims to examine whether joining the D-8 organization has an impact on the economic growth of its member countries.

Methods

To answer the research objective, namely whether the D-8 organization has an influence on the economic growth of its member countries, eight D-8 member countries and eight OIC member countries that are not members of the D-8 will be used. The countries that are the objects of this research shows in Table 1.

To answer the research objective related to the impact of the D8 organization on the

economic growth of its member countries, a panel regression with dummy variables will be used. Adding eight OIC countries that are not members of D8 does the dummy variable. It aims to determine whether there are differences in economic growth between D8 member countries and non-D8 member countries. The mathematical equation proposed to answer the purpose of this study is:

$$\text{Growth}_{it} = \alpha + \beta_1 \text{D_members}_{it} + \beta_2 \text{Pol_Stab}_{it} + \beta_3 \text{Ln_population}_{it} + \beta_4 \text{Ln Export}_{it} + \beta_5 \text{HDI}_{it} + \varepsilon_{it}$$

Where:

Growth_{it} = economic growth of D-8 members;

D_members = dummy variables for members countries, which:

0 : non-D8 member countries

1 : D8 member countries

PolStab_{it} = political stability index from each countries;

Ln_Pop_{it} = population from each countries;

Ln_Exp_{it} = amount of export from each countries;

HDI_{it} = human development index from each countries;

Table 1. Object of Research

No.	D-8 Countries	Non-D8 Countries
1	Bangladesh	Algeria
2	Egypt	Brunei Darussalam
3	Indonesia	Iraq
4	Iran	Kazakhstan
5	Malaysia	Kuwait
6	Nigeria	Morocco
7	Pakistan	Saudi Arabia
8	Turkey	Tunisia

The technique of analysis to estimate the parameter of this research is by using a panel data regression. Several models can use, such as First, the pooled regression model. This model is one type of model that has constant coefficients, referring to both intercepts and slopes. For this model researchers can pool all of the data and run an ordinary least squares regression model. The second model is fixed effect model. The fixed effect model is the differences across cross-sectional units that can be captured in differences in the constant term and the intercept term of the regression model varies across the cross sectional units. In this model, β_j is the intercept term that represents the fixed country effect. The third model is random effect model. In the random effect model, the individual effects are randomly distributed across the cross-sectional

units and in order to capture the individual effects, the regression model is specified with an intercept term representing an overall constant term. On this research is using panel regression with fixed effect model, because we assume that the intercept is not constant (Hiestand, 2005).

There are several steps in this research, such as: first, run the estimation using the fixed-effect model. Second, do the Chow-test to choose between pooled ordinary least square or fixed-effect models. Third, do the Hausman-test to select between fixed effect model and random effect model.

Result and Discussion

The first step in this section is to find the best model between the ordinary least square model and the fixed effects model. Testing to find the best model is done using the Chow test. Table 2 shows a significant Chow test results, the results show that the null hypothesis is rejected, so the model chosen is the fixed effect model. The result implies that the fixed effect model is better used than the ordinary least square model. This shows that each individual in the research model has a different intercept for each subject (cross-section), but the slope of each subject does not change over time.

Table 2. Chow-Test Result

Effects Test	Statistic	d.f.	Prob.
Period F	2.708890	(14,220)	0.0011
Period Chi-square	38.169413	14	0.0005

The second test is to choose the best model between the fixed effect model and the random effect model. The random effect model is due to variations in the value and direction of the relationship between subjects and is assumed to be random, specified in the form of a residual. The random effect model estimates panel data where the residual variable is thought to have a relationship between time and between subjects. Tests are carried out using the Hausman test. The results in Table 3 show that the null hypothesis is rejected, so a more stable model to use is the fixed effect model.

Table 3. Hausman Test Result

Correlated Random Effects - Hausman Test			
Test period random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Period random	35.904856	5	0.0000

Table 8 shows the empirical results of the overall model, both ordinary least square, fixed effect, and random effect. The empirical results show that the entire model

shows a significant constant value. This result shows that if all variables are considered zero, then a country will still have economic growth as the coefficient stated in the empirical results.

The results of the research are in Table 4 indicates that the dummy members variable shows a significant result. This shows that there is a difference in economic growth between D-8 and non-D8 member countries. A positive sign indicates that joining the D-8 organization makes a positive difference for its members. Iqbal (2013) states that developing eight organization aspires to become a dynamic economic group for promoting sustainable development. Trade organizations will be able to have a positive impact on their member countries (Lawton et al., 2017). D-8 member countries must be able to play a role in world trade, especially to fight the hegemony of the world trade organization. Although, Fung et al. (2010) shows that the developing country will have fewer 'unfair' concession of market openings, and will be better of with the WTO and with rules of non-discrimination.

Trade agreement should reduce trade barriers between countries. Febriningtyas et al. (2018) state that rules of origin that indirectly serve as trade barriers, thus raising the potential for increased production costs. Widyastutik et al. (2017) shows that the elimination import tariff will improve the welfare. Mareta (2018) conclude that reducing tariff barriers will promotes total trade volume. Government should give an incentive to encourage investment in export industries through different channels (Agarwal & Mutra, 2010).

Table 4. The Empirical Result

Variable	Model 1: PLS	Model 2: FEM*	Model 3: REM*
C	3.680704*** (0.518975)	3.840533*** (0.501595)	3.680704*** (0.494320)
D_Members	0.180852*** (0.049531)	0.182480*** (0.047194)	0.180852*** (0.047178)
Pol_Stab	0.010417*** (0.002219)	0.005863*** (0.002275)	0.010417*** (0.002114)
Ln_Population	0.319406*** (0.026864)	0.2970245*** (0.026700)	0.319406*** (0.025588)
Ln_Export	0.642073*** (0.028653)	0.664807*** (0.029436)	0.642073*** (0.027291)
HDI	1.849610*** (0.339711)	0.976528*** (0.369409)	1.849610*** (0.323572)
R-squared	0.936547	0.945877	0.936547
Adj R-squared	0.935191	0.941202	0.935191
F-stat	690.7496	202.3573	690.7496

Note: ***(1%), **(5%), *(10%)

The second factor that affects economic growth is political stability. The three models show significant results on the political stability variable. A positive sign indicates that the more stable the political condition of a country is, the higher its economic growth will be. A conducive political situation, one of which is the result of a good democratic climate which will have a significant impact on the economy in a country (Abu et al., 2015; Radu, 2015a). Chen & Feng (1996) show that several conditions such as the instability of the regime of power, political and group polarization, and repression by the government will have a negative impact on economic growth in a country.

Political stability plays an important role in economic conditions in a country. Alesina et al. (1996), by defining political instability as the propensity of government collapse, they show that in countries with a high propensity of government collapse, the growth is lower than otherwise. The instability of the political system will have a negative impact on economic growth (Tabassam et al., 2016; Kaplan & Akçoraoglu, 2017). Political instability will increase the uncertainty of the situation and economic conditions in the future (Gurgul & Lach, 2013; Murad & Alshyab, 2019). Murad & Alshyab (2019) show that political instability will affect the capability and credibility of a government. Uddin et al. (2017) show that political instability is higher in the OIC countries and affects economic growth, especially for the lower and middle-income OIC countries due to the absence of strong economic and political institutions. Mahjabeen et al. (2020) shows that the institutional quality will spur economic growth in D-8 countries.

The view of macroeconomic policies will be shortened due to political instability. This will cause frequent changes in economic policy and create uncertainty and volatility. So the instability condition will give an impact on macroeconomic performance decline (Aisen & Veiga, 2013; Jaouadi et al., 2014). Bad government policies will cause stagnation in the economy (Robinson, 1998). Berggren et al. (2015) conducted research on the quality and instability of institutions and policies affecting economic growth in 35 European countries. Stability will result in a more predictable economy. Meanwhile, the instability reflected in the reforms will offer a long-term positive effect. Aksoy (2018) found that structural reforms would have an impact on a country's economy in both the short and long term.

Radu (2015b) shows two reasons why political instability has a negative impact on economic growth. First, political instability will disrupt economic activity and labor relations, so that this has an impact on decreasing productivity. Second, this instability will have an impact on reducing the level of investment, both domestic and foreign investment. Osterloh (2012) states that political conditions in a democratic country will have a good impact on the performance of the national economy. There are four dimensions in political instability such as politically motivated violence, mass civil protest, instability within the political regime, and instability of the political regime (Jong-A-Pin, 2009).

Polachek & Sevastianova (2012) added that the high intensity of conflict in a country will have a direct impact on the economy. The same thing is shown by Aisen & Veiga (2013), where their study shows that political instability will reduce economic growth through decreased productivity and physical and capital accumulation. Institution is one of the main factor for political stability. Nugroho et al. (2019a) and Elbargathi & Al-Assaf (2019) shows that the low-quality institutions will impact negatively on economy. Nushiwat (2008) also state that the role of goverment policy on economy. Nedić et al. (2020) shows that the institutional reforms can give an impact on economic growth.

The empirical results are in Table 4 also shows that the population has a positive impact on economic growth in a country. This shows that the amount of human resources will be a positive driving factor in the economy. Jafari et al. (2011) also show the same result that population of exporter country will affect the export volume in D-8 countries. Headey & Hodge (2009) show that there is an influence between population growth and economic growth, although the effect is weak. Garza-Rodriguez et al. (2016) find that population has a positive effect on per capita GDP, and per capita GDP will affect positively to population. Peterson (2017) shows the opposite result, where in his research find that low population growth in high-income countries is likely to create social and economic problems while high population growth in low-income countries may slow their development. International migration could help to adjust these imbalances but is opposed by many. Besides that, the population will also have an impact on export growth (Wardani et al., 2018).

Table 8 shows that export has a positive impact on growth. This result is consistent with Dritsaki (2013) that shows a unidirectional Granger causality that runs from exports to economic growth. Marwan et al. (2013) also support the export led-growth in the case of Sudan. The export-led growth hypothesis also proves in Sub-Saharan African countries (Yee Ee, 2016), China (Ortiz et al., 2015), Pakistan (Zafar, 2020), ASEAN countries (Sermcheep, 2019), and Asia's four little dragons (Tang et al., 2015). Bahramian & Saliminezhad (2020) find evidence of positive causation from economic growth to export at low and high quantile ranges of export growth. Ostadi & Shoaie (2015) also show that the variables (such as total GDP of parties involved in trade, the difference in per capita income, and geographical distance) have an impact on the trade potential of the G8 and D8 countries. However, the variable of similarity in economic size does not have an impact on their trade potential. Those countries that have lesser economic power could gather together as a framework of economic zones and create a larger union. The union needs a leader from advanced countries to become successful. This result is oposite with Nushiwat (2008) states that the early experiences of the economic growth of the industrialized countries were not export-led growth. This result also oposite with Edo et al (2020) that also found the insignificant impact of export on economic growth in the short-run. Al Arif et al. (2021) also found that export doesn't have an impact on economic growth in D-8 countries.

The last factor affecting economic growth in this study is the quality of human resources as measured by the human development index. The results in Table 8 shows that the quality of human resources has a positive effect on economic growth in a country. This result is consistent with Chirwa & Odiambo (2016) that also shows the direct relationship between human capital development and economic growth. Nugroho et al. (2019b) show that human capital accumulation will be able to increase economic growth in developing countries. This shows that the education budget must be increased because it can increase economic growth (Anvari et al., 2020). In addition, the level of research productivity must be increased in support of sustainable economic growth (Zaman et al., 2018).

Conclusion

This study aims to examine analyze does joining the D-8 countries give an impact on the economic growth for its members. The result shows that there is a difference in growth between D-8 countries and non D-8 countries. This result implies that joining D-8 organization gives a good impact for the growth of its' members. In addition, all control variables such as political stability, population, export, and human development index show a positive influence on economic growth.

The results of this study provide several policy implications. First, D-8 member countries need to strengthen and increase trade between members. Second, governments in D-8 member countries need to create political stability to ensure certainty in economic conditions. Third, each D-8 member country needs to increase the competitive advantage of its superior export products.

References

- Abu, N., Karim, M. Z. A., & Aziz, M. I. A. (2015). Corruption, Political Instability and Economic Development in the Economic Community of West African States (ECOWAS): Is There a Causal Relationship. *Contemporary Economics*, 9(1), 45-60.
- Agarwal, M., & Mitra, S. (2010). Role of Government in Trade and Investment Boom: Lessons from East Asia. *Journal of Economic Policy Reform*, 13(4), 285-304.
- Aisen, A., & Veiga, F. J. (2013). How Does Political Instability Affect Economic Growth? *European Journal of Political Economy*, 29, 151-167.
- Aksoy, T. (2018). Structural Reforms and growth in Developing Countries. *Journal of Economic Policy Reform*, <https://doi.org/10.1080/17487870.2018.1424629>.
- Al Arif, M. N. R., Arisman., & Harahap, D. (2021) Export Political Stability, and Growth in Developing-8 Countries. *Estudios de Economia Aplicada*, 39(1), 117-126.
- Alesina, A., Özler, S., Roubini, N., & Swagel, P. (1996). Political Instability and Economic Growth. *Journal of Economic Growth*, 1, 189-211.
- Almasi, H. (2012). Investigating Status of Developing Eight (D8) Countries Macroeconomic Indices in line with Developing Economic Cooperation with Iran. *African Journal of Business Management*. 6(20), 6166-6176.

- Anvari, E., Ahangari, A. M., & Jafari, E. (2020). The Role of Government Health and Education Expenditure on Economic Growth in Iran and OPEC Countries. *Iranian Economic Review*, 24(4), 1079-1098.
- Asturias, J., Hur, S., Kehoe, T. J., & Ruhl, K. J. (2016). The Interaction and Sequencing of Policy Reforms. *Journal of Economic Dynamics and Control*, 72, 45-66.
- Bahmani-Oskooee, M., & Oyolola, M. (2007). Export Growth and Output Growth: an Application of Bounds Testing Approach. *Journal of Economics and Finance*, 31(1), 1-11.
- Bahramian, P., & Saliminezhad, A. (2020). On the Relationship Between Export and Economic Growth: A Nonparametric Causality in Quantiles Approach for Turkey. *The Journal of International Trade and Economic Development*, 29(1), 131-145.
- Bakir, C., & Woo, J. J. (2016). Financial Sector Reform and Policy Design in an Age of Instability. *Policy and Society*, 35(3), 193-204.
- Berggren, N., Bergh, A., & Bjørnskov, C. (2015). What Matters for Growth in Europe? Institutions versus Policies Quality versus Instability. *Journal of Economic Policy Reform*, 18(1) 69-88. <https://doi.org/10.1080/17487870.2014.953159>.
- Chen, B., & Feng, Y. (1996). Some Political Determinants of Economic Growth: Theory and Empirical Implications. *European Journal of Political Economy*, 12, 609-627.
- Chen, J., & Dong, B. (2012). A Non Parametric Estimation on the Effects of Import and Export Trade to Economic Growth in China. *Procedia Engineering*, 29, 952-956.
- De Mendonça, H. F., & Nascimento, N. C. (2020). Monetary Policy Efficiency and Macroeconomic Stability: Do Financial Openness and Economic Globalization Matter? *The North American Journal of Economics and Finance*, 51, 100870.
- Dritsaki, C. (2013). Causal Nexus Between Economic Growth, Export, and Government Debt: The Case of Greece. *Procedia Economics and Finance*, 5, 251-259. [https://doi.org/10.1016/S2212-5671\(13\)00031-2](https://doi.org/10.1016/S2212-5671(13)00031-2).
- Dritsaki, C., & Stiakakis, E. (2014). Foreign Direct Investment, Exports, and Economic Growth in Croatia: A Time Series Analysis. *Procedia Economics and Finance*, 14, 181-190. [https://doi.org/10.1016/S2212-5671\(14\)00701-1](https://doi.org/10.1016/S2212-5671(14)00701-1).
- Edo, S., Osadolor, N. E., Dading, I. F. (2020). Growing External Debt and Declining Export: The Concurrent Impediments in Economic Growth of Sub-Saharan African Countries. *International Economics*, 161, 173-187.
- Elbargathi, K., & Al-Assaf, G. (2019). The Impact of Political Instability on the Economic Growth: an Empirical Analysis for the Case of Selected Arab Countries. *International Journal of Business and Economics Research*, 8(1), 14-22.
- Febriningtyas, M., Oktaviani, R., & Rifin, A. (2018). Rules of Origin in ASEAN+1 Free Trade Agreements on Agriculture Commodity. *Signifikan: Jurnal Ilmu Ekonomi*, 7(1), 15-26. <https://doi.org/10.15408/sjie.v7i1.6432>.

- Gurgul, H., & Lach, L. (2013). Political Instability and Economic Growth: Evidence from Two Decades of Transition in CEE. *Communist and Post Communist Studies*, 46, 189-202. <https://doi.org/10.1016/j.postcomstud.2013.03.008>.
- Hiestand, T. (2005). Using Pooled Model, Random Model, and Fixed Model Multiple Regression to Measure Foreign Direct Investment in Taiwan. *International Business and Economics Research Journal*, 4(12), 37-52.
- Hur, J., & Park, C. (2012). Do Free Trade Agreements Increase Economic Growth of the Member Countries? *World Development*, 40(7), 1283-1294.
- Hye, Q. M. A., Wizarat, S., & Lau, W-Y. (2016). The Impact of Trade Openness on Economic Growth in China: An Empirical Analysis. *The Journal of Asian Finance, Economics, and Business*, 3(3), 27-37.
- Jafari, Y., Ismail, M. A., & Kouhestani, M. S. (2011). Determinant of Trade Flows among D-8 Countries: Evidence from the Gravity Model. *Journal of Economic Cooperation and Development*, 32(3), 21-38.
- Jaouadi, S., Arfaoui, L., & Ziedi, A. (2014). Political Instability and Growth: Case of the Developing Countries. *International Journal of Social Science Research*, 2(1), 19-28. <https://doi.org/10.5296/ijssr.v2i1.3973>.
- Jin, H. J., Koo, W. W., & Sul, B. (2006). The Effects of The Free Trade Agreement Among China, Japan, and South Korea. *Journal of Economic Development*, 31(2), 55-72.
- Jong-A-Pin, R. (2009). On the Measurement of Political Instability and Its Impact on Economic Growth. *European Journal of Political Economy*, 25, 15-29. <https://doi.org/10.1016/j.ejpoleco.2008.09.010>.
- Kaplan, E. A., & Akçoraoglu, A. (2017). Political Instability, Corruption, and Economic Growth: Evidence from a Panel of OECD Countries. *Business and Economic Research Journal*, 8(3), 363-377. <https://doi.org/10.20409/berj.2017-55>.
- Kartikasari, D. (2017). The Effect of Export, Import, and Investment to Economic Growth of Riau Islands Indonesia. *International Journal of Economics and Financial Issues*, 7(4), 663-667.
- Kilavuz, E., & Topcu, B. A. (2012). Export and Economic Growth in the Case of the Manufacturing Industry: Panel Data Analysis of Developing Countries. *International Journal of Economics and Financial Issues*, 2(2), 201-215.
- Liu, X. (2015). Trade Agreements and Economic Growth. *Southern Economic Journal*, 82(4), 1374-1401. <https://doi.org/10.1002/soej.12113>.
- Mahjabeen., Shah, S. Z. A., Chughtai, S., & Simonetti, B. (2020). Renewable Energy, Institutional Stability, Environment, and Economic Growth Nexus of D-8 Countries. *Energy Strategy Reviews*, 29, article100484.
- Manwa, F., & Wijeweera, A. (2016). Trade Liberalisation and Economic Growth Link: The Case of Southern African Custom Union Countries. *Economic Analysis and Policy*, 51, 12-21. <https://doi.org/10.1016/j.eap.2016.05.001>.

- Maoz, Y. D., Peled, D., & Sarid, A. (2011). Trade Agreements, Bargaining and Economic Growth. *Journal of Macroeconomics*, 33, 92-101.
- Mareta, B. M. T. (2018). The Impact of ASEAN-Korea Free Trade Agreements on Indonesian Export of Manufacturing Goods. *Etikonomi*, 17(2), 161-184.
- Marwan, N. F., Kadir, N. A. A., Hussin, A., Zaini, A. A., Rashid, M. E. A., & Helmi, Z. A. G. (2013). Export, Aid, Remittance and Growth: Evidence from Sudan. *Procedia Economics and Finance*, 7, 3-10. [https://doi.org/10.1016/S2212-5671-\(13\)00211-6](https://doi.org/10.1016/S2212-5671-(13)00211-6).
- Murad, M. S., & Alshyab, N. (2019). Political Instability and Its Impact on Economic Growth: the Case of Jordan. *International Journal of Development Issues*, 18(3), 366-380. <https://doi.org/10.1108/IJDI-02-2019-0036>.
- Nedić, V., Despotović, D., Cvetanović, S., Djukić, T., & Petrović, D. (2020). Institutional Reform for Economic Growth in the Western Balkan Countries. *Journal of Policy Modeling*, Article In Press. <https://doi.org/10.1016/j.polmod.2020.04.002>.
- Nugroho, H., Pasay, N. H. A., Damayanti, A., & Panennungi, M. A. (2019a). Institutions as the Main Determinant in Economic Growth. *Etikonomi*, 18(1), 13-28.
- Nugroho, H., Pasay, N. H. A., Damayanti, A., & Panennungi, M. A. (2019b). Semi-Endogenous Growth Model for Developing Countries: A Modificaation to Jones Model. *Signifikan: Jurnal Ilmu Ekonomi*, 8(1), 121-134.
- Nushiwat, M. (2008). Exports and Economic Growth a Re-Examination of the Causality Relation in Six Countries, 1981-2015. *Applied Econometrics and International Development*, 8(2), 5-12.
- Nwosa, P. I., Tosin, F. O., & Ikechukwu, O. M. (2019). Export Diversification and Economic Growth in Nigeria. *Signifikan: Jurnal Ilmu Ekonomi*, 8(2), 227-234.
- Okora, A. S., Ujunwa, A., Umar, F., & Ukemenam, A. (2020). Does Regional Trade Promote Economic Growth? Evidence from Economic Community of West African States (ECOWAS). *Journal of Economics and Development*, 22(1), 131-147.
- Ortiz, J., Xia, J., & Wang, H. (2015). A VAR Model of Stimulating Economic Growth in the Guangdong Province, P. R. China. *The Journal of Asian Finance, Economics, and Business*, 2(2), 5-12. <https://doi.org/10.13106/jafeb.2015.vol2.no.2.5>.
- Ostadi, H., & Shoaei, M. R. (2015). Studying Trade Potential Among the Group of Eight Developing Countries (D8) and Industrialized Nations (G8): 1990-2012. *Journal of Scientific Research and Development*, 2(3), 22-25.
- Osterloh, S. (2012). Words Speak Louder than Actions: The Impact of Politics on Economic Performance. *Journal of Comparative Economics*, 40, 318-336.
- Othman, J., Acar, M., & Jafari, Y. (2013). Towards OIC Economic Cooperation: Impact of Developing 8 (D-8) Preferential Trade Agreement. *The Singapore Economic Review*, 58(2). <https://doi.org/10.1142/S0217590813500094>.
- Polachek, S. W., & Sevastianova, D. (2012). Does Conflict Disrupt Growth? Evidence of

- the Relationship Between Political Instability and National Economic Performance. *The Journal of International Trade & Economic Development*, 21(3), 361-388. <https://doi.org/10.1080/09638191003749783>.
- Radu, M. (2015a). The Impact of Political Determinants on Economic Growth in CEE Countries. *Procedia Social and Behavioral Sciences*, 197, 1990-1996.
- Radu, M. (2015b). Political Stability – a Condition for Sustainable Growth in Romania? *Procedia Economics and Finance*, 30, 751-757.
- Robinson, J. A. (1998). Theories of Bad Policy. *The Journal of Policy Reform*, 2(1), 1-46.
- Sermcheep, S. (2019). Services Export and Economic Growth in ASEAN Countries. *Journal of Asian Economic Integration*, 1(2), 163-182.
- Shafiullah, M., Selvanathan, S., & Naranpanawa, A. (2017). The Role of Export Composition in Export-Led-Growth in Australia and Its Regions. *Economic Analysis and Policy*, 53, 62-76. <https://doi.org/10.1016/j.eap.2016.11.002>.
- Statistical, Economic, and Social Research and Training Centre for Islamic Countries [SESRIC]. (2016). *D-8 Economic Outlook 2016/2017*. Ankara: SESRIC.
- Sujianto, A. E., Pantas, P. E., Mashudi, Pambudi, D. S., & Narmaditya, B. S. (2020). *The Journal of Asian Finance, Economics, and Business*, 7(11), 127-135.
- Szkorupova, Z. (2014) A Causal Relationship Between Foreign Direct Investment, Economic Growth, and Export for Slovakia. *Procedia Economics and Finance*, 15, 123-128. [https://doi.org/10.1016/S2212-5671\(14\)00458-4](https://doi.org/10.1016/S2212-5671(14)00458-4).
- Tabassam, A. H., Hashmi, S. H., & Ur Rehman, F. (2016). Nexus Between Political Instability and Economic Growth in Pakistan. *Procedia Social and Behavioral Sciences*, 230, 325-334. <https://doi.org/10.1016/j.sbspro.2016.09.041>.
- Tang, C. F., & Abosedra, S. (2019). Logistics Performance, Exports, and Growth: Evidence from Asian Economies. *Research in Transportation Economics*, 78, 1-9.
- Tang, C. F., Lai, Y. W., & Ozturk, I. (2015). How Stable is the Export-Led Growth Hypothesis? Evidence from Asia's Four Little Dragons. *Economic Modelling*, 44, 229-235. <https://doi.org/10.1016/j.econmod.2014.09.022>.
- Uddin, M. A., Ali, M. H., & Masih, M. (2017). Political Stability and Growth: an Application of Dynamic GMM and Quantile Regression. *Economic Modelling*, 64, 610-625. <https://doi.org/10.1016/j.econmod.2017.04.028>.
- Wardani, M. A., Mulatsih, S., & Rindayanti, W. (2018). Competitiveness and Factors Affecting Indonesian Food Industry's Export to Regional Comprehensive Economic Partnership. *Etikonomi*, 17(2), 185-198.
- Widyastutik., Nazara, S., Oktaviani, R., & Simarmata, D. (2017). Trade Barrier Elimination, Economics of Scale, and Market Competition: Computable General Equilibrium Model. *Signifikan: Jurnal Ilmu Ekonomi*, 6(2), 189-216.
- Yee Ee, C. (2016). Export-Led Growth Hypothesis: Empirical Evidence from Selected Sub-Saharan African Countries. *Procedia Economics and Finance*, 35, 232-240.

- Zafar, K. M. (2020). ARDL-Analysis of the Relationship among Exports, FDI, Current Account Deficit, and Economic Growth in Pakistan. *Iranian Economic Review*, 24(2), 393-414. <https://doi.org/10.22059/IER.2020.76010>.
- Zaman, K., Khan, H. U. R., Ahmad, M., & Aamir, A. (2018). Research Productivity and Economic Growth: A Policy Lesson Learnt from Across the Globe. *Iranian Economic Review*, 22(3), 627-641.