

How good and pleasant it is when brothers live together in unity.

Psalms 133:1

Contents

<i>Foreword by Richard G. Lipsey</i>	vii
<i>Preface</i>	xi
<i>Acknowledgements</i>	xvii
<i>Abbreviations and acronyms</i>	xix
1 Introduction	1
1.1 Issues	1
1.2 Is the multilateral trading system falling apart?	3
1.3 Interdependence	12
1.4 Definitions	15
1.5 Types	21
1.6 Sovereignty	24
2 Customs Unions	28
2.1 Introduction	28
2.2 Static model	30
2.3 Dynamic model	64
2.4 'Optimum' partners for a customs union	156
2.5 Free trade areas	169

2.6	Distribution of costs and benefits	173
2.7	Non-tariff barriers	177
2.8	Conclusions or why countries integrate	192
3	Common Markets	208
3.1	Introduction	208
3.2	Labour mobility	213
3.3	Capital mobility	231
4	Economic Union	318
4.1	Introduction	318
4.2	Monetary integration	320
4.3	Fiscal integration and the common budget	383
4.4	Industrial policy in manufacturing and services	461
4.5	Spatial location of production and regional policy	545
4A1	Examples of the putty-clay locational model	642
4A2	Clusters in Italy and Germany	646
5	Integration Schemes	667
5.1	Introduction	667
5.2	Europe	669
5.3	The Americas	674
5.4	Asia and the Pacific	693
5.5	Africa	702
5.6	Conclusion	710
5A1	Council for Mutual Economic Assistance	713
5A2	Eastern enlargement of the European Union	725
6	Measurement of the Effects of International Economic Integration	771
6.1	Introduction	771
6.2	Models	772
6.3	Conclusion	783
7	Conclusions	787
7A1	Research topics for the future	799
	<i>Bibliography</i>	806
	<i>Index</i>	857