

# Contents

Preface vii

Introduction 1

## **I Rethinking the Causes of International Trade 9**

1 Increasing Returns, Monopolistic Competition, and International Trade 11

2 Scale Economies, Product Differentiation, and the Pattern of Trade 22

3 Intraindustry Specialization and the Gains from Trade 38

4 A "Reciprocal Dumping" Model of International Trade (with James Brander) 53

5 Increasing Returns and the Theory of International Trade 63

## **II Cumulative Processes and the Role of History 91**

6 Trade, Accumulation, and Uneven Development 93

7 The Narrow Moving Band, the Dutch Disease, and the Competitive Consequences of Mrs. Thatcher: Notes on Trade in the Presence of Scale Dynamic Economies 106

8 Vehicle Currencies and the Structure of International Exchange 121