

Contents

<i>List of figures</i>	page ix
<i>List of tables</i>	xiii
<i>List of boxes</i>	xv

Part I The economics of the European Union

1	Old Europe, new Europe: the role of the European Union	3
	An overview of the recent enlargement of the European Union, with special attention to the implications for the budget of the European Union and the issues that face the economies of Europe.	
2	A dispute over origins: the European view versus the American perspective	22
	A historical reprise of the strategic considerations of both Europe and the United States that led to the creation of the European Economic Community in 1958 with US support.	
3	The customs union and the diversion of trade	41
	A theoretical and empirical exposition of the role played by the customs union in the expansion of trade within Europe and with the rest of the world.	
4	The Common Agricultural Policy and reforms: feeding Europe and then some	64
	A theoretical and empirical analysis of the motivations, operation, and consequences of the EU's Common Agricultural Policy and the recent attempts at reform and dealing with WTO disputes.	

5	The euro: the ultimate currency reform?	94
	The origins and travails of the move to a common currency within the EU and its resolution of the trilemma of open economies by ceding monetary independence to the European Central Bank.	
6	The European Central Bank in action	115
	Describes the two pillars of the Bank's policy and analyzes its operation of monetary policy with the problems of "one size fits all" for inflation in the individual countries.	
7	The single market: from eliminating non-tariff barriers to enforcing competition	128
	Describes the motivation of the Single European Act and its evolution into anti-trust powers and subsidy surveillance exercised by the Commission.	
8	The single market in labor: from refugees to Schengen	143
	Why labor mobility remains difficult within Europe but how labor markets have been reformed within some countries. The long-run problem of aging populations and resistance to immigration pressures.	
9	The single market in capital: from Bretton Woods to Maastricht	158
	The limits of capital controls contrasted with the difficulties of promoting capital mobility within the EU and the challenges of capital exports outside the EU.	
10	The EU inside and out: regional policy and development aid	171
	Contrasts the political motivations and results for the EU's "inside" development strategy with its "outside" development strategies and how each has evolved.	
11	The EU: the other economic superpower?	186
	Contrasts the two superpowers in terms of four key economic policy goals – growth, employment, inflation, and external balance – with the implications for differences in approaches to globalization pressures.	

Part II The economies of Europe

- 12 **Germany: problems with reunification** 201
Evaluates the gradual weakening of the economic miracle of West Germany in leading to the economic problems with its reunification strategy.
- 13 **France: problems with assimilation** 230
Discusses the various economic experiments with indicative planning, decolonization, and diplomatic leadership in the EU.
- 14 **The United Kingdom: after Thatcher, what next?** 255
To be in or to be out is always the question for Britain relative to Europe, from the Common Market to the common currency.
- 15 **Italy: political reform versus economic reform** 291
Highlights the North–South problem that presaged the German West–East problem today.
- 16 **The small open countries: free trade or customs union?** 313
Contrasts the economic policy experiments of the Benelux countries with those of Switzerland and Austria as small, rich, open economies facing the European Union’s programs.
- 17 **The Scandinavian union: or separate ways?** 328
The Scandinavian countries – Denmark, Finland, Iceland, Norway, and Sweden – illustrate nicely the tradeoffs among policy options in customs unions, labor agreements, currency regimes, and public finance.
- 18 **The latecomers: lessons in preparation** 348
Compares the economic policies of Ireland, Greece, Portugal, and Spain before and after joining the EU, to show the tradeoffs between redistributive policies and market expansion policies.

19	The newcomers: building institutions	374
	Compares the Washington consensus strategies for transition economies with the Copenhagen criteria, concluding that the EU's accession strategies were valuable for the ten accession countries of 2004 to create their new institutions.	
20	The future members: customs union as substitute or stage one for the EU	400
	Examines the peculiar case of Turkey in light of the experiments with customs unions and institutional reforms of the European economies. Highlights the issues remaining for Bulgaria and Romania and the challenges facing Belarus and Ukraine.	
	<i>Suggestions for further reading</i>	418
	<i>Index</i>	430