

The Political Economy of Government Programs on Export Success: A Logit Model for a Turkish Survey

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Abstract

This article examines the differences between exporter and nonexporter small and medium enterprises (SMEs) in Turkey to understand the impact of government programs on their export decisions. The empirical data are from a survey of 300 Turkish SMEs (150 exporters and 150 nonexporters) in Turkey. As our question is why some SMEs are exporting while others of a similar size are not, although the government export promotion programs are same for all SMEs, the dependent variable should be dichotomous, and the applicable analytical model should come from the binary-choice genre of models, namely. Results suggest that government export-promoting programs, size of the firms, and manufacturing status of the firms contribute positively to export performance in SMEs, but barriers such as educational level of managers, lack of financial resources, lack of language knowledge, too many government regulations, and high taxes negatively affect the export performance of Turkish SMEs.

Keywords: export; government; logit models; SMEs