Abstract

The relation between commercial policy and growth has always been one major concern in Economics. Latin America has been in a privileged position regarding this issue in the twentieth century, as it deepened the imports substitution model and later began to dismantle it. Simultaneously, growth rates were notably volatile, which complicates the evaluation of the effects of trade on growth. This paper applies a fixed effect panel data methodology for the 11 largest Latin-American economies from 1960 to 2010. The main result is that, over periods longer than two decades, the relation between commercial openness and growth is unclear.