



Araştırma Makalesi • Research Article

The Impact of Fiscal Policy, Monetary Policy and Trade Openness on the Economic Growth: Case of Selected SAARC Countries

Maliye Politikası, Para Politikası ve Ticaret Açıklığının Ekonomik Büyüme Üzerindeki Etkileri: Seçilmiş SAARC Ülkeleri Örneği

Zeynep KARAÇOR¹

Burcu GÜVENEK²

Abdul Qahar KHATIR³

ARTICLE INFO

Article history:

Received: 01 June 2021

Received in revised: 24 June 2021

Accepted: 25 June 2021

Keywords:

Government Expenditures

M2 Broad Money

Trade Openness

Economic Growth

SAARC

MAKALE BİLGİSİ

Makale geçmişi:

Başvuru tarihi: 01 Haziran 2021

Düzeltilme tarihi: 24 Haziran 2021

Kabul tarihi: 25 Haziran 2021

Anahtar Kelimeler:

Kamu Harcamaları

M2 Para Arzı

Ticari Açıklık

Ekonomik Büyüme

SAARC

ABSTRACT

In this study, we investigated the impact of fiscal policy, monetary policy, and trade policy on selected SAARC (Afghanistan, Pakistan, Bangladesh, India, and Sri Lanka) countries' economic growth. For the mentioned analysis data were used for the period 2006-2017. Both government expenditures and broad money supply have a positive and significant impact on economic growth. The impact of trade openness is negative and significant, says the study. The study concludes that the impact on growth is greater than the impact of monetary policy. The authors conclude that the decomposition variance shock in the GDP, in the long run, was not affected much by other variables relative to the short run. Furthermore, as per the Causality test results through the VAR analysis, growth has a double directional causality relationship with broad money growth and government expenditures. One side relationship with the trade openness means trade openness causes the GDP per capita but GDP per Capital does not. Broad money and government expenditures double direction relationship but have no causality relationship with openness.

ÖZ

Bu çalışmada, kamu harcamaları, M2 para arzı ve ticari açıklığın seçilmiş SAARC (Afghanistan, Pakistan, Bangladeş, Hindistan ve Sri Lanka) ülkelerinin ekonomik büyümesi üzerindeki etkisini araştırılmıştır. Söz konusu analiz için 2006-capita2017 dönemi verileri kullanılmıştır. Elde edilen nedensellik bulgularına göre kamu harcamaları ve M2 para arzı ile büyüme arasında çift yönlü; ticari açıklık ve büyüme arasında ise tek yönlü nedensellik ilişkisi vardır. Katsayı tahminleri, kamu harcamaları ve M2 para arzının ekonomik büyüme üzerinde pozitif etkiye sahip olduğunu göstermiştir. Ticari açıklık ise ekonomik büyümeyi negatif yönde etkilemektedir.

¹ Prof. Dr .Selçuk University, Faculty of Economics and Administrative Sciences, Department of Economics, zkaracor@selcuk.edu.tr, ORCID: 0000-0003-2050-644X .

² Assoc. Prof. Dr. Selçuk University, Faculty of Economics and Administrative Sciences, Department of Economics, burcugunenek@selcuk.edu.tr, ORCID: 0000-0002-7159-2555.

³ Phd. Selçuk University, Insititute of Social Sciences, abdulqahar.khatir@lisansustu.selcuk.edu.tr, ORCID: 0000-0002-3882-8204

INTRODUCTION

The aim of every economy in the world is to achieve stable growth, stability in prices, high rate employment, balance in the current account, reducing the budget deficit, and reducing in income equities. All of the above goals are achieved by implementing some policies by the governments, which are consist of monetary policy, fiscal policy, and trade policy. Which policy to be implemented by the governments has been raised as a question? It cannot be decided that whether which policy is more efficient?. However, their impacts and effectiveness vary from country to country due to differences in economic characteristics of countries and seasonal conditions (Akıncı & Tüncer, 2018).

Monetary policy has an important role in achieving the high growth of the economy if implemented in a way that keeps the price stability and low inflation rate. Authorities use the monetary policies through a variety of tools to have control on the money supply and the rate of interest, which in term have an impact on the economic growth, rate of exchange, employment, and general level of prices (Hameed & Amen, 2011) as cited in (Lut& Moolio, 2015).

If we talk about the general theory regarding the monetary policy, the classic school of thought that the economy is in full employment and expansionary monetary policy does not have an impact on the real income and causes to raise prices in an economy, whereas Keynes school of thought says that expansionary monetary policy causes to increase the output level with no change in the price due to not being in the full employment level of the economy but in the case of liquidity trap monetary policy does not work due to no change in interest rate plus no sensitivity of expenditures to interest rate and in such conditions better to use fiscal policy means government projects to be implemented (Meghana, 2018).

Modern theory about monetary policy is in the opposite of Keynes approach that the link between the supply of money and the GDP and rate of interest, rather they are claiming that with purchasing securities by the central bank sets in motions substitution and wealth effects, which in term increase the aggregate demand for money and level of GDP (Meghana, 2018). As we mentioned above some time there may not be sensitivity between the rate of interest and investment, for solving such problems in an economy, expansionary fiscal policy is advised by Keynes. According to the monetarist increase in government expenditures partially offsets the private investment with its crowding-out effect and according to the classic view of an increase in the government, expenditures will be offset by the private investment (Meghana, 2018).

Another factor that affects economic growth is trade openness(import plus export to GDP). According to the theory of comparative advantage, a country should produce and export those products which have less opportunity cost and import those goods whichs' production has high opportunity cost relative to another country, such adoptions will lead the country to specialization in the sectors for which it has factor endowments and will be able to produce more goods. As a result, the country will be able to increase the export and productivity which has a positive impact on the growth of the economy. According to Krugmen(1978) and Bhagwati(1978) as cited in Keho (31 March 2017) trade liberalization is helpful for specialization in sectors in which countries have factors endowments, which in term help the efficiency and productivity in the long run.

According to the New endogenous theory of growth, the international diffusion of technology trade has a positive impact on economic growth (Coe, 1995). In the case of trade Developing countries will grow faster than developed countries whether the cost of imitation is lower in these developing countries (Edward, 1998). In the 1960s and 1970s mostly third world countries feared that trade would harm them and advanced countries didn't concern about competition with developing countries but in the 1980s and 1990s, most of the developing countries optimistically saw trade and developing counties worried about the adverse effect of trade (Freeman , 1995).

In this study, we are investigating the impact of monetary policy, fiscal policy, and trade openness on the economic growth of selected SAARC countries (Afghanistan, Bangladesh, India, Pakistan, and Sri Lanka, and Nepal). Our research questions are as under.

- How fiscal policy affects the growth of these countries?
- How monetary policy affects the growth of these countries?
- How openness affects the growth of these countries?

To answer the above questions we collected the data for the period from 2006 to 2017 annually from the WorldBank than after we will apply the different economics techniques to attain the results. Our study is divided into four sections. In section one we have an introduction, in section two we have literature, section three is related to data and methodology, and in section four we have a conclusion.

1.LITERATURE REVIEW

Aggregate demand and aggregate supply are those channels through which fiscal policy does work. Government expenditures and taxation both affect the aggregate demand and supply in an economy.

In the case of fiscal policy Keynesian believes that government expenditures help the economic growth as they study economics from the demand side. They believe if there is no impact of low-interest rate on the investment, the government should create the demand but monetarist believes in the crowding-out effect of government expenditures. Many studies have taken place regarding the impact of fiscal policy on economic growth.

Fiscal policy in advanced countries has a role to play in maintaining full employment and stabilizing growth. However, in developing countries, fiscal policy is being used to create an atmosphere for rapid economic growth by mobilizing resources, directing resources to the productive and social accepted goods, minimization of income inequalities through the income redistribution policies and stability of price (Lonela, Popa., and Diana, Codreanu, 2010).

Fiscal policy could play an important role in the economic growth of developing countries because private sectors in these countries are not much action to boost the economy (Abdon, Estrada, Lee, and Park2014).

A study done in the case of Jordan by Al-Masaeed and Tsaregorodtsev (2018) shows the impact of fiscal policy (government expenditures, government revenue, internal public debts, and external public debts) on economic growth, using the data from 1990 to 2010 years accompanied by OLS approach, results show the positive and significant impact of public expenditures, public revenue, export and internal debts on the economic growth but the impact of external debts is shown negative and insignificant.

Macek and Janku (2015) study the relationship between the economic growth and fiscal policy in OECD countries for the period (2000-2012), using the panel regression estimation, they found that government spending has a positive impact on the countries that have low fiscal transparency and has a negative impact in the countries with high fiscal transparency, they also found that taxations harm the economic growth of those countries, which has a worse institutional condition.

Braşoveanu and Braşoveanu (2008) studied the correlation between fiscal policy and economic growth and concluded the negative link between fiscal revenue and economic growth in the case of Romania. They used the data for the period 1990-2007. Evidence shows that high-level government spending in unproductive areas has a negative impact while in productive areas has a positive impact on economic growth, another factor that determines the growth by government spending is governance, countries with a good governance system can collect and spend effectively and efficiently (Grey, 2007). Garson (1998)

argues, in studies, it is suggested that well-targeted government spending on health, education, and infrastructure should help economic growth.

In the study, our second explanatory variable is monetary policy, As a proxy for this variable, we have taken the annual growth rate of the money supply. Monetarists believe that an unanticipated increase in money supply help the output level and the impact of fiscal policy is less.

There are many kinds of literature regarding the impact of monetary policy on economic growth. Two of the studies done by Ali, Qadri, and Jawaid (2011) in the case of Pakistan using the time series data for the period (1981-2009), results indicate that both fiscal and monetary policy has a positive impact on the economic growth but the impact of monetary policy are more than fiscal policy.

According to Moolio and Lut (2015) using the time series data of the period (2000- 2012), with the applying multiple regression model and it is concluded the money supply has a positive impact on the growth and interest rate has a negative impact. The conclusion of the study of Mobolaji and Adefeso (2010) in the case of Nigeria revealed a greater effect of monetary policy than fiscal policy. They used the ECT and co-integration techniques for the time series data of the (1970-2007) period. In contrast,

One of the studies done by (Odhiambo, 2018) under the title (monetary policy of economic growth: a review of international literature) explained that monetary policy is helpful to economic growth especially in the developed countries, and in developing, nations relationship looks weaker with structural weaknesses and weak financial markets.

The third explanatory variable in our study is the openness of trade. Many of the studies support the positive impact on economic growth (Karras, 2011; Rao and Rao, 2009; Aamir, 2011). Some of the studies explain the negative effects of trade openness on economic growth (Musilam and Zelealem, 2015; Abbas, 2014; Ali and Abdullah, 2015). One of the reasons for the negative impact is the big share of imports relative to export in the trade balance. Huchet et al, (Aug 2011) concluded that those countries which export quality and diversified goods relative to those countries which export low-quality and less diversified goods grow faster.

2.DATA AND METHODOLOGY

As we want to investigate the impact of fiscal policy, monetary, and trade openness on the economic growth of select SAARC countries. For the fiscal policy, our proxy is real government expenditures, for monetary policy, our proxy is the annual growth rate of broad money and for trade openness, we used real export plus import to GDP ratio. Data was obtained from World Bank development indicators sites so, we used secondary data in our study. To avoid some of the econometrics problems we took the log of GDP and government expenditures. Openness and broad many we used in the ratio form. Our model is as under;

$$Y = f(G, M2, OP)$$

$$\log Y = B_0 + \beta_1 OP_{it} + \beta_2 \log G_{it} + \beta_3 M2_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

B_0 : constant of model

β_i = coefficient of independent variable

M_2 = independent variable which stands growth rate of broad money of i_{th} country at the time T.

G = independent variable which stands for government spending of the i_{th} country at the time T.

OP = independent variable, which stands for trade openness of the i_{th} country at the time T.

Y = GDP per capita PPP of the i_{th} country at the time T.

ε = error term.

2.1 Descriptive Statistics

Table 1 explains the descriptive statistics. Overall we have 72 observations, our minimum value of GDP is equal with the 1123,3 maximum is 11705 and the average value is 4164, for broad money growth rate maximum, minimum and mean are 49%, 2,5%, and 17.1% respectively. Likewise, the maximum value of is 1 to GDP ratio, mean is 0.5 and minimum value is 0.47. government spending as looks in the table maximum value is 293000000000, minimum is 785000000. We have a big difference in the government spending due to panel data because one of the economies in India and its government spending is more than any other economy in the panel.

Table 1: Descriptive statistics

Statistics	Y	M2	OP	G
Mean	4164.64	17.17398	0.500541	3.76E+10
Median	3631.877	16.22853	0.472501	6.57E+09
Maximum	11705.85	49.98322	1.001613	2.93E+11
Minimum	1123.872	2.574154	0.253062	7.85E+08
Std. Dev.	2735.463	8.689541	0.163012	7.05E+10

2.2 Correlation Analysis

The 2nd test that we are going to apply is correlation analysis, which shows whether the variable has strong, weak, positive or negative relation with each other or not?

Table 2: Correlation Analysis

Covariance Analysis: Ordinary

Date: 12/25/19 Time: 20:10

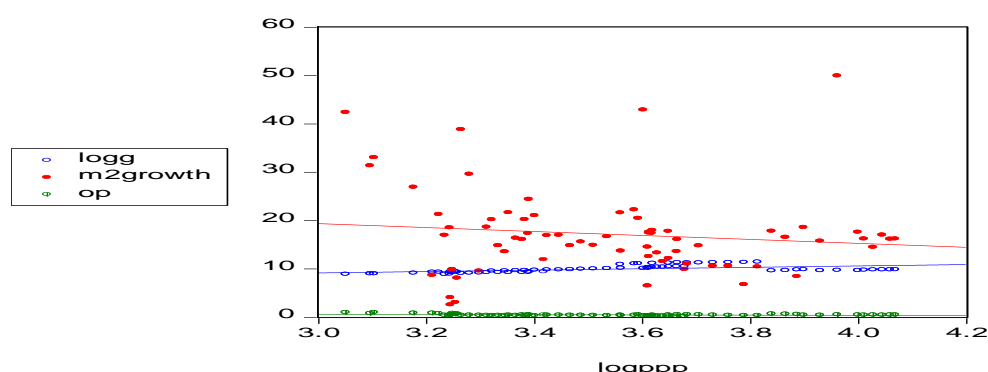
Sample: 2006 2017

Included observations: 72

Correlation Probability Observations	LOGPPP	LOGG	M2GROWTH	OP
Y	1.000000 ----- 72			
G	0.534631 0.0000 72	1.000000 ----- 72		
M2	-0.123748 0.3004 72	-0.251035 0.0334 72	1.000000 ----- 72	
OP	-0.356899 0.0021 72	-0.411095 0.0003 72	0.247860 0.0358 72	1.000000 ----- 72

Table 2 explains the correlation amongst the variables. According to the results, there is a positive and moderate relationship between government expenditures and growth as the value is between 40 and 60 which is 53%. The relationship between economic growth in the form of GDP per capita and broad money growth is negative and weak as the value of correlation is less than 20% and negative. Openness has a near to moderate level relationship with growth but negative as the value of correlation is negative 35%.

Graph 1: Correlation Analysis



2.3 Unit Root Test

To know whether our variables are stationary or not we performed the unit root test. To perform the unit root test we used all the four tests of uniting root test through reviews software by using the summary option and took the log length according to the Akaike Criteria Information. The results of the test are as under.

Table 3: Unit Root Test

Tests	Y		G		M2		OP	
	level	FD	level	FD	level	FD	level	FD
Levin, Lin & Chu t*	1.93465	-1.76238**	-0.15681	-5.994**	-3.0***	-15.2***	-0.46740	-7.48***
Im, Pesaran and Shin W-stat	4.16385	21.2041**	0.84982	-3.285**	-3.3***	-9.17***	1.18038	-4.284***
ADF - Fisher Chi-square	6.47956	26.4865**	13.2876	30.30**	32.3***	69.8***	6.55482	38.5***
PP - Fisher Chi-square	16.0875	-1.762**	23.4218	43.18**	43.07** *	97.32***	13.0181	36.8***

FD= First difference. *, **, and *** indicates 1%, 5% and 10% respectively.

According to the results of the unit root test three of our variables (GDP per capita, trade openness, and government expenditures) are nonstationary in level and stationary in the first difference and one of the variables is stationary in the level which is the growth of broad money (M2). After the unit root tests our we are going to perform the causality test through the VAR model. As three of our variables are nonstationary in the level and stationary in the first difference we need to take the first difference of those variables, which are nonstationary in the level to be prepared for VAR analysis (Esra, 2019).

Table 4: Lag Length Criteria

Lag	LogL	LR	FPE	AIC	SC	HQ
0	156.7397	NA	4.10e-08	-5.657026	-5.509694*	-5.600206
1	180.2399	42.64842*	3.12e-08*	-5.934809*	-5.198149	-5.650708*
2	191.7230	19.13865	3.72e-08	-5.767520	-4.441531	-5.256138

Through the VAR we applied the test for the lag length criteria, and our results suggest the one lag for our model. To know whether our VAR model stable or not we applied the AR Root test and the results are as under;

Table 5: AR Root Table

Root	Modulus
0.466918	0.466918
0.281508	0.281508
-0.229860	0.229860
-0.005288	0.005288

As no root located outside the unit circle means our VAR model is stable.

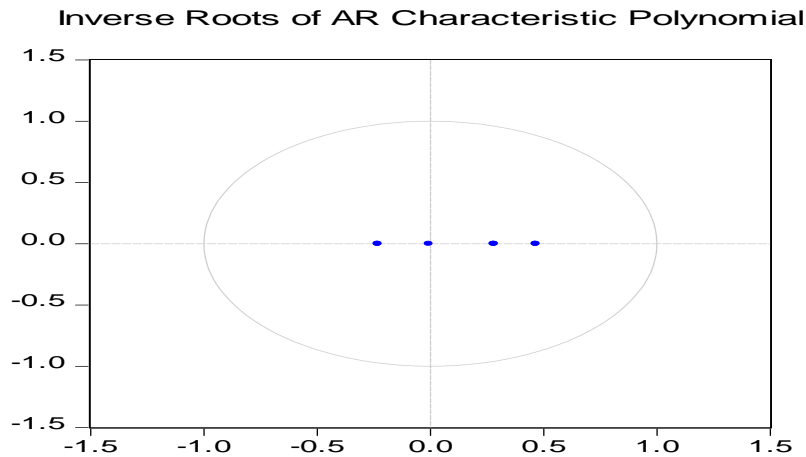
Graph 2: AR Root

Table 6: LM Correlation Test

Null hypothesis: No serial correlation at lag h

Lag	LRE* stat	d.f	Prob.	Rao F-stat	df	Prob.
1	21.85056	16	0.1481	1.400536	(16, 147.3)	0.1488
2	20.41468	16	0.2021	1.302287	(16, 147.3)	0.2029

To know whether our variables are serial correlated or not we applied the LM Serial Correlation Test and the results of the test of not being serial correlation in the model as the probability value is more than 10 % which accepts the null hypothesis.

2.4. Variance Decomposition

To study the shock or innovation in the variable we applied the variance decomposition test. The results of the test are in the following table.

Table 7: Variance Decomposition

Period	S.E.	Y	G	M2	OP
1	0.011600	100.0000	0.000000	0.000000	0.000000
2	0.013519	75.82452	4.170920	9.068180	10.93638
3	0.014116	70.26730	5.165102	14.50824	10.05935
4	0.014282	68.71349	5.538821	15.91264	9.835054
5	0.014328	68.29974	5.627256	16.29720	9.775806
6	0.014338	68.20041	5.649758	16.38840	9.761440
7	0.014341	68.17711	5.654878	16.40981	9.758205
8	0.014341	68.17184	5.656051	16.41463	9.757473
9	0.014342	68.17067	5.656311	16.41571	9.757312
10	0.014342	68.17041	5.656368	16.41595	9.757276

Cholesky Ordering: D(Y) D(G) M2 D(OP)

As per the results of the table, in the short run innovation in the Y 70% coming from Y and more than 5.1%, 14, 5%, and 10% coming from government expenditures, broad money, and trade openness respectively. In the long run, 68% shock coming from and 5.65%, 16, 41 and 9, 75 coming from government expenditures, broad money and trade openness respectively.

2.5 Granger Causality test

To know the causal relationship between the variables we applied the Granger causality test through the VAR model and the results of the model are as under;

Table 8: VAR Granger Causality/Block Exogeneity Wald Tests

Dependent variables	VAR Granger Causality Test			
	Dependent Variables			
	DY	M2	OP	G
DY		3.910747**	0.019639	6.668316**
M2	24.08786**		0.022235	1.011488
OP	6.441214**	0.110131		4.030477
G	3.917191**	3.422102*	0.266290	

According to the results, growth has a bidirectional causality relationship with broad money growth and government expenditures and one side relationship with the trade openness means trade openness causes the GDP per capita but GDP per Capita does not. Openness is not caused by any of the other variables other than GDP

2.6. Ordinary Least Square

To perform the ordinary least square our variables should be stationary in level otherwise we need to take the first difference for converting the data to stationary in level. So our data is ready for the ordinary least square test and the results of the test are as under.

Table 9: Panel EGLS (Cross-section random effects)

Variables	Coefficient	Std.Error	t-Statistic	Prob.
D(G)	0.061353	0.03088	1.986833	0.0514
M2	0.0006	0.000201	2.97923	0.0041
D(OP)	-0.07157	0.027015	-2.649247	0.0102
C	0.00465	0.004604	1.010093	0.3164
R-squared	0.307724	Mean dependent var		0.007323
Adjusted R-squared	0.274227	S.D. dependent var		0.012862
S.E. of regression	0.010957	Sum squared resid		0.007444
F-statistic	9.186567	Durbin-Watson stat		1.926956
Prob(F-statistic)	0.000041			

As per the results of the regression, the impact of both government expenditures and broad money growth rate is positive and significant but government expenditures have a greater impact than the growth of broad money as the coefficient of broad money are much smaller relative to the coefficient of government spending. The impact of trade openness is negative and significant. Our model is significant and there is no autocorrelation as the value of Durbin-Watson stat is 1.92.

Table 10: Residual Cross-Section Dependence Test

Test	Statistic	d.f.	Prob.
Breusch-Pagan LM	13.39419	15	0.5719
Pesaran scaled LM	-1.38862		0.1649
Pesaran CD	-0.17591		0.8604

Table 10 explains the results of the cross-section dependence test and as per the result, there is no cross section dependency problem because the null hypothesis is accepted as not being cross section dependence as the P-Value is greater than 10 percent.

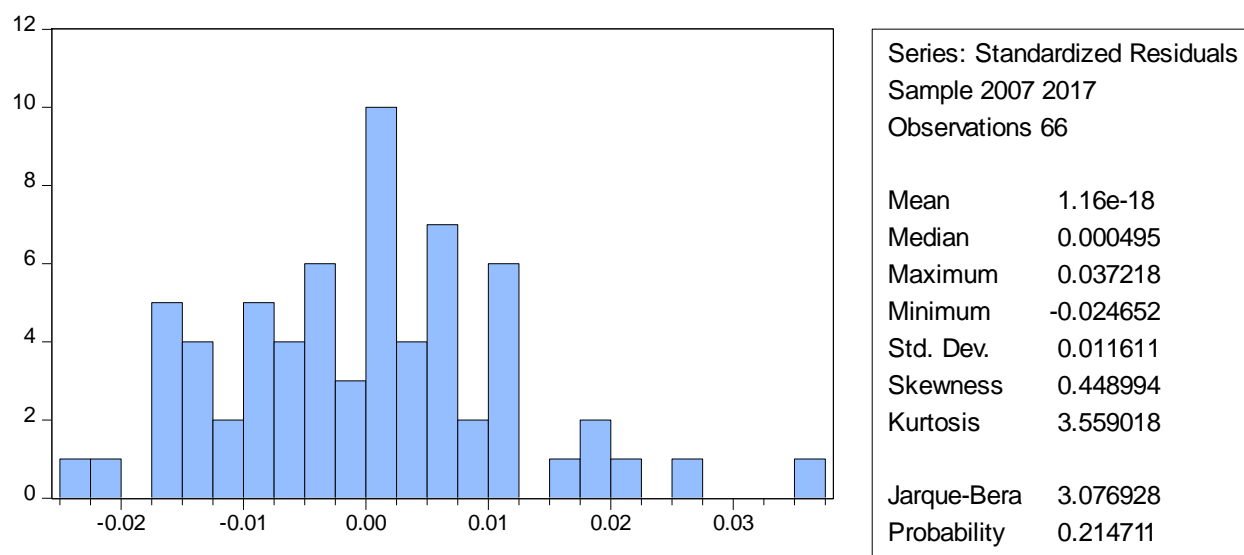
2.6.1 Hausman Test

Table 11: Correlated Random Effects - Hausman Test

Hausman test is used to decide between fixed and random method of Ordinary Least Square regression.

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.131161	3	0.9879

in the graph 3 we have results of the Hausman test which shows that random effect is fair for data as the P value is more than 10% , which accept the null hypothesis

Graph 3: Histogram Normality Test

Graph 3 explains the normality test of the estimated model through the least square, as per the results our model is normal distributed as the P-value is more than 10% and our value of Skewness is also appropriate.

CONCLUSION

In this study, we investigated the impact of fiscal policy, monetary policy, and trade policy on the economic growth of selected SAARC countries. To attain the results we applied much econometric analysis like variance decomposition, Granger causality test, and ordinary least square. In the decomposition variance shock in the GDP, in the long run, was not affected much from other variable relative to the short run and according to the results of Granger causality growth has bidirectional causality relationship with broad money growth and government expenditures and unidirectional relationship with the trade openness means trade openness causes the GDP per capitabut GDP per Capita does not. Broad money and government expenditures bidirectional relationship but have no causality relationship with openness. Openness is not caused by any of the other variables. The last test that we applied, is the OLS test, and the results say that both government expenditures and broad money supply have a positive and significant impact on economic growth. However, the impact of fiscal policy is greater than monetary policy as the coefficient of government spending is greater than money supply and the impact of trade openness is negative and significant.

REFERENCES

- Aamir, Muhammad., Shah, Namatullah., Rahpoto, Muhammad Saleemm.,and Shaikh, Faiz. (2011). New Growth Theories and Trade Liberalization: Measurement of Effects of Technology Transfer on Pakistan Economy. *Modern Applied Science*, 5(3), 85-93.
- Abbas, Shujaat. (2014). Trade Liberalization and its Economic Impact on Developing and Least Developed Countries. *Journal of International Trade Law and Policy*, 13(3), 215-221.
- Abdon Arneyln,GemmaB.Lee Minsoo, Estrada., & Donghyun, Park. (2014). *Fiscal Policy and Growth in Developing Asia*. Retrieved 2 8, 2018, from Asian Development Bank:
<https://www.google.com/search?q=Fiscal+Policy+and+Growth+in+Developing+Asia+Abdon%2C+A.%2C+Estrada%2C+G.B.%2C+Lee%2C+M.%2C+%26+Park%2C+D.&sxsrf=ALeKk004iwBxq5A1xK68RkRsHH9Kvg9rcA%3A1617879100686&ei=POBuYP-kKcT2sAfxvaAo&ogq=Fiscal+Policy+and+Growth+in+Devel>
- Akinci, Adil., and Tüncer,Güner. (2018). Effectiveness of Fiscal Policy and Monetary Policy in Turkey. *Dumlupınar Üniversitesi Sosyal Bilimler Dergesi*(57), 120-128.
- Ali, Nasir., Qadri, Faisal Sultan., and Jawaid, Sayed Tahsin. (2011). Monetary-Fiscal-Trade Policy and Economic Growth in Pakistan: Time Series Empirical Investigation. *International Journal of Economics and Financial Issues*, 1(3), 133-138.
- Ali, Wajahat., and Abdullah, Azrai. (2015). The Impact of Trade on the Economic Growth of Pakistan;1980-2010. *Global Business and Management Research*, 7(2), 120-129.
- Al-Masaeed, Abdullah Ali.,& Tsaregorodtsev,Evgeny. (2018). The Impact of Fiscal Policy on the Economic Growth of Jordan. *International Journal of Economics and Finance*, 10(10), 145-161.

- Braşoveanu, Iulian., and Braşoveanu, Laura Obreja. (2008). The Correlation between fiscal policy and Economic Growth. *Theoretical and Applied Economics*, 19-26.
- Coe, D. T. (1995). International R&D Spillovers. *European Economic Review*, 39(5), 859-887.
- Edward, Sebastian. (1998). Openness, Productivity and Growth: What Do We Really Know? *Economics Journal*, 108(447), 393-398.
- Esra, K. (2019, December 24). Conditions for VAR Analysis. (A. Q. Khair, Interviewer)
- Freeman, Richard B. (1995). Are Your Wages set in Beijing. *Journal of Economics perspectives*, 9(3), 15-32.
- Gerson, Philips. (1998). The impact of Fiscal Variables on Output Growth. *IMF working paper*.
- Grey, Charly. (2007). Fiscal Policy and Economic Growth in Europe and Central Asia: An Overview. In T. I. Development, *Fiscal Policy and Economic Growth*. Washington, DC20433.
- Huchet, Marilyne., Chantale Le, Mouel Le, Mouel., and Mariana Vijil. (Aug 2011). The relationship Between Trade Openness and Economic Growth; Some New Insights to the Openness Measurement Issue. In *XIIIème Congrès de l'Association Européenne des Economistes Agricoles (EAAE)*. Zurich (CH), Switzerland.
- Karras, G. (2011). Trade openness and economic growth: can we estimate the precise effect. *Applied Econometric and International Development*, 3(1), 223-231.
- Keho, Yaya. (31 March 2017). The Impact of Trade Openness on Economic Growth: The Case of Cote d'Ivoire. *GENERAL & APPLIED ECONOMICS*, 5(1), 1-14.
- Lonela, Popa., and Diana, Codreanu. (2010, February 15). *Fiscal Policy and its Role in Ensuring Economic Stability*. Retrieved December 16, 2019, from https://mpra.ub.uni-muenchen.de/20820/1/FISCAL_POLICY_AND_ITS_ROLE_IN_ENSUREING_ECONOMIC_STABILITY.pdf
- Lut, Mardy., and Moolio, Pahlaj. (2015). The impact of Monetary Policy on the Economic Growth of Cambodia. *Journal of Management for Global Sustainable Development*, 6(9), 40-63.
- Macek, Rudolf., and Janku, Jan. (2015). *The Impact OF Fiscal Policy on Economic Growth Depending on Institutional Condition*. Retrieved 2015, from https://www.slu.cz/opf/cz/informace/acta-academica-karviniensia/casopisy-aak/aak-rocnik-2015/docs-2-2015/Macek_Janku.pdf
- Meghana, S. (2018). *Classical and Keynesian Views on Money*. (M. S, Editor) Retrieved from Micro Economics Notes: <http://www.microeconomicsnotes.com/keynesianism-versus-monetarism/keynesianism-versus-monetarism-how-changes-in-money-supply-affect-the-economic-activity/16037>

- Moboloji, H.I., and Adefeso, H.A. (2010). The Fiscal- Monetary Policy and Economic Growth in Nigeria: Further Empirical Analysis. *Pakistan Journal of Social Sciences*, 7(2), 137-142.
- Moolio, P. a. (2015). The Impact of Monetary Policy on Economic Growth in Cambodia. *Journal of Management for Global Sustainable Development*, 1, 40-63.
- Musila, J. a. (2015). The Impact of Trade Openness on the Economic Growth; The Case of Kenya. *Journal of Policy Modeling*, 37(2), 342-254.
- Odhambo, Nicholas M. (2018). Monetary Policy and Economic Growth: A Review of International Literature. *Journal of Central Banking Theory and Practice*, 2, 123-137.
- Rao, B. B. (2009). Openness and growth in Fiji: some time series evidence. *Applied Economics*, 41(13), 1653-1662.

-
- Etik Beyanı** : Bu çalışmanın tüm hazırlanma süreçlerinde etik kurallara uyulduğunu yazarlar beyan eder. Aksi durumun tespiti halinde NÖHÜSOSBİL Dergisinin hiçbir sorumluluğu olmayıp, tüm sorumluluk çalışmanın yazar(ları)na aittir.
- Yazar Katkıları** : Abdul Khatir, çalışmada giriş, sonuç bölümlerinde ve veri toplama, analiz aşamalarında katkı sağlamıştır. Burcu Güvenek, çalışmada giriş, literatür incelemesi, bulgular ve sonuç bölümlerinde ve veri toplama, analiz aşamalarında katkı sağlamıştır. Zeynep Karaçor, çalışmada giriş, literatür incelemesi, bulgular ve sonuç bölümlerinde ve veri toplama, analiz aşamalarında katkı sağlamıştır. 1. yazarın katkı oranı %40, 2. yazarın katkı oranı %30, 3. yazarın katkı oranı %30'dur.
- Çıkar Beyanı** : Yazarlar arasında çıkar çatışması yoktur.
- Ethics Statement** : The authors declare that ethical rules were followed in all preparation processes of this study. In case of detection of the opposite situation, NÖHÜSOSBİL Journal has no responsibility and all responsibility belongs to the authors of the study.
- Author Contributions** : Abdul Khatir contributed to the study in the introduction, conclusion sections and data collection and analysis stages. Burcu Güvenek contributed to the study in the introduction, literature review, conclusion sections and data collection and analysis stages. Zeynep Karaçor contributed to the study in the introduction, literature review, results, conclusion sections and data collection and analysis stages. The contribution rate of the 1st author is 40%, the contribution rate of the 2nd author is 30%, and the contribution rate of the 3rd author is 30%.
- Conflict of Interest** : There is no conflict of interest between the authors.
-