

Preface

Asymmetric economic integration refers to integration between partners of different sizes.

The primary objective of this book is to investigate asymmetric integration – the extent to which the effects differ as a result of economic integration taking place between partner countries of different sizes. The general literature on preferential trade areas assumes that small countries gain more from economic integration than large countries because of positive scale effects and reduced trade costs. This literature, however, makes no attempt to define country size or develop any definite classification of size other than the orthodox economic theoretical terms of trade definition of a small open economy. As such, the extent to which the effects of economic integration vary according to the relative sizes of partner countries has not been addressed in the analytical literature.

The principal hypothesis investigated is whether the effects of economic integration differ according to the size of countries, i.e., to consider the effects of economic integration between asymmetric partners. Testing the hypothesis of asymmetric effects of economic integration between partners of unequal sizes, the relationship between size and the characteristics of economies is examined and the relationship between trade costs and the size classification of economies is observed.

Thanks are due to many individuals, who one way or another supported me and guided me through this project.

My greatest thanks are due to Dr. Robert Read and Professor Harvey Armstrong. Many thanks are also due to Professor V.N. Balasubramanyam, Dr. Kim Kaivanto, Gerry Steele, Dr. Kwok Tong Soo, Professor Chris Milner and Professor David Sapsford.

Special thanks are due to Katharina Wetzel-Vandai for editing this book.

I would also like to acknowledge the writings of Adam Smith, John R. Hicks, Paul A. Samuelson, Jacob Viner, James E. Meade, Richard G. Lipsey, Gérard Debreu, Béla Balassa, Austin Robinson, Tibor Scitovsky, Simon Kuznets, Michihiro Ohyama, Murray C. Kemp, Henry Y. Wan Jr, Avinash Dixit, Victor

Norman, Paul Krugman, Elhanan Helpman, Jeffrey Bergstrand, Earl Grinols, Jagdish Bhagwati, John McCallum, Harvey Armstrong, Robert Read, Arvind Panagariya, Jeffrey Frankel, Pravin Krishna, Kala Krishna, Jiandong Ju, Eric van Wincoop and James Anderson, all of whom inspired me and made this work possible through their writings.

Last, but definitely not least, I would like to thank my family: my lovely wife, Sigrun Hannesdottir, and our wonderful children, Hildur Rakel, Snorri, Helga Rut and Hannes Reynir.

I dedicate this book to the loving memory of my father, who was always there for me.

<http://www.springer.com/978-3-7908-2860-3>

Asymmetric Economic Integration
Size Characteristics of Economies, Trade Costs and
Welfare

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2012, XX, 208 p., Hardcover

ISBN: 978-3-7908-2860-3

A product of Physica-Verlag Heidelberg