I. INTRODUCTION[1]

The 1980s witnessed a dramatic increase in the number of international technical alliances formed within the Triad (U.S., EC and Japan). This has been documented by numerous authors and is depicted numerically in Table 1.[2] Simultaneously, over the last decade a consensus has been developing on the inadequacy of traditional (Ricardian) models of trade in light of recent trends in the postwar trading environment[3] and the development, in the 1970s, of a new set of analytic tools.[4]

TABLE 1

INTER-FIRM TECHNOLOGY AGREEMENTS BY MODES OF CO-OPERATION
Number of New Agreements

	1973-76	1977-80	1981-84	1985-88
Joint ventures	64	112	252	345
Joint R&D	22	85	25	653
Technology exchange	4	33	152	165
Direct investment	29	168	170	237
Customer-supplier relations	19	47	133	265
One-directional technology flow	15	71	259	271
Total	153	498	1 223	1 936

Note: Data are for OECD countries only. Some 350 additional agreements involved firms of OECD countries with firms of other countries, mainly in East Asia.

Source: Hagedoorn, J., "Organizational Modes of Inter-firm Co-operation and Technology Transfer", *Technovation*, Vol. 10, No. 1, 1990, pp. 17-30.

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2 A number of scholars have established databases on international cooperative agreements as noted in the OECD paper by Chenais. However, the paper cautions us about the limitations of the data contained therein because they are frequently built on the basis of information published in the economic and professional press. It is therefore highly dependent on the degree of disclosure of such agreements within the industry which can vary considerably from industry to industry and from country to country.

3 For an extensive treatment of the key elements of "globalisation" and the broad implications for public policy in Canada, see Keith Christie, "Globalisation and Public Policy in Canada: In Search of a Paradigm", Policy Staff Paper No. 93/01 (January 1993).

4 It was in the latter part of the 1970s that a number of economists first began to apply concepts drawn from industrial organisation theory to the analysis of international trade. This body of theory challenges the fundamental tenets of the Ricardian model, that trade is based on the principle of comparative advantage in perfectly competitive markets.