The Effect of Trade Liberalization on Income Inequality in Latin America

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Abstract. This article examines the impact of trade liberalization policies on income inequality in Latin American countries. By analyzing data from multiple nations, the study explores how opening up trade influences income distribution. The findings reveal mixed outcomes, with trade liberalization benefiting some sectors while exacerbating inequality in others. The article offers policy recommendations to balance trade benefits with equitable income distribution.

Keywords: Trade Liberalization, Income Inequality, Latin America, Economic Policy, Income Distribution

Introduction

Trade liberalization has been a key policy strategy for economic growth in Latin America. This article explores its effects on income inequality, analyzing data from various countries to understand how trade policies influence income distribution. The study highlights the complex relationship between trade liberalization and inequality, revealing both positive and negative impacts across different sectors. The insights provided aim to inform policymakers on crafting strategies that promote equitable growth alongside trade expansion.

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