Figure 13.1: The Three Phases of Bilateralism

**Phase 1: The origins of bilateralism**

- External shock
- Goods, Individual Situations, and Institutions
- Negotiations
- Bilateral agreement: participants, geography, strength, nature, and scope

**Phase 2: The evolution of bilateralism**

- Demands to change agreement
- Political and economic factors affect choice to modify or create new agreement
- New or modified agreement: participants, geography, strength, nature, and scope

**Phase 3: The impact of bilateralism**

- Type of agreement
- Issue connections and linkages affect impact on existing arrangements
Figure 13.2: Paths to NEAFTA and Beyond*

* Adapted from Aggarwal and Koo (2005).