globalization. The globalization of the 1980s as popularized by Peter Drucker, Kenichi Ohmae, Michael Porter, and Robert Reich was conceived as a TRIAD phenomenon. In a widening range of industries, multinational enterprises recognized the need to operate in the U.S., European and Japanese markets in order to remain competitive. More aptly, this was an OECD phenomenon, because Canada and other smaller OECD economies such as Australia, Sweden and Switzerland also participated in this process. Ohmae's Borderless Economy offered important insights to business leaders whose training and experience had focused them on competition within national markets. However, it was only the OECD economies that could be characterized even loosely as a "borderless economy". The GATT trading system meant that liberalization was focused among the OECD club. In 1989, the developed countries accounted for more than 70 per cent of world merchandise trade. 12

Most "developing" countries were little touched by the globalization process at least until very recently. Consider the case of India, which was a founding member of the GATT, but which used its diplomatic skill and knowledge of the GATT to maintain a very restrictive, even autarchic trade and payments policy. Of course this diplomatic victory, this exercise of sovereignty was realized at great cost to the Indian economy and to the living standards of Indian citizens. India was a de jure member of the trading system, but it was not a de facto member.

If we look back over the last two or three decades and outside the OECD region, the one exception to the norm of restrictive trade and payments regimes and of relative economic decline was the emergence of the Asian NIEs. Although there were significant differences among them in their policy regimes with Hong Kong pursuing a laissez faire nineteenth century model, while other dynamic Asian tigers were more interventionist, the similarities are more important than the differences.[4] The selective interventions were geared to promoting the industries which were most successful in export markets, not in backing declining industries. All had a proexport bias with stable macroeconomic regimes and high savings rates. All have opened their economies to international trade and investment. Along with the OECD economies, the Asian NIEs increased their share of world trade in the 1980s.

The combination of the success of the Asian NIEs, and the evident failure of import substitution policies reflected in the debt crisis, had a persuasive demonstration effect for many countries. As the 1980s turned into the 1990s, there was a world-wide process of competitive liberalization among developing countries and the former socialist economies. Starting with Mexico's *apertura* in the mid-1980s, the rejection of the *dependencia* model and the swing to neo-liberalism spread through much of Latin America.

Perhaps the most dramatic development of the late 20th century was the spasmodic reintegration of the centrally-planned economies into the world economy. This process started very gradually with the incremental steps of China's open door policy in the late

[4] The World Bank, *The East Asian Miracle: Economic Growth and Public Policy*, (New York: Oxford University Press, 1993).