**Trade, Growth and Economic Inequality in the Asia-Pacific Region:**

**Lessons for Policymakers[[1]](#footnote-2)†**

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**Abstract**

This policy brief is intended to provide policymakers with a summary of the results of our research project entitled “Trade, Growth and Economic Inequality in the Asia-Pacific Region”, which explores and documents the linkages between international trade and inequality in the Asia-Pacific Region (APR).The project’s eleven research papers appeared in a special issue of the *Journal of Asian Economics* in February 2017. Overall, we conclude that the relationships between international trade, foreign direct investment (FDI), economic growth and inequality are extremely complicated, so no single theory should be relied upon for policy guidance across all APR countries with their varying stages of development and unique characteristics. Our studies find some evidence that trade or FDI contribute to inequality, some evidence that it reduces inequality and some evidence of no causal relationship. These seemingly conflicting results are not at all surprising given the complex relationships involved and the different countries, time periods, and means of measuring inequality, trade and FDI our authors adopted. Our main takeaway for policymakers is to be wary of both anti-trade and pro-trade advocates who provide “one size fits all” advice related to trade, FDI and inequality; these economic relationships are much too complex for that.

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