Export Participation and Technical Efficiency in East African Manufacturing Firms

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Abstract
The study analyzed two explanations for the positive association between export-participation status and efficiency, i.e., self-selection of the relatively more efficient firms into exporting, and learning-byexporting. Measures of firm-level efficiency using Data Envelopment Analysis (DEA) were estimated to investigate the relationship between export participation and firm-level efficiency. As a result of the binary nature of the export participation, probit technique w as used to estimate the export participation equation. No evidence of self-selection by the relatively more efficient firms into-exporting was found, as lagged efficiency does not affect the probability of exporting in East African manufacturing firms. One explanation is that factors other than technical efficiency may be playing a more prominent role as determinants of the export decision in East African manufacturing firms.