**Institutional Quality and Economic Growth in East African Economies**

MogaTanoJilenga\*

Email: mjilenga@yahoo.com

&

XuHelian

Email: xuhelian@163.com

School of Economics and Trade, Hunan University, Changsha, 410079, China

***Abstract:*** *This study examines the effect of quality of institutions on economic growth in five East African countries using panel data from 1996 to 2015. Fixed effects (FE) and random effects (RE) were used for estimation. Using Hausman test, FE was earmarked to be more appropriate model for our study. The empirical findings show that the quality of institutionsignificantly impacts on economic growth. Political stability, government effectiveness, rule of law and control of corruption in particular are significant variables. Regulatory quality and voice and accountability have insignificant effect on growth. The results suggest that governance that promotes strong institutions is an important condition for economic growth. Particular focus should be focused on enhancing political stability, government effectiveness, rule of law and control of corruption so as to attain economic development.*

**Keywords:** Institutional quality, economic growth, East Africa, Fixed effects

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