

continued. The conclusion of NAFTA in 1994 was also a source of major concern for the poorer economies of the Caribbean, who feared they would be further disadvantaged by the higher level of integration among the United States, Canada and Mexico, and in particular would suffer reduced access to the U.S. market.

Recent Trade Patterns:

Recent patterns of trade are provided in more detail in tables in the Appendix. There are a few general observations about the data that might be noted, however.

- Although in some of the regions the role of manufactures and non-traditional agricultural exports have increased in importance, the Caribbean and Latin America remain highly dependent on exports of primary products.
- Manufacture exports are often intra-company and associated with the subsidiaries of foreign-owned companies.
- Except for Brazil, the region's trade remains highly dependent on linkages with the United States.

PART II

Transitions to Democracy in Latin America

Over the past 15 years, governance in Latin America has changed significantly. In the late 1970s, most governments south of the Rio Grande were either military governments or military-backed dictatorships. The British Caribbean, Mexico, Costa Rica, Belize, Venezuela and Colombia were the exceptions, manifesting various shades of political democracy. Today one finds the opposite. All governments in Central and South America are involved in some phase of the democratization process. Even Mexico with its political reforms is in a phase of democratic consolidation.