

CHILEAN TRADE POLICY AND THE FUTURE OF FREE TRADE IN THE AMERICAN CONTINENT

ABSTRACT

Latin America has an old tradition of protectionist policies which have resulted in the deterioration of the latin american economy's competitiveness and an important technology setback. Nevertheless, since the nineties, latinamerican economies have been set on creating free trade areas with the goal of obtaining the benefits of free trade. Free trade is based on a reciprocity principle, that is, the elimination of trade barriers is approached bilaterally. This paper seeks to summarize the evolution of chilean commercial policy in the last 20 years and the role it has played in a wider commercial integration with the rest of the world. It also discusses some of the results of this policy, its implications for the future of free trade in America and the next steps for the chilean economy.