

Title of Article: Trade Routes and Institutional Development in Africa

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Abstract: The earliest documented institutions in the world are known to have been associated with vibrant domestic or international trade channels. With the principal administrative headquarters of empires and modern states located close to sea ports or major inland trade routes. Has institutional development been as a result of foreign and domestic trade interest in Africa? How has institutions developed and adapted to both local and foreign influences? This study investigates and gives insight into the implication of trade routes on institutional development in Africa. While trade can have strong implication for institutional development other factors are likely to influence institutional development in countries. The study also investigates the effect of trade influence on pre and post colonial institutional development in Africa. We find that trade has strong implications for institutional development and was likely affecting institutional structure and national development in many African States. Econometric regression analysis was used and key factors that are likely to affect institutions are duly considered. Issues of model misspecification are addressed by looking into past literature on institutions and trade developments and their impacts on states development over time. Trade routes were found to have significant impacts on institutional evolution, development and sustenance.