

Introduction

On a global basis, international trade and commercial relations are expanding at much more rapid rates than national economies are growing. As a result, international commerce is expected to be one of the major engines of economic betterment in the new millennium. The technological advances underlying the process of globalization—primary electronic transfers of information at low cost and improvements in transportation -- are taking place without significant government involvement. Governments, however, have been active in enhancing the role of trade in their economic development through the negotiation of trade agreements which reduce trade barriers and other impediments to international commercial relations. The aim of these agreements is to foster the deepening of economic integration among countries while at the same time safeguarding national sovereignty. Achieving the right balance between these two contradictory objectives is a great challenge.

The North American Free Trade Agreement (NAFTA) reached by Canada, Mexico and the United States is one of the most important trade agreements ever negotiated. This is because it allows for the integration of the extremely large North American market, it has provisions which go far beyond the removal of trade barriers, it brings together both developing and developed economies in a regional trade organization and it may provide a model for a larger trade organization spanning the Western Hemisphere.

This book brings together the views and experience of authors from the three NAFTA partners. It represents a unique insight into the forces which shaped NAFTA and which will shape the future course of economic integration in North America. The book provides the essential background to the NAFTA negotiations, an evaluation of the Agreement's strengths and weaknesses, an assessment of its operation

to date and a discussion of the future prospects for the process of North American economic integration. The discussion of NAFTA is put within the general backdrop of globalization and considers the possibilities for its extension to other countries in the Americas.