

distribution in several developing countries that are adapting through the market-place serve as salutary reminders that success overall can still carry within it important challenges of addressing marginalization and adjustment costs.² But few analysts believe that command economies can provide lasting solutions to such challenges, or that countries can successfully achieve sustainable growth through persistent and large deficit financing. Rather, the debate now centres on the detail of government involvement within the context of solid domestic economic fundamentals and in light of the critical importance of competing in regional and world markets.

Moreover, the growing acceptance of market forces³ has strengthened an underlying trend toward deepening cross-border economic integration reflected in flows of goods, services, investment and technology that have increased at rates that have consistently outpaced growth in domestic economies over the past generation. In turn, increasing cross-border competition and integration continue to create further pressure for minimizing substantive differences between jurisdictions in many areas that policy-makers had considered quintessentially domestic and local in the past.⁴ The reality and ideology of growth have thus converged to a considerable degree and on a more global scale than ever before.

Although much work remains, the recent results of this search for convergence and the resulting benefits are impressive. For example, the international trading community, and in particular the U.S. and the European Union, finally found the political will in 1994 to conclude the almost eight-year saga of the Uruguay Round of multilateral trade negotiations. The newly adopted WTO and its constituent agreements on goods, services, intellectual property, certain investment obligations,

² On recent income distribution trends, see the draft paper by Albert Berry and Frances Stewart, "Market Liberalisation and Income Distribution: The Experience of the 1980s" (Ottawa: The North-South Institute, June 1994), as well as Albert Berry, "The Social Challenge of the New Economic Era in Latin America", Centre for International Studies (University of Toronto) and the Canadian Foundation for the Americas (FOCAL) Discussion Paper 1995-8 (Toronto, 1995).

³ With governments debating how best to address "imperfect" markets and market "failures" where these occur and have an anti-competitive impact.

⁴ For further background, see Keith H. Christie, "Globalization and Public Policy in Canada: In Search of a Paradigm", Foreign Affairs and International Trade Canada, Policy Staff Paper No.93/01 (January 1993).