

successfully been concluded compared to the slow and intermittent push of multilateral liberalization, this claim can surely be upheld.

“Lock and load”: For developing countries especially, RTAs can help “lock in” domestic economic reforms, while at the same time serving as a “learning” experience to prepare for the multilateral stage.

- The behaviour of emerging markets during the recent round of crises suggests that RTAs appear to have indeed been effective in “locking in” gains from trade. For example, Mexico’s response to its financial crisis in 1994-1995 was undoubtedly shaped by its membership in NAFTA; at the same time, membership in NAFTA added to the US interest in stabilizing Mexico’s economy and thus arguably strengthened the international support package. Similarly, one can point to the fact that there was effectively no backsliding on trade in East Asia as the crisis unfolded in that region in the late 1990s, an important contributing factor to the speed of the subsequent recovery. This is a matter for interpretation, of course, but the commitments to trade through the ASEAN Free Trade Agreement and the WTO arguably played a role in shaping the regional response to the crisis. The APEC commitments to free and open trade in the Asia Pacific, while not technically an RTA, also may have helped shape the response.

RTAs serve as a testing ground: trading nations pioneer approaches to solving trade problems that then serve as the model for multilateral agreements.

- There have been many developments in regional trade arrangements that have subsequently been multilateralized, or which serve as potential models. For example, within NAFTA there have been developments of investment protection in terms of investor-state dispute settlement, arbitration in disputes between states, and in areas such as the incorporation of intellectual property protection, services and trade-related investment in trade agreements. Many of these