

## Trade Openness and Economic Growth

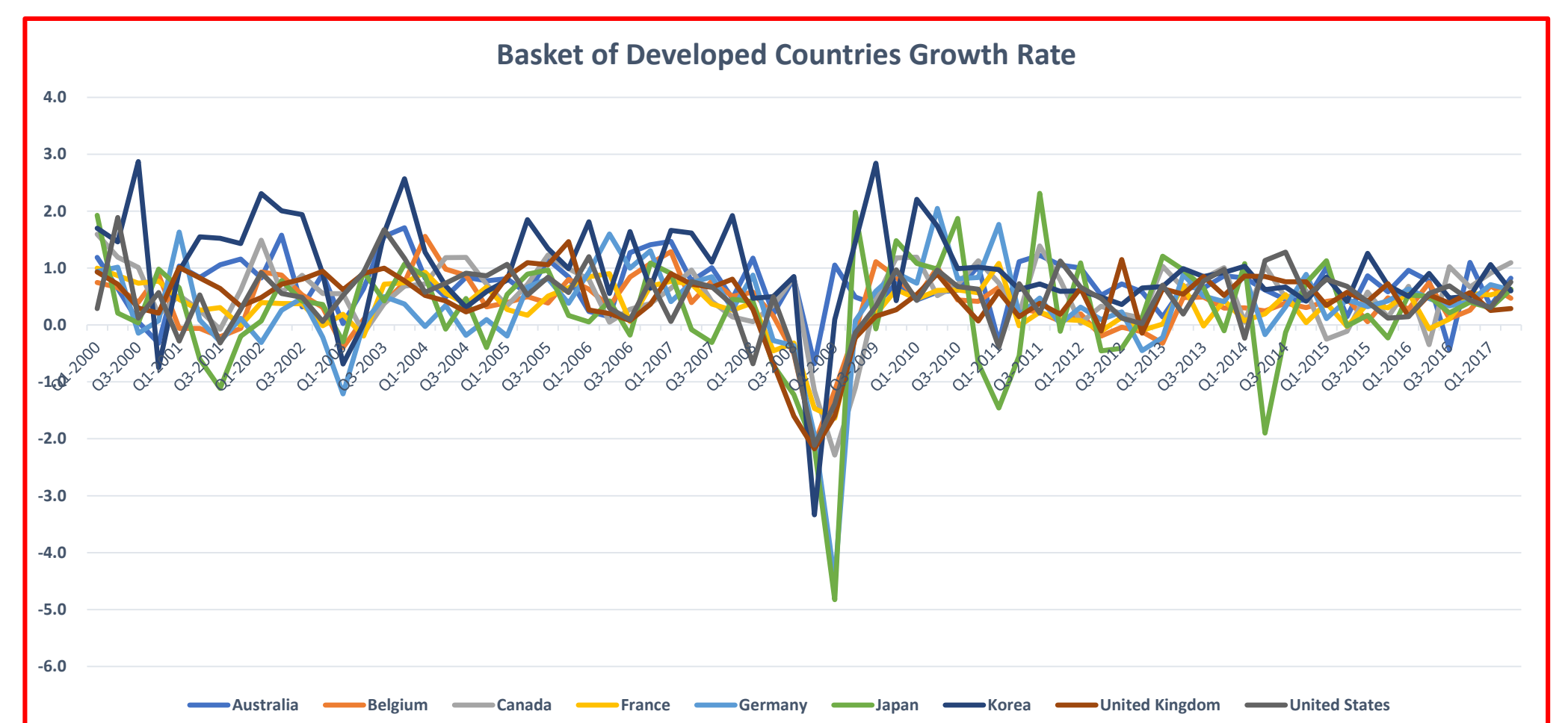
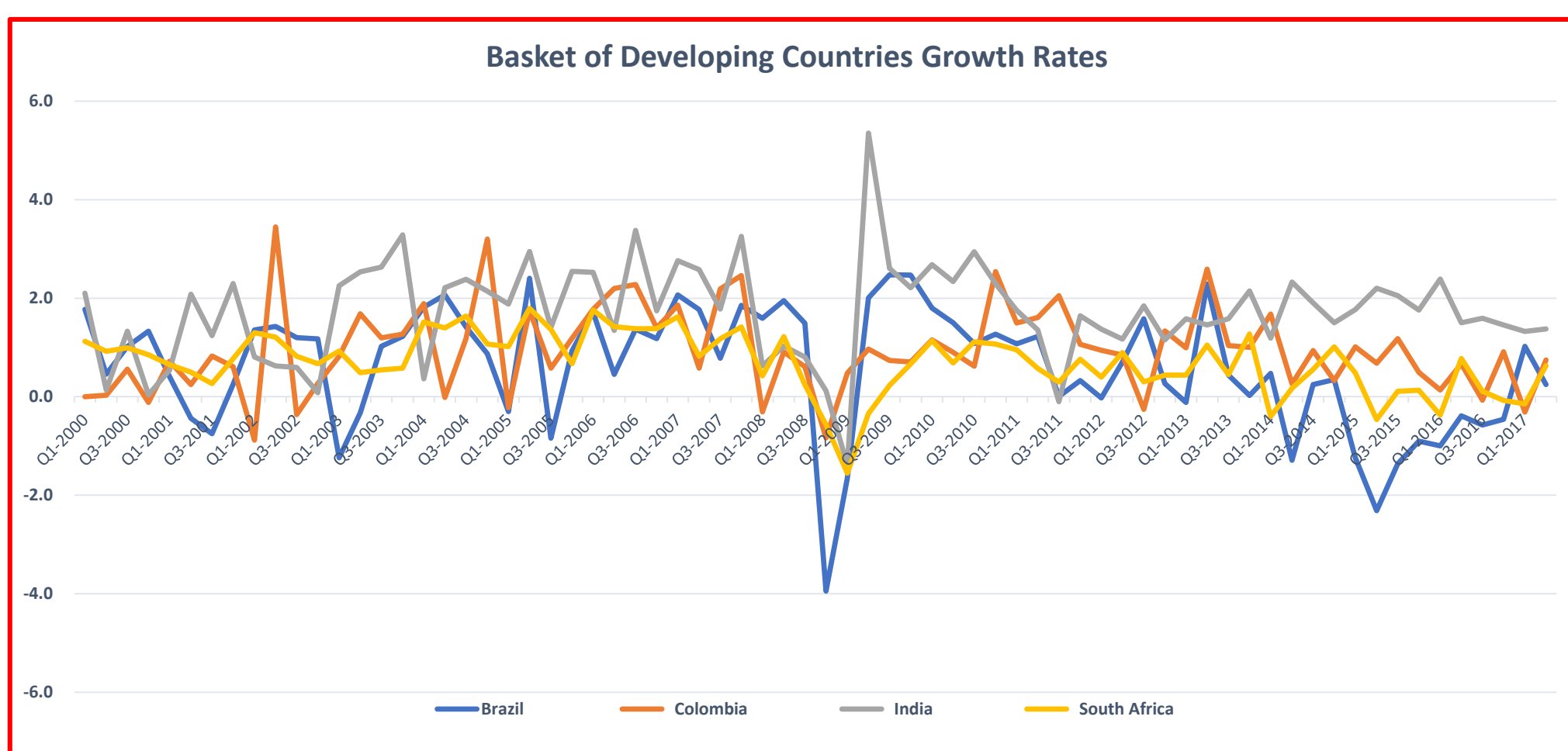
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### Overview

- Does trade openness enhance economic growth?
- Do developed countries exhibit more trade openness compared to developing countries?

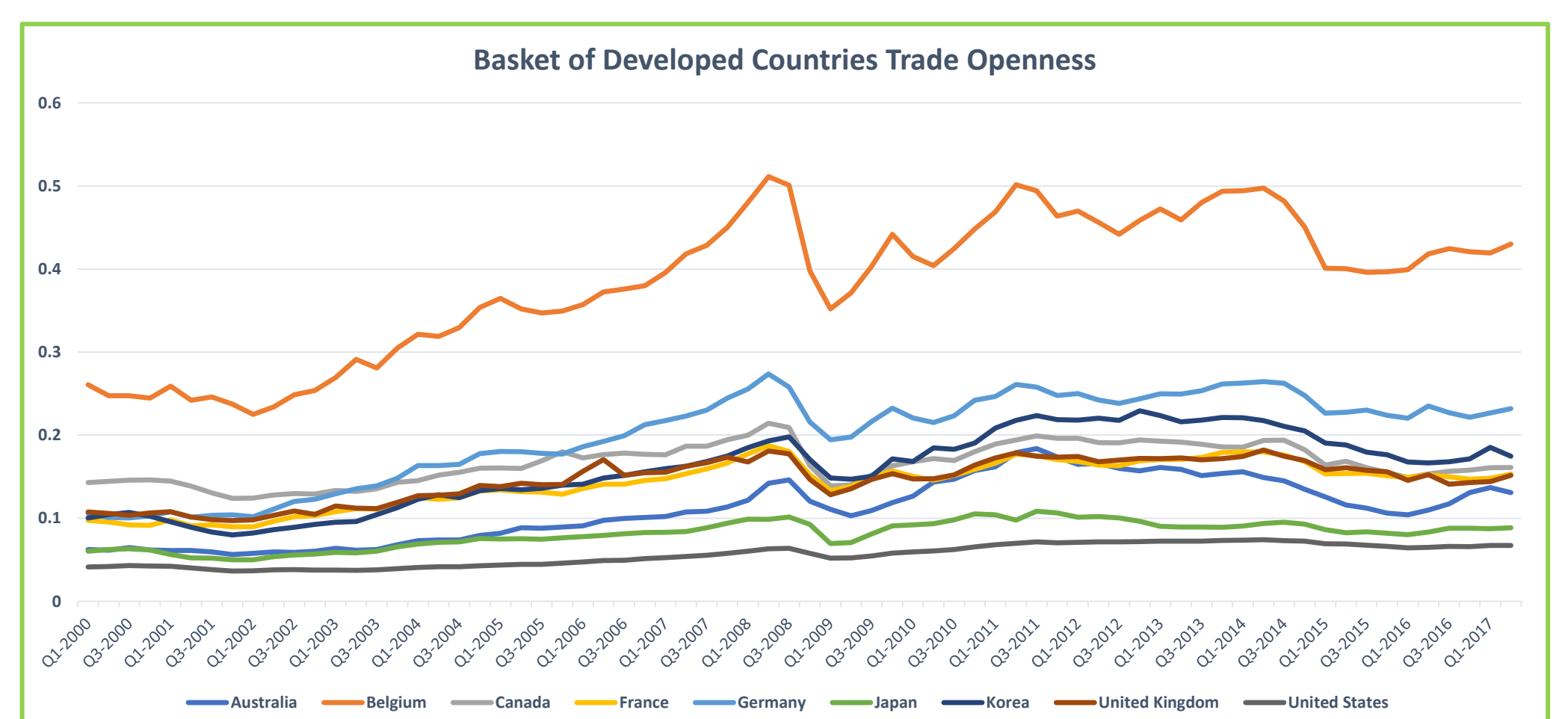
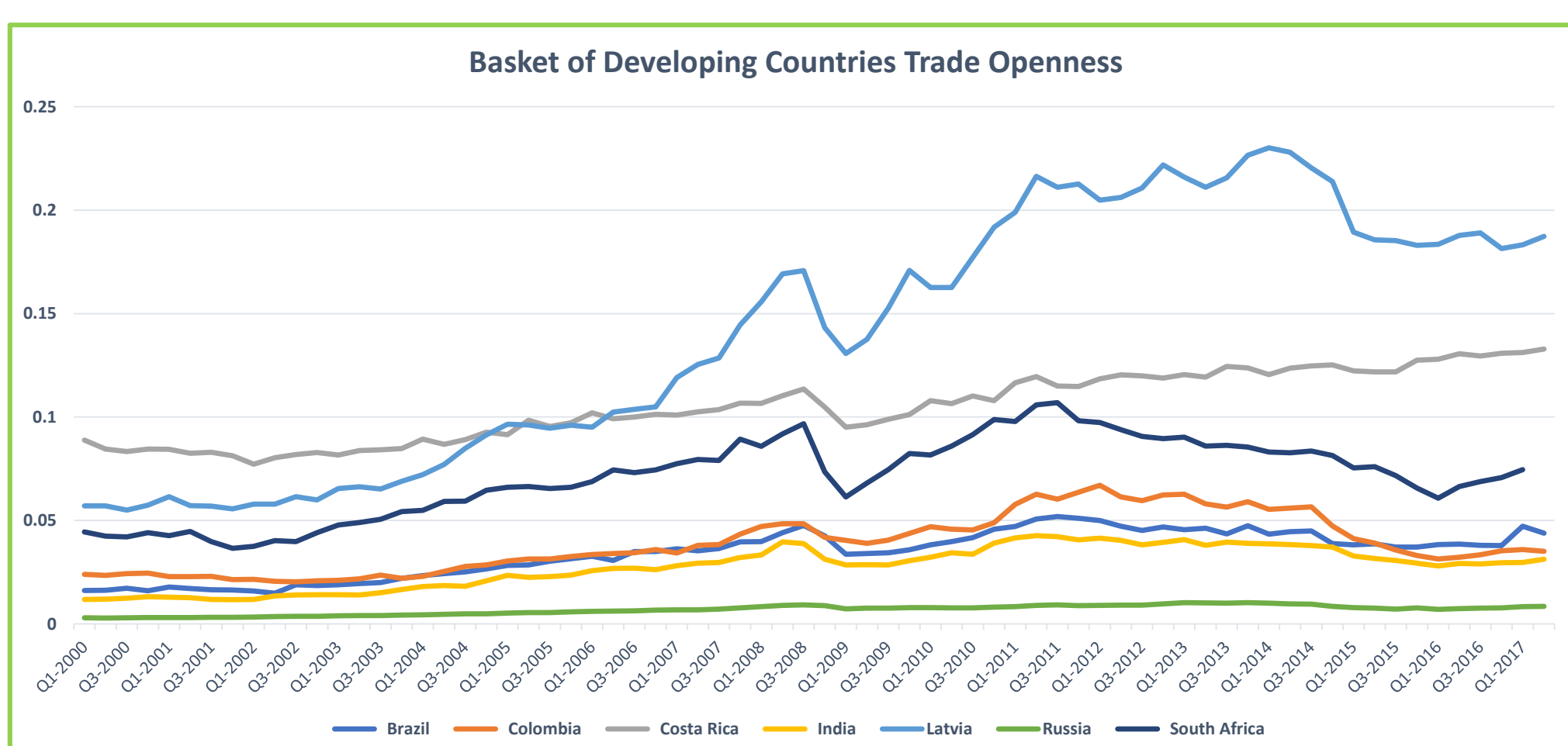
### Growth Rates

Developing countries growth rates have averaged between 1% and 2% between 1990 and 2017. However, developed countries have averaged .5% to 1% over the same period.



### Trade Openness

Trade openness is defined as Net Exports (Exports plus Imports) divided by GDP. Developing countries have averaged 0.05 trade openness, where as, developing countries have averaged 0.1 trade openness.



### Explanation

- There are other indicators of trade openness such as the Open Market Index (OMI)
- Tariffs, border efficiency, foreign direct investment, and infrastructure trade aren't considered
- This research doesn't consider technology, demographics, or geography

### Acknowledgements

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