


Financial Inclusion and Trade Openness: An Analysis on Selected CIS Countries and Türkiye

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Abstract

Access to financial sources and making financial services available to the majority of the population are crucial, especially in terms of the economic performance of low- and middle-income countries. One of the mechanisms in this context could be through affecting the trade performance of the countries. Literature on trade openness suggests valuable information on the relation of economic growth through increasing efficiency of resource allocation.

The usage of internet and digitalization in all sectors also have shaped trade relations and facilitates especially small firms' participation in world trade. The model uses proxies to measure digital financial inclusion which has also changed the nature of international trade.

This paper aims to understand the impact of financial inclusion on trade openness for selected Commonwealth of Independent States (CIS) countries and Türkiye for the period of 2006-2021 using panel data analysis. Automated teller machines (ATMs) (per 100,000 adults) and Commercial bank branches (per 100,000 adults) are used as proxies for financial inclusion.

An increase in ATMs is associated with *lower trade openness* in this model. However, the negative effect might suggest over-investment in physical banking without corresponding gains in financial literacy, credit access, or digital finance adoption.

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