

# CONTENTS

<i>List of figures</i>	<i>ix</i>
<i>List of tables</i>	<i>xiii</i>
<i>List of contributors</i>	<i>xv</i>
<i>Preface</i>	<i>xix</i>

## **PART I**

<b>History</b>	<b>1</b>
----------------	----------

- |  |    |
|--|----|
| 1 West European economic integration since 1950<br><i>Nicholas Crafts</i>                        | 3  |
| 2 The history of European economic and monetary union<br><i>Harold James</i>                     | 22 |
| 3 History of economic thought and policy-making at the European<br>Commission<br><i>Ivo Maes</i> | 38 |

## **PART II**

<b>The Single Market and the euro</b>	<b>53</b>
---------------------------------------	-----------

- |  |    |
|--|----|
| 4 The economics of the Single Market<br><i>Harry Flam</i>                        | 55 |
| 5 Factor movements: FDI<br><i>Bent E. Sørensen and Carolina Villegas-Sanchez</i> | 70 |

6	The euro as an international currency <i>Agnès Bénassy-Quéré</i>	82
<b>PART III</b>		
	<b>Monetary and fiscal policy</b>	<b>101</b>
7	The common currency: More complicated than it seems <i>Charles Wyplosz</i>	103
8	Design failures in the Euro Area: Can they be fixed? <i>Paul De Grauwe</i>	119
9	The credit channel of monetary policy in the Euro Area <i>Angela Maddaloni and José-Luis Peydró</i>	132
10	Fiscal policy in the EU: An overview of recent and potential future developments <i>Roel Beetsma</i>	143
11	The roles of fiscal rules, fiscal councils and fiscal union in EU integration <i>Lars Calmfors</i>	157
<b>PART IV</b>		
	<b>Trade issues</b>	<b>171</b>
12	European integration and the gains from trade <i>Gianmarco I.P. Ottaviano</i>	173
13	The effects of European integration on the stability of international trade: A duration perspective <i>Tibor Besedeš</i>	188
14	EU trade policy <i>André Sapir</i>	205
15	The EU and the US: TTIP <i>Gabriel Felbermayr</i>	220
16	The EU and the ACP countries <i>Ludger Kühnhardt</i>	238

<b>PART V</b>	
<b>Selected policy areas</b>	<b>253</b>
17 Regional policy	255
<i>Sascha O. Becker, Peter H. Egger and Maximilian von Ehrlich</i>	
18 The common agricultural policy	269
<i>Johan Swinnen</i>	
19 Labor and social policy	284
<i>Giuseppe Bertola</i>	
20 Tax competition and tax coordination	295
<i>Christian Keuschnigg, Simon Loretz and Hannes Winner</i>	
21 Financial market integration, regulation and stability	312
<i>Angel Ubide</i>	
<b>PART VI</b>	
<b>The crisis</b>	<b>329</b>
22 The crisis in retrospect: Causes, effects and policy responses	331
<i>Fritz Breuss</i>	
23 Exceptional policies for exceptional times: The ECB's response to the rolling crises of the euro area	351
<i>Lucrezia Reichlin and Huw Pill</i>	
24 Living (dangerously) without a fiscal union	376
<i>Ashoka Mody</i>	
25 Reforming the architecture of EMU: Ensuring stability in Europe	408
<i>Jakob de Haan, Jeroen Hessel and Niels Gilbert</i>	
<b>PART VII</b>	
<b>Institutions</b>	<b>433</b>
26 The political economy of European integration	435
<i>Enrico Spolaore</i>	
27 Efficiency, proportionality and member states' power in the EU Council of Ministers	449
<i>Nikolaos Antonakakis, Harald Badinger and Wolf Heinrich Reuter</i>	

*Contents*

28	Measuring European economic and institutional integration <i>Helge Berger and Volker Nitsch</i>	467
29	The dynamics of European economic integration: A legal perspective <i>Erich Vranes</i>	478
	<i>Index</i>	497