

INTERNATIONAL ECONOMICS, 7TH EDITION

References and Suggestions for Further Reading

Chapter 1

- Apple Inc. (2008) *United States Securities and Exchange Commission, Form 10-Q, for the quarter ended 28 June 2008*. Available at <http://www.secinfo.com/d14D5a.t4XXa.htm> or <http://www.sec.gov/Archives/edgar/data/320193/000119312508156421/d10q.htm> (accessed 12 August 2008).
- Linden, G., Kraemer, K., and Dedrick, J. (2008) "Who Captures Value in a Global Innovation System? The Case Apple's iPod," Personal Computing Industry Center, University of California, Irvine.
- European Commission, Taxation and Customs Union, Databases, TARIC home page (2008). Available at http://ec.europa.eu/taxation_customs/dds/tarhome_en.htm (accessed 12 August 2008).
- Fisher, K., (2008) "iPod Tax' smacked down in Canada," *Arts Technica*. Available at <http://arstechnica.com/news.ars/post/20080113-ipod-tax-smacked-down-in-canada.html> (accessed 12 August 2008).

Chapter 2

The classical economists whose writings are presented in this chapter are as follows:

- Mill, J.S. (1848) *Principles of Political Economy*. Reprinted Ashley edn, London: Longman, Green, 1921, book 3, ch. 18.
- Ricardo, D. (1817) *Principles of Political Economy and Taxation*. Reprinted London: J.M. Dent, 1911.
- Smith, A. (1776) *An Inquiry into the Nature and Causes of the Wealth of Nations*. Reprinted Modern Library edn, New York: Random House, 1937.
- For commentary on the context in which these authors wrote, as well as controversies over the pedigree of the ideas presented, see:
- Allen, W.R. (1965) *International Trade Theory: Hume to Ohlin*, New York: Random House.
- Chipman, J. (1965) "A Survey of the Theory of International Trade, Part I: The Classical Theory," *Econometrica* 33: 477–519.
- Heilbroner, R. (1953) *The Worldly Philosophers*, New York: Simon and Schuster.
- Viner, J. (1937) *Studies in the Theory of International Trade*, New York: Harper.

For the development of a complete model of trade and demand based on Ricardian production conditions, see:

- Dornbusch, R., Fischer, S., and Samuelson, P. (1977) "Comparative Advantage, Trade, and Payments in a Ricardian Model with a Continuum of Goods," *American Economic Review* 67: 823–39.

For empirical analysis of trade patterns based on the Ricardian model, see:

- Balassa, B. (1963) "An Empirical Demonstration of Classical Comparative Cost Theory," *Review of Economics and Statistics* 45: 231–8.
- Carlin, W., Glyn, A., and Van Reenen, J. (2001) "Export Market Performance of OECD Countries: An Empirical Examination of the Role of Cost Competitiveness," *Economic Journal* 111: 231–38.

- MacDougall, G.D.A. (1951) "British and American Exports: A Study Suggested by the Theory of Comparative Costs," *The Economic Journal* 61: 697–724, reprinted in R. Caves and H.G. Johnson (eds) (1968) *Readings in International Economics*, Homewood, IL: Richard D. Irwin.
- Stern, R. M. (1962) "British and American Productivity and Comparative Costs in International Trade," *Oxford Economic Papers* 14: 275–96.

For attention to the measurement and role of transportation costs, as well as other data cited in the chapter, see:

- Anderson, J. and Van Wincoop, E. (2004) "Trade Costs," *Journal of Economic Literature* 42: 691–751.
- Harrigan, J. (2005) "Airplanes and Comparative Advantage," *NBER Working Paper* No. 11688.
- Hummels, D. (2007) "Transportation Costs and International Trade in the Second Wave of Globalization," *Journal of Economic Perspectives* 21: 131–54.
- Mohammed, S. and Williamson, J. (2004) "Freight rates and productivity gains in British tramp shipping 1869–1950," *Exploration in Economic History* 41: 172–203.
- North, D. (1958) "Ocean Freight Rates and Economic Development," *Journal of Economic History* 18: 537–55.
- U.S. Department of Labor, Bureau of Labor Statistics (2008) *International Comparisons of Manufacturing Productivity and Unit Labor Cost Trends 2006, Revised*, Table B. Available at <http://www.bls.gov/news.release/pdf/prod4.pdf> (accessed 2 September 2008).

Chapter 3

Contributions cited in this chapter include:

- Bernhofen, Daniel and Brown, John (2005) "An Empirical Assessment of the Comparative Advantage Gains from Trade: Evidence from Japan," *American Economic Review* 95: 208–25.
- Bowley, Arthur (1924) *The Mathematical Groundwork of Economics: An Introductory Treatise*. Reprinted New York: A.M. Kelly, 1965.
- Edgeworth, Francis Y. (1881) *Mathematical Physics: An Essay on the Application of Mathematics to the Moral Sciences*. Reprinted New York: A.M. Kelly, 1967.
- Haberler, Gottfried (1936) *The Theory of International Trade*, New York: Macmillan, ch. 12.
- Huber, J. Richard (1971) "Effect on Prices of Japan's Entry into World Commerce after 1858," *Journal of Political Economy* 79: 614–28.

Additional sources that present analytical tools developed in this chapter are:

- Ethier, Wilfred (2008) "The Greater the Differences, the Greater the Gains?" Penn Institute for Economic Research Working Paper 09–009.
- Heller, H. Robert (1968) *International Trade, Theory and Empirical Evidence*, Englewood Cliffs, NJ: Prentice Hall, ch. 4.
- Meade, James E. (1955) *Trade and Welfare*, London: Oxford University Press.
- Samuelson, P.A. (1956) "Social Indifference Curves," *Quarterly Journal of Economics*, 70: 1–21.
- Viner, Jacob (1937) *Studies in the Theory of International Trade*, New York: Harper.

Chapter 4

The classic articles that explain the formulation of the H–O model and draw out its basic implications for trade, income distribution, and growth are:

- Heckscher, E. (1919) "The Effect of Foreign Trade on the Distribution of Income," translated and printed in H. Ellis and L. Metzler (eds) (1949) *Readings in the Theory of International Trade*, Philadelphia: Blakiston.
- Ohlin, B. (1933) *Interregional and International Trade*, Cambridge, MA: Harvard University Press.

- Rybczynski, T. M. (1955) "Factor Endowments and Relative Commodity Prices," *Economica* 22: 336–41; reprinted in R. Caves and H. Johnson (eds) (1968) *Readings in International Economics*, Homewood, IL: Irwin.
- Samuelson, P.A. (1949) "International Factor-Price Equalization Once Again," *Economic Journal* 59: 181–97.
- Stolper, W. and Samuelson, P.A. (1941) "Protection and Real Wages," *Review of Economic Studies* 9: 58–73.

A particularly useful algebraic presentation of the H–O model appears in:

- Jones, R. (1965) "The Structure of Simple General Equilibrium Models," *Journal of Political Economy* 73: 557–72.

For other extensions of the basic H–O framework mentioned in the chapter, see:

- Dean, J. and Ulmonen, T. (2002) "Long Adept at Copying Taiwan Takes to Patents," *Wall Street Journal*, January 11, p. A8.
- Findlay, R., Jeung, L., and Lundhall, M. (eds) (2002) *Bertil Ohlin: A Centennial Celebration*, Cambridge, MA: MIT Press.
- Markusen, J. (1983) "Factor Movements and Commodity Trade as Complements," *Journal of International Economics* 13: 341–56.
- Mundell, R. (1957) "International Trade and Factor Mobility," *American Economic Review* 47: 321–35.
- Savosnick, K. (1958) "The Box Diagram and the Production-Possibility Curve," *Ekonomisk Tidskrift* 60: 183–97.

For empirical tests of the H–O model and data issues, see:

- Baldwin, R. (1971) "Determinants of the Commodity Structure of US Trade," *American Economic Review* 61: 126–46.
- Bowen, H., Leamer, E., and Sveikauskas, L. (1987) "Multicountry, Multifactor Tests of the Factor Abundance Theory," *American Economic Review* 77: 791–801.
- Conway, P. (2002) "The Case of the Missing Trade and Other Mysteries: Comment," *American Economic Review* 92: 394–404.
- Davis, D. and Weinstein, D. (2001) "An Account of Global Factor Trade," *American Economic Review* 91: 1423–1453.
- Deardorff, A. (1984) "Testing Trade Theories and Predicting Trade Flows," in R. Jones and P. Kenen (eds) *Handbook of International Economics, Vol. I*, Amsterdam: North-Holland.
- Harrigan, J. (1997) "Technology, Factor Supplies, and International Specialization: Estimating the Neoclassical Model," *American Economic Review* 87: 475–94.
- Leamer, E. (1980) "The Leontief Paradox Reconsidered," *Journal of Political Economy* 88: 495–503.
- (1995) "The Heckscher–Ohlin Model in Theory and Practice," *Princeton Studies in International Finance*, no. 77.
- Leamer, E. and Levinsohn, J. (1995) "International Trade Theory: The Evidence," in G. Grossman and K. Rogoff (eds), *Handbook of International Economics, Vol. III*, Amsterdam: North-Holland.
- Leontief, W. (1954) "Domestic Production and Foreign Trade," *Economia Internazionale* 7: 3–32; reprinted in R. Caves and H.G. Johnson (eds) (1968) *Readings in International Economics*, Homewood, IL: Irwin.
- Perdikis, N. and Kerr, W. (1998) *Trade Theories and Empirical Evidence*, Manchester: Manchester University Press.
- Stern, R. and Maskus, K. (1981) "Determinants of the Structure of US Foreign Trade, 1958–76," *Journal of International Economics* XX: 207–24
- Trefler, D. (1995) "The Case of the Missing Trade and Other Mysteries," *American Economic Review* 85: 1029–46.
- (2002) "The Case of the Missing Trade and Other Mysteries: Reply," *American Economic Review* 92: 405–10.
- U.S. Department of Commerce, Bureau of Economic Analysis (2007) "Interactive GDP by Industry Accounts," Available at <http://www.bea.gov/national/nipaweb/Index.asp> (accessed 24 April 2007).
- Vanek, J. (1968) "The Factor Proportions Theory: The N-factor Case," *Kyklos* 21: 749–56.

World Bank (2007) *World Development Indicators*, Washington, D.C.: World Bank.

For the effects of trade and outsourcing on income distribution, see:

- Bhagwati, J., Panagariya, A. and Srinivasan, T.N. (2004) "The Muddles over Outsourcing," *Journal of Economic Perspectives* 18: 93–114.
- Feenstra, R. (1998) "Integration of Trade and Disintegration of Production in the Global Economy," *Journal of Economic Perspectives* 12: 31–50.
- Feenstra, R., and Hanson, G. (1997) "Foreign Direct Investment and Relative Wages: Evidence from Mexico's Maquiladoras," *Journal of International Economics* 42: 371–93.
- Ferreira, F., Leite, P., and Wai-Poi, M. (2007) "Trade Liberalization, Employment Flows and Wage Inequality in Brazil," World Bank Policy Research Working Paper 4108.
- Goldberg, P. and Pavcnik, N. (2007) "Distributional Effects of Globalization in Developing Countries," *Journal of Economic Literature* 45: 39–82.
- Gonzaga, G., Menezes-Filho, N. and Terra, C. (2006) "Trade Liberalization and the Evolution of Skill Earnings Differentials in Brazil," *Journal of International Economics* 68: 345–67.
- Kume, H., Piani, G., and de Souza, C. (2000) "A politica brasileira de importacao no periodo: descricao e avaliacao," IPEA: Rio de Janeiro.
- Krugman, P. and Lawrence, R. (1994) "Trade, Jobs and Wages," *Scientific American* 270: 44–9.
- Schott, P. (2003) "One Size Fits All? Heckscher–Ohlin Specifications in Global Production," *American Economic Review* 93: 686–708.
- Trefler, D. (2005) "Trade and Inequality in Developing Countries: a General Equilibrium Analysis," *Journal of International Economics* 65: 21–48.
- Wood, A. (1997) "Openness and Wage Inequality in Developing Countries: the Latin American Challenge to East Asian Conventional Wisdom," *The World Bank Review* 11: 233–57.

For attention to the specific factors model, see:

- Angrist, J. and Kugler, A. (2007) "Rural Windfall or a New Resource Curse? Coca, Income, and Civil Conflict in Colombia," IZA Discussion Paper No. 2790.
- Jones, R. (1971) "A Three-Factor Model in Theory, Trade, and History," in J. Bhagwati (ed.) *Trade, the Balance of Payments and Growth*, Amsterdam: North Holland.

Chapter 5

For greater attention to the case of external economies of scale and spillovers, see:

- Broadberry, S. (2002) "External Economies of Scale in the Lancashire Cotton Industry," *Economic History Review* 55: 51–77.
- Gilson, R. (1998) "The Legal Infrastructure of High Technology Industrial Districts: Silicon Valley, Route 128, and Covenants Not to Compete," unpublished paper, Columbia University.
- Kemp, M. (1964) *The Pure Theory of International Trade*, Englewood Cliffs, NJ: Prentice Hall, Chapter 8.

For attention to product innovation, demand and trade, see:

- Baldwin, R. (1971) "Determinants of the Commodity Structure of US Trade," *American Economic Review* 61: 126–46.
- Gruber, W., Mehta, D., and Vernon, R. (1967) "The R and D Factor in International Trade and Investment of United States Industries," *Journal of Political Economy* 75: 20–37.
- Linder, S. (1961) *An Essay on Trade and Transformation*, New York: Wiley.
- Perdikis, N. and Kerr, W. (1998) *Trade Theories and Empirical Evidence*, Manchester: Manchester University Press.
- Vernon, R. (1966) "International Investment and International Trade in the Product Cycle," *Quarterly Journal of Economics* 80:190–207.

For insight into formal models of trade with product variety see:

- Broda, C. and Weinstein, D. (2006) "Globalization and the Gains from Variety," *Quarterly Journal of Economics* 121: pp. 541–85.
- Deardorff, A. (1998) "Determinants of Bilateral Trade: Does Gravity Work in a Neoclassical Model?" in T. Ito and A. Krueger (eds.) *Regionalization in the World Economy*, Chicago: University of Chicago Press.
- Ethier, W. (1982) "National and International Returns to Scale in the Modern Theory of International Trade," *American Economic Review* 72: 389–405.
- Helpman, E. (1984) "Increasing Returns, Imperfect Markets, and Trade Theory," in R. Jones and P. Kenen (eds) *Handbook of International Economics, Vol. I*, Amsterdam: North-Holland, pp. 325–65.
- Helpman, E. and Krugman, P. (1985) *Market Structure and Foreign Trade*, Cambridge, MA: MIT Press.
- Jones, R. and Neary, P. (1984) "The Positive Theory of International Trade," in R. Jones and P. Kenen (eds) *Handbook of International Economics, Vol. I*, Amsterdam: North-Holland, pp. 48–53.
- Krugman, P. (1979) "Increasing Returns, Monopolistic Competition, and International Trade," *Journal of International Economics* 9: 469–79.
- (1980) "Scale Economies, Product Differentiation, and the Pattern of Trade," *American Economic Review* 70: 950–9.
- (1981) "Intraindustry Specialization and the Gains from Trade," *Journal of Political Economy* 89: 959–73.
- Van Merrewijk, C. (2007) *International Economics*, Oxford: Oxford University Press.

For empirical contributions that investigate aspects of trade under monopolistic competition, see:

- Bergstrand, J. (1985) "The Gravity Equation in International Trade: Some Microeconomic Foundations and Empirical Evidence," *Review of Economics and Statistics* 67: 474–81.
- Branstetter, L. (2001) "Are Knowledge Spillovers International or Intranational in Scope? Microeconomic Evidence from the United States and Japan," *Journal of International Economics* 53: 53–79.
- Daly, D.J., Keys, B.A., and Spence, E.J. (1968) *Scale and Specialization in Canadian Manufacturing*, Economic Council of Canada, Staff Study No. 21. Ottawa: Queen's Printer.
- Grubel, H. and Lloyd, P. (1975) *Intra-Industry Trade: The Theory and Measurement of International Trade in Differentiated Products*, New York: Wiley.
- Harrigan, J. (1996) "Openness to Trade in Manufactures in the OECD," *Journal of International Economics* 40: 23–39.
- Helpman, E. (1987) "Imperfect Competition and International Trade: Evidence from Fourteen Industrial Countries," *Journal of the Japanese and International Economies* 1: 62–81.
- Hummels, D. and Levinsohn, J. (1995) "Monopolistic Competition and International Trade: Reconsidering the Evidence," *Quarterly Journal of Economics* 110: 799–836.
- Irwin, D. and Klenow, P. (1994) "Learning-by-Doing Spillovers in the Semiconductor Industry," *Journal of Political Economy* 102: 1200–1227.
- Lincoln, E. (1990) *Japan's Unequal Trade*, Washington, DC: Brookings Institution.
- Ohashi, H. (2005) "Learning by doing, export subsidies, and industry growth: Japanese steel in the 1950s and 1960s," *Journal of International Economics* 66: 297–323.

For useful insights in the new economic geography literature, see:

- Anderson, J. and van Wincoop, E. (2004) "Trade Costs," *Journal of Economic Literature*, 42: 691–751.
- Baldwin, R., Forslid, R., Martin, P., Ottaviano, G., and Robert-Nicoud, F. (2003) *Economic Geography and Public Policy*, Princeton: Princeton University Press.
- Gallup, J.L., Sachs, J. with Mellinger, A., "Geography and Economic Growth," paper prepared for the Annual Bank Conference on Development Economics, Washington, D.C., April 20–21, 1998.
- Krugman, P. (1991) "Increasing Returns and Economic Geography," *Journal of Political Economy* 99: 483–99.
- Krugman, P. and Venables, A. (1995) "Globalization and the Inequality of Nations," *Quarterly Journal of Economics* 110: 857–80.
- Neary, J. P. (2001) "Of Hype and Hyperbolas: Introducing the New Economic Geography," *Journal of Economic Literature* 39: 536–60.
- Puga, D. (1999) "The Rise and Fall of Regional Inequalities," *European Economic Review* 43: 303–34.

For contributions that present, explain, or apply oligopoly and monopoly theory, see:

- Bernhofen, D. (1999) "Intra-industry trade and strategic interaction: Theory and evidence," *Journal of International Economics* 47 (1999) pp. 225–44.
- Cournot, A. (1838) *Researches into the Mathematical Principles of the Theory of Wealth*, New York: Macmillan.
- Irwin, D. (1991) "Mercantilism as Strategic Trade Policy: The Anglo–Dutch Rivalry for the East India Trade," *Journal of Political Economy* 99: 1296–1314.
- Markusen, J., Melvin, J., Kaempfer, W., and Maskus, K. (1995) *International Trade Theory and Evidence*, New York: McGraw Hill.
- Melvin, J. and Warne, R. (1973) "Monopoly and the Theory of International Trade," *Journal of International Economics* 3: 17–34.
- von Stackelberg, H. (1934) *Marktform und Gleichgewicht*, Vienna and Berlin: J. Springer.
- Varian, Hal (1987) *Intermediate Microeconomics*, New York: W.W. Norton.

For a more detailed discussion of cartels in oil and agricultural markets see:

- Vernon, R. (ed.) (1976) *The Oil Crisis*, New York: W.W. Norton.
- U.S. Department of Energy, Energy Information Administration (2008) *International Petroleum Monthly*, available at <http://www.eia.doe.gov/emeu/international/oilproduction.html> (accessed 4 September 2008).
- World Bank (1986) *World Development Report*, Washington, DC: World Bank.

For other material cited in this chapter:

- Davis, D. (1997) "Critical Evidence on Comparative Advantage? North–North Trade in a Multilateral World," *Journal of Political Economy* 105: 1051–1060.
- Friedman, T. (2006) *The World is Flat*, New York: Farrar, Strauss and Girou

Chapter 6

For tariff schedules of the E.U. and the U.S. use the following links:

- <http://www.usitc.gov/tata/hts/>
http://ec.europa.eu/taxation_customs/common/databases/index_en.htm
http://www.export.gov/static/E.U._tariff_schedule.pdf

For examples of partial equilibrium studies of the effects of trade barriers:

- Crandall, R. (1984) "Import Quotas and the Automobile Industry: The Cost of Protectionism," *Brookings Review*, Summer.
- François, J. and Hall, K. (1997) "Partial Equilibrium Modeling," in J. François and K. Reinert (eds) *Applied Methods for Trade Policy Analysis*, New York: Cambridge University Press.
- Hufbauer, G., and Elliott, K. (1994) *Measuring the Costs of Protection in the United States*, Washington, DC: Institute for International Economics.
- Messerlin, P. (2001) *Measuring the Cost of Protection in Europe*, Washington, DC: Institute for International Economics.
- Mutti, J. (1978) "Aspects of Unilateral Trade Policy and Factor Adjustment Costs," *Review of Economics and Statistics*, 60: 102–10.
- Sazanami, Y., Urata, S., and Kawai, H. (1995) *Measuring the Costs of Protection in Japan*, Washington, DC: Institute for International Economics.
- Tarr, D. and Morkre, M. (1984) *Aggregate Costs to the United States of Tariffs and Quotas on Imports*, Washington, DC: Federal Trade Commission.

The following government reports that you can access through the internet include many case studies and general assessments of the effects of trade barriers:

U.S. International Trade Commission (2007) *The Economic Effects of Significant U.S. Import Restraints: Fifth Update*, Investigation No. 332–325, Publication 3906.
<http://www.usitc.gov/publications/abstract_3906.htm>

World Trade Organization (2005) *Managing the Challenges of WTO Participation – 45 Case Studies*, P. Gallagher, P. Low, and A. L. Stoler (eds)
<http://www.wto.org/english/res_e/booksp_e/casestudies_e/casestudies_e.htm>

E.U. trade directorate general, external trade, sectoral issues
http://ec.europa.eu/trade/issues/sectoral/index_en.htm for example
http://ec.europa.eu/trade/issues/sectoral/industry/textile/trade_text_en.htm
<http://www.eurunion.org/policyareas/trade.htm>

Events reported regarding steel industry policy:

Alden, E. (2003) “Bush backs down by lifting tariffs on steel imports,” *Financial Times*, December 5, p. 1.

— (2005) “US to keep tariffs on imports of steel,” *Financial Times*, April 15, p.4.

Hufbauer, G., and Goodrich, B. (2001) “Steel: Big Problems, Better Solutions,” Institute for International Economics, Policy Brief PB01–9, July.

Matthews, R. (2002) “Foreign Steelmakers’ Prices Rise,” *The Wall Street Journal*, October 8, 2002, p. A8.

U.S. International Trade Commission (2002) “Profiles of US Industry and Market, by Industry/Commodity Groups and Subgroups, 1997–2001,” Available at
<http://hotdocs.usitc.gov/docs/pubs/332/pub3525A.pdf> (accessed 4 September 2008).

Analysis and events reported regarding subsidies and E.U. trade in sugar:

Hufbauer, G. and Erb, J. (1984) *Subsidies in International Trade*, Washington, DC: Institute for International Economics.

Netherlands Economic Institute (2000) *Evaluation of the Common Organization of the Markets in the Sugar Sector*, September.

Oxfam (2004) “Dumping on the World: How EU Sugar Policies Hurt Poor Countries,” Briefing Paper 61, March.

WTO (2006) *WTO Dispute Settlement: One-page Case Summaries, 1995–September 2006*, p. 97

For further treatment of effective rates of protection see:

Balassa, B. (1971) *The Structure of Protection in Developing Countries*, Baltimore: Johns Hopkins Press.

Corden, M. (1966) “The Structure of a Tariff System and the Effective Rate of Protection,” *Journal of Political Economy* 74: 221–37.

Deardorff, A. and Stern, R. (1984) “The Effects of the Tokyo Round on the Structure of Protection,” in R. Baldwin and A. Krueger (eds), *The Structure and Evolution of Recent U.S. Trade Policy*, Chicago: University of Chicago Press, pp. 370–5.

Morgan, W. and Wahjudi, B. (1992) “The Indonesian Bicycle Industry: A Boom Export Sector,” University of Wyoming Working Paper.

Other sources cited in this chapter:

Ballard, C., Fullerton, D., Shoven, J., and Whalley, J. (1985) *A General Equilibrium Model for Tax Policy Evaluation*, Chicago: University of Chicago Press.

Harberger, A. (1990) “Reflections on Uniform Taxation,” in R. Jones and A. Krueger (eds) *The Political Economy of International Trade, Essays in Honour of Robert E. Baldwin*, Oxford: Basil Blackwell, pp. 75–89.

Lerner, A. (1936) “The Symmetry between Import and Export Taxes,” *Economica* 3: 306–13.

Panagariya, A. and Rodrik, D. (1993) “Political-Economy Arguments for a Uniform Tariff,” *International Economic Review* 34: 685–703.

United States International Trade Commission (2008) Dataweb, available at <http://dataweb.usitc.gov> (accessed 9 September 2008).

WTO (2006) *Overview of Developments in the International Trade Environment*, Annual Report by the Director General, WT/TPR/OV/11, February.

Chapter 7

For material on optimal tariff policy see:

- Irwin, D. (1988) "Welfare Effects of British Free Trade: Debate and Evidence from the 1840s," *Journal of Political Economy* 96: 1142–1164.
- (2003) "The optimal tax on antebellum US cotton exports," *Journal of International Economics* 60: 275–91.
- Meade, J. (1952) *A Geometry of International Trade*, London: George Allen and Unwin.

For contributions on infant-industry protection, industry targeting, and strategic trade policy, see:

- Baldwin, R. (1969) "The Case Against Infant-Industry Protection," *Journal of Political Economy* 77: 285–305.
- Baldwin, R. and Krugman, P. (1988a) "Market Access and Competition: A Simulation Study of 16K Random Access Memories," in R. Feenstra (ed.) *Empirical Research in Industrial Trade*, Cambridge, MA: MIT Press.
- (1988b) "Industrial Political and International Competition in Wide-bodied Jet Aircraft," in R. Baldwin, (ed.) *Trade Policy Issues and Empirical Analysis*, Chicago: University of Chicago Press, pp. 45–71.
- Bardhan, P. (1971) "On Optimum Subsidy to a Learning Industry: An Aspect of the Theory of Infant Industry Protection," *International Economic Review* 12: 54–70.
- Beason, R. and Weinstein, D. (1996) "Growth, Economies of Scale, and Targeting in Japan," *Review of Economics and Statistics* 78: 286–95.
- Brander, J. and Spencer, B. (1985) "Export Subsidies and International Market Share Rivalry," *Journal of International Economics* 16: 83–100.
- Eaton, J. and Grossman, G. (1986) "Optimal Trade and Industrial Policy under Oligopoly," *Quarterly Journal of Economics* 101: 383–406.
- Feenstra, R. (ed.) (1989) *Trade Policies for International Competitiveness*, Chicago: University of Chicago Press.
- Hamilton, A. (1791) *Report on Manufactures*. Available at http://www.union.edu/PUBLIC/ECODEPT/kleind/eco024/documents/hamilton/mfg_text.doc.
- Irwin, D. and Klenow, P. (1994) "Learning-by-Doing Spillovers in the Semiconductor Industry," *Journal of Political Economy* 102: 1200–1227.
- Krugman, P. (1984) "Import Protection as Export Promotion: International Competition in the Presence of Oligopoly and Economies of Scale," in H. Kierzkowski (ed.) *Monopolistic Competition in International Trade*, Oxford: Oxford University Press, pp. 180–93.
- (ed.) (1986) *Strategic Trade Policy and the New International Economics*, Cambridge, MA: MIT Press.
- (1987) "Is Free Trade Passé?," *Journal of Economic Perspectives* 1: 131–41.
- Krugman, P. and Smith, A. (eds) (1994) *Empirical Studies of Strategic Trade Policy*, Chicago: University of Chicago Press.
- Markusen, J., Melvin, J., Kaempfer, W., and Maskus, K. (1995) *International Trade Theory and Evidence*, New York: McGraw Hill, pp. 293–300.
- Noland, M. and Pack, H. (2003) *Industrial Policy in an Era of Globalization: Lessons from Asia*, Washington, DC: Institute for International Economics.
- Pack, H. and Saggi, K. (2006) "The case for industrial policy: a critical survey," World Bank Policy Research Working Paper 3839, February.
- Stern, R. (ed.) (1987) *US Trade Policies in a Changing World Economy*, Cambridge, MA: MIT Press.
- Tyson, L. (1992) *Who's Bashing Whom: Trade Conflict in High Technology Industries*, Washington DC: Institute for International Economics.

For contributions to the literature on dumping see:

- Blonigen, B. and Bown, C. (2003) "Antidumping and Retaliation Threats," *Journal of International Economics* 60: 249–73.
- Brander, J. (1981) "Intra-industry trade in identical products," *Journal of International Economics* 11: 1–11.
- Friberg, R. and Ganslandt, M. (2006) "An empirical assessment of the welfare effects of reciprocal dumping," *Journal of International Economics* 70: 1–24.

- Konings, J. and Vandenbussche, H. (2005) "Antidumping protection and markups of domestic firms," *Journal of International Economics* 65: 151–65.
- Prusa, T. (1992) "Why Are so Many Antidumping Petitions Withdrawn?," *Journal of International Economics* 33: 1–20.
- Rutkowski, A. (2007) "Withdrawals of Anti-dumping Complaints in the EU: A Sign of Collusion," *World Economy* 30: 470–503.
- Taylor, C. (2004) "The Economic Effects of Withdrawn Antidumping Investigations: Is There Evidence of Collusive Settlements?," *Journal of International Economics* 62: 295–312.
- World Trade Organization (2006) *Overview of Developments in the International Trading Environment*, Annual Report by the Director General (WT/TPR/OV/11).

For contributions to the political economy literature see:

- Dutt, P. and Mitra, D. (2002) "Endogenous Trade Policy through Majority Voting," *Journal of International Economics* 58: 107–34.
- Eicher, T. and Osang, T. (2002) "Protection for Sale: An Empirical Investigation: Comment," *American Economic Review* 92: 1702–1710.
- Gawande, K. and Bandyopadhyay, H. (2000) "Is Protection for Sale? Evidence on the Grossman–Helpman Theory of Endogenous Protection," *Review of Economics and Statistics* 82: 139–52.
- Goldberg, P. and Maggi, G. (1999) "Protection for Sale: An Empirical Investigation," *American Economic Review* 89: 1135–1155.
- Grossman, G. and Helpman, E. (1994) "Protection for Sale," *American Economics Review* 84: 833–50.
- Grossman, G. and Helpman, E. (1996) "Electoral Competition and Special Interest Politics," *Review of Economic Studies* 63: 265–86.
- Magee, S. (1980) "Three Simple Tests of the Stolper–Samuelson Theorem," in P. Oppenheimer (ed.) *Issues in International Economics*, London: Oriel Press, pp. 138–53.
- Mayer, W. (1984) "Endogenous Tariff Formation," *American Economic Review* 74: 970–85.
- Rodrik, D. (1995) "Political Economy of Trade Policy," in G. Grossman and K. Rogoff (eds) *Handbook of International Economics*, Vol. III, New York: Elsevier Science B.V., pp. 1457–1494.

For other works cited in this chapter:

- Bale, M. (1974) "Adjustment Assistance under the Trade Expansion Act of 1962," *Journal of International Law and Economics* 4: 49.
- Council Regulation (EC) No. 1472 (2006) *Official Journal of the European Union*, 5 October.
- The Economist* (2006) "Sugar boycott," December 23, p. 94.
- (2008) "Starship Enterprise: The Next Generation," January 24.
- Kletzer, L. (2001) *Job Loss from Imports: Measuring the Costs* Washington, DC: Institute for International Economics.
- Oxfam (2004) *Dumping on the World, How EU Sugar Policies Hurt Poor Countries*, Oxfam Briefing Paper 61.
- Srinivasan, T.N. (1987) "The National Defense Argument for Intervention in Foreign Trade," in R. Stern, (ed.) *U.S. Trade Policy in a Changing World Economy*, Cambridge, MA: MIT Press, pp. 337–76.
- United States International Trade Commission (2005) "Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam," Publication 3748, Washington, DC: USITC.

Chapter 8

For an overview of immigration issues and data sources see:

- Borjas, G. (1994) "The Economics of Immigration," *Journal of Economic Literature* 32: 1667–1717.
- (1995) "The Economic Benefits from Immigration," *Journal of Economic Perspectives* 9: 3–22.
- Commission of the European Communities (2005) *Green Paper on an EU Approach to Managing Economic Migration*, Brussels.

- Docquier, F. and Marfouk, A. (2004) "Measuring international migration by educational attainment, 1990–2000," in C. Ozden and M. Schiff (eds) *International Migration, Remittances and the Brain Drain*, New York: McMillan and Palgrave, pp. 151–99.
- Docquier, F. and Rapaport, H. (2007) "Skilled Migration: The Perspective of Developing Countries," World Bank Policy Research Paper No. 3382.
- Mundell, R. (1957) "International Trade and Factor Mobility," *American Economic Review* 47: 321–35.
- Organization for Economic Cooperation and Development (1995) *OECD Observer*, 192 (February/March). Paris: OECD.
- (2001) *Trends in International Migration*, Paris: OECD.
- (2007) *International Migration Outlook*, Paris: OECD.
- O'Rourke, K., Taylor, A., and Williamson, J. (1996) "Factor Price Convergence in the Late Nineteenth Century," *International Economic Review* 37: 499–530.
- Smith, J. and Edmonston, B. (1997) *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*, Washington, D.C.: National Academy Press.
- Williamson, J. (2004) "The Political Economy of World Mass Migration: Comparing Two Global Centuries," American Enterprise Institute, The Wendt Distinguished Lecture.
- World Bank (2005) *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*, Washington, DC.
- Zimmerman, K., Bonin, H., Fahr, R., and Hinte, H. (2007) *Immigration Policy and the Labor Market, the German Experience and Lessons for Europe*, New York: Springer.

For issues of the incidence of capital taxation see:

- Gordon, R. (1986) "Taxation of Investment and Savings in a World Economy," *American Economic Review* 76: 1086–1102.
- Harberger, A. (1983) "Corporate Tax Incidence in Closed and Open Economies," paper presented to NBER summer institute in taxation.
- Mutti, J. and Grubert, H. (1985) "The Taxation of Capital Income in an Open Economy: The importance of Resident–Nonresident Tax Treatment," *Journal of Public Economics*, 27: 291–309.
- (2004) "Empirical Asymmetries in Foreign Direct Investment and Taxation," *Journal of International Economics* 62: 337–58.

For a broader discussion of MNC operations, and its changing focus over several decades, see:

- Barnet, R. and Muller, R. (1974) *Global Reach*, New York: Simon and Schuster.
- Barrios, S., Görg, H., and Strobl, E. (2005) "Foreign Direct Investment, Competition, and Industrial Development in the Host Country," *European Economic Review* 49: 1761–1784.
- Bergsten, C.F., Horst, T., and Moran, T. (1978) *American Multinationals and American Interests*, Washington, DC: Brookings, 1978.
- Bernard, A., Jensen, B., Redding, S., and Schott, P. (2007) "Firms in International Trade," *Journal of Economic Perspectives* 21: 105–30.
- Bhagwati, J. and Brecher, R. (1980) "National Welfare in an Open Economy in the Presence of Foreign-owned Factors of Production," *Journal of International Economics* 10: 103–15.
- Brainard, L. (1997) "An Empirical Assessment of the Proximity–Concentration Tradeoff between Multinational Sales and Trade," *American Economic Review* 87: 520–44.
- Brakman, S., Garretsen, H., and van Marrewijk, C. (2006) "Cross-Border Mergers and Acquisitions: The Facts as a Guide for International Economics," CESifo Working Paper No. 1823.
- Caves, R. (1996) *Multinational Enterprises and Economic Analysis*, 2nd ed., London: Cambridge University Press.
- Dunning, J. (1974) *Economic Analysis and the Multinational Enterprise*, London: Allen and Unwin.
- Dunning, J. and Hamdani, K. (eds) (1997) *The New Globalism and the Developing Countries*, New York: United Nations University Press.
- Ethier, W. and Markusen, J. (1996) "Multinational Firms, Technology Diffusion and Trade," *Journal of International Economics* 41: 1–28.
- Graham, E. and Krugman, P. (1995) *Foreign Direct Investment in the United States*, 3rd edn, Washington, DC: Institute for International Economics.

- Griffith, R., Redding, S., and Simpson, H. (2002) "Productivity Convergence and Foreign Ownership at the Establishment Level," Institute for Fiscal Studies Working Paper, w02/22.
- Grubert, H. and Mutti, J. (1991) "Taxes, Tariffs and Transfer Pricing in Multinational Corporate Decision Making," *Review of Economics and Statistics* 73: 285–93.
- Horstman, I. and Markusen, J. (1992) "Endogenous Market Structures in International Trade," *Journal of International Economics* 32: 109–29.
- Javorcik, B. (2004) "Does Foreign Direct Investment Increase the Productivity of Domestic Firms? In search of Spillovers through Backward Linkages," *American Economic Review* 94: 605–627.
- Keller, W. and Yeaple, S. (2005) "Multinational Enterprises, International Trade, and Productivity Growth: Firm-Level Evidence from the United States," Deutsche Bundesbank Discussion Paper Series 1.
- Lipsey, R. and Weiss, M. (1984) "Foreign Production and Exports of Individual Firms," *Review of Economics and Statistics* 66: 304–8.
- Markusen, J. (2002) *Multinational Firms and the Theory of International Trade*, Cambridge, MA: MIT Press.
- Mutti, J. and Grubert, H. (2004) "Empirical Asymmetries in Foreign Direct Investment and Taxation," *Journal of International Economics* 62: 337–58.
- Servan-Schreiber, J. (1968) *The American Challenge*, New York: Athenaeum.
- United Nations Conference on Trade and Development (2006) *World Investment Report*, New York: United Nations.
- Vernon, R. (1971) *Sovereignty at Bay*, New York: Basic Books.

Chapter 9

For theoretical aspects of preferential trade agreements, see:

- Abrego, L., Riezman, R., and Whalley, J. (2006) "How Often are Propositions on the Effects of Regional Trade Agreements Theoretical Curiosa?" *Journal of International Economics* 68: 59–78.
- Baldwin, R. (1989) "The Growth Effects of 1992," *Economic Policy: A European Forum* 9: 247–81.
- Baldwin, R. and Venables, A. (1995) "Regional Economic Integration," in G. Grossman and K. Rogoff (eds) *Handbook of International Economics, Vol. III*, Amsterdam: Elsevier Science, pp. 1598–1640.
- Davis, D. (1998) "The Home Market, Trade, and Industrial Structure," *American Economic Review* 88: 1264–1276.
- Helpman, E. and Krugman, P. (1985) *Market Structure and Foreign Trade*, Cambridge, MA: MIT Press.
- Krugman, P. (1991a) "Is Bilateralism Bad," in E. Helpman and A. Razin (eds) *International Trade and Trade Policy*, Cambridge, MA: MIT Press.
- (1991b) "The Move Toward Free Trade Zones," in *Policy Implications of Trade and Currency Zones*, Federal Reserve Bank of Kansas City, pp. 7–41.
- Lipsey, R.G. (1960) "The Theory of Customs Unions: A General Survey," *Economic Journal* 70: 496–513.
- Panagariya, A. (1999) "The Regionalism Debate: An Overview," *The World Economy* 22: 477–511.
- Panagariya, A. and Bhagwati, J. (eds) (1996) *Free Trade Area or Free Trade? The Economics of Preferential Trade Agreements*, Washington, DC: American Enterprise Institute.
- Kowalczyk, C. (2000) "Welfare and Integration," *International Economic Review* 41: 483–94.
- Viner, J. (1953) *The Customs Union Issue*, New York: Carnegie Endowment for International Peace.

For empirical assessments of preferential trade agreements and commentaries on particular trade blocs see:

- Aslund, A. (2006) Testimony at the Hearing on EU Economic and Trade Relations with Russia, Committee on International Trade, European Parliament, Brussels, November 21, accessed at <http://www.iie.com>.
- Baier, S. and Bergstrand, J. (2007) "Do Free Trade Agreements Actually Increase Member's International Trade?" *Journal of International Economics* 71: 72–95.
- Baier, S., Bergstrand, J., and Vidal, E. (2007) "Free Trade Agreements in the Americas: Are the Trade Effects Larger than Anticipated?" *World Economy* 30: 1347–1377.
- Balassa, B. (1975) "Trade Creation and Diversion in the European Common Market," *European Economic Integration*. Amsterdam: North-Holland.
- Brakman, S., Garretsen, H., and Schramm, M. (2005) "Putting New Economic Geography to the Test: Free-ness of Trade and Agglomeration in the EU Regions," CESifo working paper No. 1566.

- Brown, D. and Stern, R. (1987) "A Modeling Perspective," in R. Stern, P. Trezise, and J. Whally (eds) *Perspectives on a U.S.–Canadian Free Trade Agreement*, Washington, D.C.: The Brookings Institution, pp. 155–87.
- Brown, A., Dearnorff, A., and Stern, R. (1992) "North American Integration," *Economic Journal* 102: 1507–1518.
- Cecchini Report (1988) *The European Challenge 1992*, Aldershot, U.K.: Wildwood House.
- Chang, W. and Winters, A. (2001) "Preferential Trading Arrangements and Excluded Countries: Ex Post Estimates of the Effects on Prices," *World Economy* 24: 797–807.
- Cox, D. and Harris, R. (1995) "Trade Liberalization and Industrial Organization: Some Estimates for Canada," *Journal of Political Economy*, pp. 115–45.
- Eicher, T., Henn, C., and Papageorgiou, C. (2008) "Trade Creation and Diversion Revisited: Accounting for Model Uncertainty and Natural Trading Partner Effects," IMF Working Paper WP/08/66.
- European Commission (2006) *E.U. Budget 2006 Financial Report*, Available at http://ec.europa.eu/budget/library/publications/fin_reports/fin_report_06_en.pdf (accessed 15 October 2007).
- Frankel, J. (1997) *Regional Trading Blocs in the World Economic System*, Washington, DC: Institute for International Economics.
- Head, J. and Mayer, T. (2004) "The Empirics of Agglomeration and Trade," in J.V. Henderson and J-F. Thisse (eds) *Handbook of Regional and Urban Economics*, Amsterdam: Elsevier, pp. 2609–2665.
- Hufbauer, G. and Schott, J. (1993) *NAFTA: An Assessment*, Washington, DC: Institute for International Economics.
- Jensen, J., Rutherford, T., and Tarr, D. (2004) "The Impact of Liberalizing Barriers to Foreign Direct Investment in Services: The Case of Russian Accession to the World Trade Organization," World Bank Working Paper 3391.
- Karacaovali, B. and Limão, N. (2008) "The Clash of Liberalizations: Preferential vs. Multilateral Trade Liberalization in the European Union," *Journal of International Economics* 74: 299–327.
- Limão, N. (2006) "Preferential Trade Agreements as Stumbling Blocks for Multilateral Trade Liberalization: Evidence for the United States," *American Economic Review* 96: 896–914.
- Manchin, M. (2004) "The Economic Effects of a Russia–EU FTA," Tinbergen Institute Discussion Paper 131/2.
- Miller, M. and Spencer, J. (1977) "The Static Economic Effects of the UK Joining the EEC: A General Equilibrium Approach," *Review of Economic Studies* 44: 71–93.
- Morici, P. (ed.) (1990) *Making Free Trade Work: The Canada–US Agreement*, New York: Council on Foreign Relations Press.
- Mutti, J. (2001) *NAFTA: The Economic Consequences for Mexico and the United States*, Washington, DC: Economic Strategy Institute.
- Puga, D. (1999) "The Rise and Fall of Regional Inequalities," *European Economic Review* 43: 303–34.
- Schneider, O. (2007) "The EU Budget Dispute – A Blessing in Disguise?" CESifo Working Paper No. 1986.
- Schott, J. and Smith, M. (eds) (1988) *The Canada–United States Free Trade Agreement: The Global Impact*, Washington, DC: Institute for International Economics.
- Trefler, D. (2004) "The Long and the Short of the Canada–US Free Trade Agreement," *American Economic Review* 94: 870–95.
- US International Trade Commission (1997) *Market Developments in Mercosur Countries Affecting Leading US Exporter*, Washington, DC: USITC.
- Winters, A. (1985) *International Economics*, London: George Allen and Unwin, pp. 124–31.
- (1987) "Britain in Europe: A Survey of Quantitative Trade Studies," *Journal of Common Market Studies* 25: 315–53.
- Yeats, A. (1998) "Does Mercosur's Trade Performance Raise Concerns about the Effects of Regional Trade Arrangements?" *World Bank Economic Review* 12: 1–28.

Chapter 10

For theoretical perspectives on multilateral trade agreements, see:

- Bagwell, K. and Staiger, R. (2002) *The Economics of the World Trading System*, Cambridge, MA: MIT Press.
- Ethier, Wilfred (2001) "Theoretical Problems in Negotiating Trade Liberalization," *European Journal of Political Economy* 17: 209–32.
- Johnson, Harry (1953) "Optimum Tariffs and Retaliation," *Review of Economic Studies* 21: 142–53.
- Staiger, Robert (1995) "International Rules and Institutions for Trade Policy," in G. Grossman and K. Rogoff (eds) *Handbook of International Economics, Vol. III*, Amsterdam: Elsevier Science, pp. 1495–1551.

For general overviews of GATT/WTO policy or negotiating rounds, see:

- Cline, William (1977) *Trade Negotiations in the Tokyo Round: A Quantitative Assessment*, Washington, D.C.: Brookings Institution.
- Hoekman, B., Mattoo, A., and English, P. (eds) (2002) *Development, Trade and the World Trade Organization: A Handbook*, Washington, D.C.: World Bank.
- Jackson, John (1997) *The World Trading System, Law and Policy of International Economic Relations*, 2nd edn, Cambridge, MA: MIT Press.
- Preeg, Ernest (1970) *Traders and Diplomats: An Analysis of the Kennedy Round Negotiations under the General Agreement on Tariffs and Trade*, Washington, D.C.: Brookings Institution.
- Rose, Andrew (2004) "Do WTO Members Have More Liberal Trade Policy?" *Journal of International Economics* 63: 209–35.
- (2004) "Do We Really Know that the WTO Increases Trade?" *American Economic Review* 94: 98–114,
- Schott, Jeffrey (1994) *The Uruguay Round: An Assessment*, Washington, D.C.: Institute for International Economics.
- U.S. Tariff Commission (1974) *Trade Barriers, Vol. 3*, Washington, D.C.: USTC, Chapter 5.
- World Trade Organization (2007) *The World Trade Report 2007*, Switzerland: WTO, Chapter II.

For discussions of specific trade policies and other issues, see:

- Arias, P., Hallam, D., Hubbard, L., and Liu, P. (2006) "The elusive tariff equivalent for the EU banana market," *Commodity Market Review 2005–2006*, Rome: Food and Agricultural Organization of the United Nations, pp. 107–24.
- "At Daggers Drawn," (1999) *The Economist*, May 8, pp. 17–19.
- Finger, J.M., Hall, K., and Nelson, D. (1982) "The Political Economy of Administered Protection," *American Economic Review* 72: 452–66.
- Graham, E. (2000) *Fighting the Wrong Enemy*, Washington, D.C.: Institute for International Economics.
- Irwin, Douglas (1998) "Changes in US Tariffs: The Role of Import Prices and Commercial Policies," *American Economic Review* 88: 1015–1026.
- de Jonquières, Guy (1997) "WTO Puts Skids under Banana Regime," *The Financial Times*, March 20, p. 7.
- (1999) "Trade Goes Bananas," *The Financial Times*, January 26, p. 15.
- Jordan, Miriam (2001) "Brazil May Flout Trade Laws to keep AIDS Drugs Free for Patients," *Wall Street Journal*, February 12, p. B1.
- Oxfam (2004) "Cultivating Poverty: The Impact of US Cotton Subsidies on Africa," Briefing Paper 30.
- United Nations (2002) *Human Development Report 2002*, New York: UN, p. 106.
- "Unpicking Cotton Subsidies," (2004) *The Economist*, April 30.
- WTO (2005) *US Subsidies on Upland Cotton*, WT/DS267/AB/R.
- WTO (2006) *Overview of Developments in the International Trading Environment*, WT/TPR/OV/11.
- WTO (2007) "Overview of the State-of-Play of WTO Disputes," available http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm, (accessed October 9 2007).

Chapter 11

For various perspectives on growth, development, and trade, as well as relevant data, see:

- Akamatsu, K. (1961) "A Historical Pattern of Economic Growth in Developing Countries," *The Developing Economies*, preliminary issue, 1–23.

- Amiti, M. and Freund, C. (2007) "An Anatomy of China's Export Growth," Paper prepared for Global Implications of China's Trade, Investment and Growth Conference, IMF Research Department.
- Amsden, A. (2001) *The Rise of "the Rest,"* New York: Oxford University Press.
- Balassa, B. (1971) *The Structure of Protection in Developing Countries,* Baltimore: Johns Hopkins University Press.
- Batra, R. (1973) *Studies in the Pure Theory of International Trade,* New York: St. Martin's Press.
- Behrman, J. (1978) *Development, the International Economic Order, and Commodity Agreements,* Reading, MA: Addison-Wesley.
- Bhagwati, J. (1976) *Foreign Trade Regimes and Economic Development: Anatomy and Consequences of Exchange Control Regimes,* New York: Columbia University Press.
- Chang, H. (2002) "Kicking Away the Ladder – Tariffs and Economic Development," *Challenge* 45: 63–97.
- Chow, P. (1987) "Causality between Export Growth and Industrial Development: Empirical Evidence for the NICs," *Journal of Development Economics* 26: 55–63.
- Cuddington, J., Ludema, R., and Jayasuriya, S. (2002) "Prebisch–Singer Redux," U.S. International Trade Commission, Working Paper.
- Dollar, D. (2007) "Asian Century or Multi-polar Century?" World Bank Policy Research Working Paper 4174.
- Edwards, S. (1993) "Openness, Trade Liberalization, and Growth in Developing Countries," *Journal of Economic Literature, September* 1993, pp. 1358–1393.
- Feenstra, R. (2004) *Advanced International Trade, Theory and Evidence,* Princeton, NJ: Princeton University Press, Chapter 10.
- Findlay, R. and Grubert, H. (1959) "Factor Intensities, Technological Progress, and the Terms of Trade," *Oxford Economic Papers, New Series,* 11:111–21.
- Grossman, G. and Helpman, E. (1991) *Innovation and Growth in the Global Economy,* Cambridge, Mass: MIT Press.
- Havrylyshyn, O. (1990) "Trade Policy and Productivity Gains in Developing Countries," *World Bank Research Observer,* 1–24.
- Hummels, D. and Klenow, P. (2005) "The Variety and Quality of a Nation's Exports," *American Economic Review* 95: 704–23.
- International Monetary Fund (1998) *Direction of Trade Statistics,* Washington, D.C.: IMF.
- (2007) *Direction of Trade Statistics,* Washington, D.C.: IMF.
- Irwin, D. (2001) "Tariffs and Growth in Late Nineteenth Century America," *The World Economy* 24: 15–30.
- Krueger, A. (1976) *Foreign Trade Regimes and Economic Development: Liberalization Attempts and Consequences,* New York: Columbia University Press.
- (1984) "Trade Policies in Developing Countries," in R. Jones and P. Kenen (eds) *Handbook of International Economics, Volume I,* Amsterdam: Elsevier Science Publishers, 519–69.
- Lerner, A. (1952) "Factor Prices and International Trade," *Economica (new series)* 19: 1–15.
- Little, I., Scitovsky, T., and Scott, M. (1970) *Industry and Trade in Some Developing Countries: A Comparative Study,* Oxford: Oxford University Press.
- Prebisch, R. (1950) "The Economic Development of Latin America and its Principal Problems," *Economic Bulletin for Latin America,* 7: 1–22.
- Puga, D. and Venables, A. (1999) "Agglomeration and Economic Development: Import Substitution vs. Trade Liberalization," *Economic Journal* 109: 292–311.
- Rodrik, D. (2005) "Policies for economic diversification," *CEPAL Review* 87: 7–23.
- (2006a) "Getting Interventions Right: How South Korea and Taiwan Grew Rich," *Economic Policy* 10: 55–107.
- (2006b) "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform," *Journal of Economic Literature* 64: 973–87.
- Singer, H. (1950) "The Distribution of Gains between Investing and Borrowing Countries," *American Economic Review* 40: 473–85.
- United Nations (1982) *Yearbook of International Trade Statistics,* New York: UN.
- (1984) *Yearbook of International Trade Statistics,* New York: UN.
- UNCTAD (2002) *Least Developed Countries Report 2002,* New York: United Nations, p. 142.
- Wade, R. (1990) *Governing the Market: Economic Theory and the Role of the Government in East Asian Industrialization,* Princeton, NJ: Princeton University Press.

- Williamson, J. (2004) "A Short History of the Washington Consensus," available at <http://www.iie.com/publications/papers/williamson0904-2.pdf>. (accessed 9 September 2008).
- World Bank (1993) *The East Asian Miracle, Economic Growth and Public Policy*, New York: Oxford University Press.
- (1994) *Global Economic Prospects and the Developing Countries*, Washington, D.C.: World Bank, p. 52.
- (2004) *Global Economic Prospects*, Washington, D.C.: World Bank, p. 77.
- (2005) *Economic Growth in the 1990s: Learning from a Decade of Reform*, New York: Oxford University Press.
- (2007) *World Development Indicators*, Washington, D.C.: World Bank.
- Young, A. (1991) "Learning by Doing and the Dynamic Effects of International Trade," *Quarterly Journal of Economics* 106: 369–405.
- (1995) "The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience," *Quarterly Journal of Economics* 110: 641–80.

For discussion of environmental externalities and policies adopted to deal with them see:

- Copeland, B. and Taylor, S. (2004) "Trade, Growth, and the Environment," *Journal of Economic Literature* 62: 7–71.
- Dasgupta, S., Laplante, Wang, H., and Wheeler, D. (2002) "Confronting the Environmental Kuznets Curve," *Journal of Economic Perspectives*, 16: 147–68.
- Grossman, G. and Krueger, A. (1992) "Environmental Impacts of a North American Free Trade Agreement," in P. Garber (ed.) *The Mexico–U.S. Free Trade Agreement*, Cambridge, MA: MIT Press, 13–56.
- (1995) "Economic Growth and the Environment," *Quarterly Journal of Economics* 110: 353–77.
- Low, P. and Yeats, A. (1992) "Do Dirty Industries Migrate?" in P. Low (ed.) *International Trade and the Environment*, Washington, D.C.: World Bank, 89–104.
- Nordhaus, W. (2007) "A Review of the Stern Review on the Economics of Climate Change," *Journal of Economic Literature* 45: 686–702.
- Sandler, T. (1997) *Global Challenges: An Approach to Environmental, Political and Economic Problems*, Cambridge: Cambridge University Press.
- Stern, N. (2007) *The Economics of Global Climate Change: The Stern Review*, Cambridge: Cambridge University Press.
- Sundstein, C. (2006) "Montreal versus Kyoto: A Tale of Two Protocols," AEI-Brookings Joint Center for Regulatory Studies, Working Paper 06–17.
- Weitzman, M. (2007) "A Review of the Stern Review on the Economics of Climate Change," *Journal of Economic Literature* 45: 703–724.

Chapter 12

- Bureau of Economic Analysis (1990) "Balance of Payments (the) of the United States, Concepts, Data Sources, and Estimating Procedures," by R. A. Mosbacher and M. R. Darby, Under Secretary for Economics Affairs.
- Bureau of Economic Analysis (2006) "How BEA Aligns and Augments Source Data From the US Treasury Department for Inclusion in the International Transactions Accounts," *Survey of Current Business*, July.
- Bureau of Economic Analysis, "International Transaction Accounts, various years (<http://www.bea.gov/bea/di/home/bop.htm>)
- Hausmann, R., and Sturzenegger, F. (2005) "'Dark Matter' Makes the US Deficit Disappear," *Financial Times*, December 7.
- International Economic Accounts, Bureau of Economic Analysis, US Department of Commerce (<http://www.bea.gov/international/index.htm#bop>)
- International Monetary Fund, *Balance of Payments Yearbook*, Washington D.C.: IMF annual.
- International Monetary Fund, *International Financial Statistics*, Washington D.C.: IMF monthly (<http://ifs.apdi.net/imf>).

- International Monetary Fund, *Balance of Payments Manual*, Washington D.C. (<http://www.imf.org/external/np/stat/bop/BOPman.pdf>)
- Krugman, P. (2006) "CSI: Trade Deficit," *New York Times*, April 24.
- Office for National Statistics, *United Kingdom Balance of Payments – The Pink Book*, Annual. (<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1140>)

Chapter 13

- Bradsher, K. (2007) "China Slightly Loosens the Reins on its Currency's Market Fluctuation," *New York Times*, May 19.
- Broadus, J. and M. Goodfriend, M. (1996) "Foreign Exchange Operations and the Federal Reserve," *Federal Reserve Bank of Richmond Quarterly*, Winter: 1–19.
- Chrystal, K. A. (1984) "A Guide to Foreign Exchange Markets," *Federal Reserve Bank of St. Louis Review*, March: 5–18.
- Cross, S. Y. (1998) "All About The Foreign Exchange Market in the United States," New York: Federal Reserve Bank of New York, (<http://www.newyorkfed.org/education/addpub/usfxm/>)
- European Central Bank, (2007) "ECB Foreign exchange operations," <http://www.ecb.int/ecb/orga/tasks/html/foreign-exchange.en.html>
- Federal Reserve Bank of New York (2007) "US Foreign Exchange Intervention," *FedPoints* May. (<http://www.ny.frb.org/aboutthefed/fedpoint/fed44.html>)
- Frankel, J.A., Goldstein, M., and Masson, P.R. (1991) *Characteristics of a Successful Exchange Rate System*, Occasional Paper No. 82, Washington: International Monetary Fund.
- Ichikawa, M., Miller, M., and Sutherland, A. (1990) "Entering a preannounced currency band," *Economics Letters*, Elsevier, 34: 363–8.
- International Monetary Fund (2006) "Annual Report on Exchange Arrangements and Exchange Restrictions," Washington: International Monetary Fund.
- Klitgaard, T. (1999) "Exchange Rates and Profit Margins: The Case of Japanese Exporters," New York Federal Reserve Working Paper.
- Mohsen B. O., Economidou, C., and Goswami, G. G. (2006) "Bilateral J-curve between the UK vis-à-vis her major trading partners," *Applied Economics*, 38: 879–88.
- Morarjee, R. (2008) "On Europe: Europe feels weight of strong euro," *Financial Times*, March 14.
- People's Bank of China (the), (<http://www.pbc.gov.cn/english/detail.asp?col=64007id=837>)

Chapter 14

- Bryant, R., Currie, D., Frenkel, J., Masson, P., and Portes, R. (eds) (1989) *Macroeconomic Policies in an Interdependent World*, Washington, D.C.: Brookings Institution.
- Calvo, G. and Reinhart, C. (2002) "Fear of Floating," *Quarterly Journal of Economics*, 117: 379–408.
- Caramazza, F. and Aziz, J. (1998) "Fixed or Flexible? Getting the Exchange Rate Right in the 1990s," International Monetary Fund, *Economic Issues*, 13 April.
- Cooper, R. (1986) "Dealing with the Trade Deficit in a Floating Rate System," *Brookings Papers on Economic Activity*, 1: 195–208.
- (1999) "Exchange Rates Choices," Harvard University. Reprinted in P. King, and S. Kumari King (eds) (2004), *International Economics and International Economic Policy: A Reader*, 4th edition, New York: McGraw-Hill.
- Corden, W. M. (1994) *Economic Policy, Exchange Rates, and the International System* (chs 1–4), Oxford: Oxford University Press.
- Dornbusch, R. (1980) *Open Economy Macroeconomics* (chs 11–12), New York: Basic Books.
- Eichengreen B. and Razo-Garcia S. (2006) "The International Monetary System in the Last and Next 20 Years," *Economic Policy*, 21: 393–442.
- Fischer, S. (2001) "Distinguished Lecture on Economics in Government: Exchange Rate Regimes: Is the Bipolar View Correct," *Journal of Economic Perspectives*, 15: 3–24.
- Frankel, J. (1993) *On Exchange Rates*, Cambridge, MA: MIT Press.

- Friedman, M. (1953) "The Case for Flexible Exchange Rates," in *Essays in Positive Economics*, Chicago: University of Chicago Press.
- Gagnon, J. (1993) "Exchange Rate Flexibility and the Level of International Trade," *Journal of International Economics*: 269–87.
- Girton, L. and Roper, D. (1977) "A Monetary Model of Exchange Market Pressure Applied to Post-War Canadian Experience," *American Economic Review*, 67: 537–48.
- Helliwell, J. and Padmore, T. (1985) "Empirical Studies of Macroeconomic Interdependence," in R. Jones and P. Kenen (eds) *Handbook of International Economics*, Vol. II: 1107–1151, Amsterdam: North-Holland.
- Johnson, H. (1970) "The Case for Flexible Exchange Rates," in G. Halm (ed.) *Approaches to Greater Exchange Rate Flexibility: The Burgenstock Papers*, 100–1, Princeton, NJ: Princeton University Press.
- Kenen, P. (2000) "Fixed versus Floating Exchange Rates," *Cato Journal*, 20: 109–13.
- Kenen, P.B. (1984) "Macroeconomic Theory and Policy: How the Closed Economy was Opened," chapter 13 in R.W. Jones and P.B. Kenen (eds) *Handbook of International Economics, Volume 1*, Amsterdam: North-Holland.
- Levy-Yeyati, E. and Sturzenegger, F. (2005) "Classifying Exchange Rate Regimes: Deeds vs. Words," *European Economic Review*, 49: 1603–1635.
- Li, Y. (2006) "Trade Balance: Numbers Can Be Deceiving," *China & World Economy* 14: 54–70.
- McCulloch, R. (1983) "Unexpected Real Consequences of Floating Exchange Rates," *Princeton Essays in International Finance*, 154: 6.
- Modigliani, F. and Solow, R. M. (2001) "America Is Borrowing Trouble," *New York Times*, April 9.
- McKibbin, W. (1988) "International Policy Coordination," *Economic Record*, 64: 242–53.
- Mundell, R. (1960) "The Monetary Dynamics of International Adjustment under Fixed and Floating Exchange Rates," *Quarterly Journal of Economics*, 74: 227–57.
- (1961) "Flexible Exchange Rates and Employment Policy," *Canadian Journal of Economics and Political Sciences*, 27: 509–17.
- (1963) "Capital Mobility and Stabilization Policy under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Sciences*, 29: 475–8. These and other related articles by Mundell are gathered in his *International Economics* (1968) New York: Macmillan.
- (1968) *International Economics*, (chs 17–19), New York: Macmillan.
- Obstfeld, M. and Rogoff, K. (1995) "The Mirage of Fixed Exchange Rates," *Journal of Economic Perspectives*, 9: 73–96.
- OECD (2001) "Saving and investment: determinants and policy implications," *OECD Economic Outlook* No. 70, December.
- Poole, W. (2005) "How Dangerous is the US Current Account Deficit?," Economic Policy Lecture Series (Nov. 9), St. Charles, Mo.: Lindenwood University.
- Rebello J. and Price, E. (2005) "Greenspan Warns Against Raising Tariffs on China," *Dow Jones Newswires and Wall Street Journal*, June 24.
- Reinsdorf, M. (2005) "Saving, Wealth, Investment, and the Current-Account Deficit," *Survey of Current Business*, April, 85: 3.
- Takayama, A. (1969) "The Effects of Fiscal and Monetary Policies under Flexible and Fixed Exchange Rates," *Canadian Journal of Economics*, 2: 190–209.
- Taylor, M. P. (1995) "The Economics of Exchange Rates," *Journal of Economic Literature* 33: 13–47.
- U.S. Census Bureau, Foreign Trade Statistics – Trade with China.
- Vines, D. (1947) "Absorption Approach to the Balance of Payments," in *New Palgrave Dictionary of Economics*.

Chapter 15

- Baxter, M. (1995) "International Trade and Business Cycles," in G. Grossman and K. Rogoff (eds) *Handbook of International Economics*, Vol.III: 1801–1864, Amsterdam: Elsevier.
- Bryant, R., Currie, D., Frenkel, J., Masson, P., and Portes, R. (eds) (1989) *Macroeconomic Policies in an Interdependent World*, Washington, DC: Brookings Institution.
- Bunkley, N. (2007) "Another Spin for 'Buy American,'" *New York Times*, June 14.

- 'Buy American Act,' Department of State – International Information Programs (<http://usinfo.state.gov/products/pubs/trade/glossac.htm#buyam>).
- Calvo, G., and Reinhart, C. (2002) "Fear of Floating," *Quarterly Journal of Economics*, 117: 379–408.
- Camdessus, M. (1995) "Drawing Lessons from the Mexican Crisis: Preventing and Resolving Financial Crises – the Role of the IMF," *Managing Director of the International Monetary Fund (IMF)*, May 22.
- Centoni, M., Cubadda, G., and Hecq, A. (2003) "Common Shocks, Common Dynamics, and the International Business Cycle," 4th Eurostat and DG Ecfm Colloquium on Modern Tools for Business Cycle Analysis, October, Luxembourg, European Parliament.
- Cooper, R. (1986) "Dealing with the Trade Deficit in a Floating Rate System," *Brookings Papers on Economic Activity*, 1986: 195–208.
- (2001) "Is the U.S. Current Account Deficit Sustainable? Will it be Sustained?," *Brookings Papers on Economic Activity*, 2001: 217–26.
- Dornbusch, R. (1987) "External Balance Correction: Depreciation or Protection?," *Brookings Papers on Economic Activity*, 1987: 249–70.
- (1980) *Open Economy Macroeconomics*, New York: Basic Books.
- Fischer, S. (2001) "Distinguished Lecture on Economics in Government: Exchange Rate Regimes: Is the Bipolar View Correct?," *Journal of Economic Perspectives*, 15: 3–24.
- Garton P. and Chang, J. (2005) "The Chinese Currency: How Undervalued and How Much does it Matter?," Canberra: Australian Treasury *Economic Round Up*, http://www.treasury.gov.au/documents/1042/PDF/Spring_2005_Economic_Roundup.pdf.
- Glain, S. (1998) "Japan's Inaction Hurts Other Asian Countries," *Wall Street Journal*, July 27.
- Helliwell, J. and Padmore, T. (1985) "Empirical Studies of Macroeconomic Interdependence," in R. Jones and P. Kenen (eds), *Handbook of International Economics*, Vol. II: 1107–1151, Amsterdam: North-Holland.
- Hoare, T.F. (1977) "International Economic Interdependence, – the Commission of the European Communities's Meteor Model," Brussels: Directorate General for Economic and Financial Affairs of the EEC Commission.
- Hooper, P. and Marquez, J. (1995) "Exchange Rates, Prices and External Adjustment in the United States and Japan," in Peter Kenen (ed.), *Interdependence and the Macroeconomics of the Open Economy*, Princeton: Princeton University Press.
- Johnson, H. (1958) "Toward a General Theory of the Balance of Payments," in J. Frenkel and H. Johnson (eds.), *The Monetary Approach to the Balance of Payments*, Toronto: University of Toronto Press.
- Krugman P. and Baldwin, R. (1987) "The Persistence of the US Trade Deficit," *Brookings Papers on Economic Activity*, 1987: 1–55.
- Krugman, P. (1992) "Adjustment in the World Economy," in P. Krugman *Currencies and Crises* (1–30), Cambridge: MIT Press.
- (1998) "Latin America's Swan Song," (<http://web.mit.edu/krugman/www/swansong.html>).
- Larsen, F., Llewellyn J., and Potter, S. (1993) "Estimates of Policy Interdependence for EU countries – Impact of a real depreciation," *International Economic Linkages – OECD Economic Studies No. 1*, Paris: OECD.
- Lin, S. (2006) "Does it pay to go to the corners? An empirical evaluation of the bipolar view of exchange rates," *Economics Letters*, 92: 342–7.
- McKibbin, W. (1988) "International Policy Coordination," *Economic Record* 64: 242–53.
- McKinnon, R. (2001) "The International Dollar Standard and the Sustainability of the US Current Account Deficit," *Brookings Papers on Economic Activity*, 2001: 227–37.
- Mann, C. (1999) *Is the US Trade Deficit Sustainable?*, IIE, Ch. 10.
- Meteor (1977) *Netherlands Central Planbureau for the EEC Commission*.
- Munchau, W. (2007) "The Fiscal Fallacy of Decoupling from America," *Financial Times*, April 16.
- Mundell, R. (1960) "The Monetary Dynamics of International Adjustment under Fixed and Floating Exchange Rates," *Quarterly Journal of Economics*, 74: 227–57.
- Norton, S. and Schlagenhauf, D. (1996) "The Role of International Factors in the Business Cycle: A Multi-Country Study," *Journal of International Economics*, 37: 85–104.
- Obstfeld M. and Rogoff, K. "Perspectives on OECD Economic Integration: Implications for US Current Account Adjustment," Center for International and Development Economics Research, Working Paper Series 1006, 2006, UC Berkeley (<http://www.kc.frb.org/PUBLICAT/SYMPOS/2000/rogoff.pdf>).
- Quiggin, J. (2004) "The Unsustainability of US Trade Deficits," *The Economists' Voice*, 1(3): 1–10.

- Rodrik D. and Devarajan, S. (1992) "Do the Benefits of Fixed Exchange Rates Outweigh Their Costs? The Franc Zone in Africa," in I. Goldin and A.L. Winters (eds), *Open Economies: Structural Adjustment and Agriculture*, London: Cambridge University Press for CEPR.
- Simonds, D. (2007) "Switching Engines: Global economic growth has become less dependent on American spending," *The Economist*, Feb 22.
- Swan, T. (1963) "Longer Run Problems of the Balance of Payments," in *The Australian Economy: A Volume of Readings*, H.W. Arndt and M.W. Corden (eds), Melbourne: Cheshire Press. Reprinted in Caves and Johnson, *Readings in International Economics*, 1968, Homewood, IL: Irwin.
- Weber, W. (1986) "Do Sterilized Interventions Affect the Exchange Rate?," *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1986: 14–23.

Chapter 16

- Akram, F., Rime, D., and Sarno, L. (2005) "Arbitrage in the Foreign Exchange Market," *Central Bank of Norway Working Paper*, Oslo: Central Bank of Norway.
- Bank for International Settlements (BIS) (2005) <http://www.bis.org>, Triennial Central Bank Survey, Foreign Exchange and Derivative Markets Activity in 2004, Basel, Switzerland.
- Chicago Mercantile Exchange Group (CME), Chicago USA, <http://www.cme.com>.
- Congressional Budget Office (2007) CBO Testimony by Peter R. Orszag director, Foreign Holdings of US, Government Securities and the US Current Account before the Committee on the Budget U.S. House of Representatives, June 26 Washington: CBO. <http://www.cbo.gov/ftpdoc.cfm?index=8264&type=1>.
- Department of Treasury, Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System (2007) Report on Foreign Portfolio Holdings of US Securities as of June 30, 2006, New York: Federal Reserve Bank. <http://www.ustreas.gov/tic/fpis.html>.
- Egan, J. (2005) "Check the Currency Risk. Then Multiply by 100," *New York Times*, June 19.
- Evans, M.D.D. and Lyons, R.K. (2002a) "Order Flow and Exchange Rate Dynamics," *Journal of Political Economy*, 110: 170–80.
- (2002b) "Informational Integration and FX Trading," *Journal of International Money and Finance*, 21: 807–31.
- Fieleke, N. (1985) "The Rise of the Foreign Currency Futures Market," *New England Economic Review*, March.
- Froot, K. and Thaler, R. (1990) "Anomalies: Foreign Exchange," *Journal of Economic Perspectives*, 4: 179–92.
- Lewis, K. (1995) "Puzzles in International Financial Markets," in G. Grossman and K. Rogoff (eds), *Handbook of International Economics*, Vol. III Amsterdam: Elsevier 1913–1972.
- Lyons, R.K. and Moore, M. (2005) "An Information Approach to International Currencies," *NBER Working Paper* No. 1122 Berkeley: University of California.
- Menkhoff, L. and Taylor, M. (2007) "The Obstinate Passion of Foreign Exchange Professionals: Technical Analysis," *Journal of Economic Literature* 45: 936–72.
- Neely, C. J. (1997) "Technical Analysis in the foreign exchange market: A Layman's Guide," *St Louis Federal Reserve Review* Sept./Oct. <http://research.stlouisfed.org/publications/review/97/09/9709cn.pdf>.
- Osler, C.L. (2000) "Support for Resistance: Technical Analysis and Intraday Exchange Rates," *Federal Reserve Bank of New York Economic Policy Review*, 6: 53–67.
- (2003) "Currency Orders and Exchange Rate Dynamics: Explaining the Success of Technical Analysis," *Journal of Finance*, 58: 1791–1820.
- Rhee, S.G. and Chang, R.P. (1992) "Intraday Arbitrage Opportunities in Foreign Exchange and Eurocurrency Markets," *Journal of Finance*, 47: 363–79.
- Shleifer, A. and Vishny, R. (1997) "The Limits of Arbitrage," *Journal of Finance*, 52: 35–55.
- Thornton, D. (1989) "Tests of Covered Interest Rate Parity," *Federal Reserve Bank of St. Louis Review*, July.
- World Trade Organization (2006), International Trade Statistics 2006 http://www.wto.org/english/res_e/statis_e/its2006_e/its06_toc_e.htm, Geneva, Switzerland.

Chapter 17

- Abidin, M. and Ahmad, Z. (1999) "The Financial Crisis in Malaysia: the Economic and Political Consequences," *Institute of South East Asian Studies*, 6.
- Aliber, R. (2002) *The New International Money Game*, 6th edn, Chicago: University of Chicago Press.
- Anker, P. (1999) "Uncovered Interest Parity, Monetary Policy and Time-Varying Risk Premia," *Journal of International Money and Finance*, 18: 835–51.
- Bank of England, Statistics, <http://213.225.136.206/statistics/index.htm>.
- Bansal, R. and Dahquist, M. (2000) "The Forward Premium Puzzle: Different Tales from Developed and Emerging Markets," *Journal of International Economics*, 51: 115–44.
- Bekaert, G., Wei, M., and Xing, Y. (2002) "Uncovered Interest Rate Parity and the Term Structure," *NBER Working Paper #8795*.
- Berk, J.M. and Knot K.H.W. (2001) "Testing for Long-Horizon UIP using PPP-Based Exchange Rate Expectations," *Journal of Banking and Finance*, 25: 377–91.
- Burnside, C., Eichenbaum, M., Kleshchelski, I., and Rebelo, S. (2006) "The Returns to Currency Speculation," *NBER Working Paper 12489*.
- Cavallo, M. (2006) "Interest Rates, Carry Trades, and Exchange Rate Movements," *Federal Reserve Bank of San Francisco Economic Letter*, 2006–31.
- Chinn, M.D. and Meredith, G. (2004) "Monetary Policy and Long-Horizon Uncovered Interest Parity," *IMF Staff Papers*, 51: 409–30.
- (1998) "Long-Horizon Uncovered Interest Rate Parity," *NBER Working Paper #6797*.
- Deardorff, A. (1979) "One-Way Arbitrage and Its Implications for the Foreign Exchange Market," *Journal of Political Economy*, 87: 351–64.
- Engel, C. (1996) "The Forward Discount Anomaly and the Risk Premium: A Survey of the Recent Evidence," *Journal of Empirical Finance*, 3: 123–92.
- Faust, J. and Rogers, J.H. (1999) "Monetary Policy's Role in Exchange Rate Behavior," *International Finance Discussion Paper #652*.
- Flood, R.P. and Rose, A.K. (1996) "Fixes: Of the Forward Discount Puzzle," *Review of Economics and Statistics*, 78: 748–52.
- (2002) "Uncovered Interest Parity in Crisis," *IMF Staff Papers*, 49: 252–66.
- Frankel, J. (1992) "Measuring International Capital Mobility: A Review," *American Economic Review, Papers and proceedings*, 82: 197–202.
- (1993) "International Financial Integration: Relations between Interest Rates and Exchange Rates," in D. Das (ed.), *International Finance Contemporary Issues*, London: Routledge.
- Galati, G. and Melvin, M. (2004) "Why Has FX Trading Surged? Explaining the 2004 Triennial Survey," *Bank of International Settlements Quarterly Review* 67–98.
- Grabbe, J. (1999) *International Financial Markets*, New York: Elsevier.
- Humpage, O. F. (2007) "The Yen Carry Trade," *Economic Trends*, Cincinnati: Federal Reserve Bank of Cincinnati.
- International Monetary Fund, *International Capital Markets*, Washington DC: IMF various years.
- Isard, P. (2006) "Uncovered Interest Parity," *IMF working paper*.
- Lewis, K. (1995) "Puzzles in International Financial Markets," in G. Grossman and K. Rogoff (eds), *Handbook of International Economics*, Vol. III, Amsterdam: North-Holland.
- Mark, N.C. and Wu, Y. (1998) "Rethinking Deviations from Uncovered Interest Parity: The Role of Covariance Risk and Noise," *Economic Journal*, 108: 1686–1706.
- McCallum, B.T. (1994) "A Reconsideration of the Uncovered Interest Parity Relationship," *Journal of Monetary Economics*, 33: 105–32.
- McGuire, P. and Tarashev, N. (2006) "The International Banking Market," *Bank of International Settlements Quarterly Review* (June) 11–25.
- Taylor, M. (1995) "The Economics of Exchange Rates," *Journal of Economic Literature*, 33: 13–47.
- Thornton, D. (1989) "Tests of Covered Interest Arbitrage," *Federal Reserve Bank of St. Louis*, St. Louis: Federal Reserve.

Chapter 18

- Argy, V. (1994) *International Macroeconomics: Theory and Policy*, New York: Routledge.
- Bank of International Settlements (2001) "Comparing monetary policy operating procedures across the United States, Japan and the euro area," *BIS Papers* 9.
- Bofinger, P. (1999) "The Conduct of Monetary Policy by the European Central Bank According to Article 105 of the Treaty versus the Real Economy," Working Paper, University of Würzburg.
- Buckman, R. (2003) "Weak Dollar Won't Fix Huge US Trade Deficit," *Wall Street Journal*, May 22.
- Buiter, W. H. (1999) "Alice in Euroland," *Journal of Common Market Studies*, 37: 181–209.
- Enoch, C. and Gulde, A. (1998) "Are Currency Boards a Cure for All Monetary Problems?," *Finance and Development*, 35/Dec: 40–3.
- European Central Bank (1999) "The Stability-Oriented Monetary Policy Strategy of the Eurosystem," *ECB Monthly Bulletin*, Jan: 39–50.
- (2001) *The Monetary Policy of the ECB*, Frankfurt: ECB.
- Fleming, J. M. (1962) "Domestic Financial Policies under Fixed and under Flexible Exchange Rates," *IMF Staff Papers*, 9: 369–79.
- Frenkel, J. and Mussa, M. (1987) "The Mundell–Fleming Model a Quarter Century Later," *IMF Staff Papers*, 34: 567–620.
- Friedman, M. (1988) "Lessons on Monetary Policy from the 1980s," *Journal of Economic Perspective*, Summer.
- Hume, D. (1752) "On the Balance of Trade," reprinted in R. Cooper (ed.), *International Finance: Readings* (1969), Baltimore: Penguin Books.
- International Monetary Fund (1996) "Currency Boards Circumscribe Discretionary Monetary Policy," *IMF Survey*, 5.
- Issing, O., Gaspar, V., Angeloni, I., and Tristani, O. (2001) *Monetary Policy in the Euro Area*, Cambridge: Cambridge University Press.
- Kenen, P. (1985) "Macroeconomic Theory and Policy: How the Closed Economy Was Opened," in R. Jones and P. Kenen (eds), *Handbook of International Economics*, Amsterdam: North-Holland, II: 625–78.
- Krueger, A. (2002) "Crisis Prevention and Resolution: Lessons from Argentina." Speech to National Bureau of Economic Research Conference on "The Argentina Crisis," Cambridge, MA (July 17). Available at <http://www.imf.org/external/np/speeches/2002/071702.htm>.
- Krugman, P. (2000) "Reckonings; The Shadow of Debt," *The New York Times*, November 22.
- Moreno, R. (2002) "Learning from Argentina's Crisis," *FRBSF Economic Letter*, Oct 18: 2002–2031.
- Mundell, R. A. (1960) "The Monetary Dynamics of International Adjustment under Fixed and Flexible Exchange Rates," *Quarterly Journal of Economics*, 84: 227–57.
- (1961) "The International Disequilibrium System," *Kyklos*, 14.
- (1962) "The Appropriate Use of Monetary and Fiscal Policy for Internal and External Stability," *IMF Staff Papers*, 9: 70–7.
- (1963) "Capital Mobility and Stabilization Policy under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29: 475–85.
- (1968) *International Economics*, New York: Macmillan.
- (2001) "The History of the Mundell–Fleming Model: Keynote Speech," *IMF Staff Papers*, 47: 215–27.
- Mussa, M. (2002) *Argentina and the Fund: From Triumph to Tragedy*, Policy Analyses in International Economics, 67, Washington, D.C.: Institute for International Economics.
- Niehans, J. (1968) "Monetary and Fiscal Policies in Open Economies under Fixed Exchange Rates: An Optimizing Approach," *Journal of Political Economy*, 76: 893–920.
- Obstfeld, M., and Rogoff, K. (1995) "The Mirage of Fixed Exchange Rates," *Journal of Economic Perspectives* 9: 73–96.
- Person, T. and Svensson, L. (1995) "The Operation and Collapse of Fixed Exchange Rate Regimes," in G. Grossman and K. Rogoff (eds), *Handbook of International Economics*, 3: 1865–1911, Amsterdam: Elsevier.
- Semmler, W., Greiner, A., and Zhang W. (2006) *Monetary and Fiscal Policies in the Euro-Area: Macro Modeling, Learning and Empirics*, Heidelberg: Springer Verlag.

Turnovsky, S. J. (1977) *Macroeconomic Analysis and Stabilization Policy*, Cambridge: Cambridge University Press.

Chapter 19

- Argy, V. (1994) *International Macroeconomics: Theory and Policy*, New York: Routledge.
- Black, S. (1984) "The Relationship Between Exchange Rate Policy and Monetary Policy In Ten Industrial Countries," in J. Bilson and R. Marston (eds), *Exchange Rate Theory And Practice*, Chicago: University of Chicago Press.
- Boughton, J. (1989) "Policy Assignment Strategies with Somewhat Flexible Exchange Rates," in B. Eichengreen, M. Miller, and R. Portes (eds), *Exchange Rate Regimes and Macroeconomic Policy*, London: Academic Press.
- Cooper, R. (1986) "Dealing with the Trade Deficit in a Floating Rate System," *Brookings Papers on Economic Activity*, 1986: 195–208.
- Dornbusch, R. (1980) *Open Economy Macroeconomics*, New York: Basic Books.
- (1987) "External Balance Correction: Depreciation or Protection?," *Brookings Papers on Economic Activity*, 1987: 249–70.
- Dunn, R. (1983) "The Many Disappointments of Flexible Exchange Rates," *Princeton Essays in International Finance*, 154.
- Fleming, J.M. (1962) "Domestic Financial Policies under Fixed and under Flexible Exchange Rates," *IMF Staff Papers*, 9: 369–79.
- Frankel, J. (1993) *On Exchange Rates*, Cambridge, MA: MIT Press.
- Frenkel, J. and Mussa, M. (1987) "The Mundell–Fleming Model a Quarter Century Later," *IMF Staff Papers*, 34: 567–620.
- Friedman, M. (1953) "The Case for Flexible Exchange Rates," in *Essays in Positive Economics*, Chicago: University of Chicago Press.
- (1988) "Lessons on Monetary Policy from the 1980s," *Journal of Economic Perspective*, 2: 51–72.
- Helliwell, J. (1969) "Monetary and Fiscal Policies for an Open Economy," *Oxford Economic Papers*, 21: 35–55.
- MacDonald, R. (1988) *Floating Exchange Rates: Theory and Evidence*, London: Unwin Hyman.
- Mundell, R. (1962) "The Appropriate Use of Monetary and Fiscal Policy for Internal and External Stability," *IMF Staff Papers*, 9: 70–7.
- (1963) "Capital Mobility and Stabilization Policy under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29: 475–85.
- (1968) *International Economics*, ch. 17–19, New York: Macmillan.
- Oudiz, G. and Sachs, J. et al. (1984) "Macroeconomic Policy Coordination among Industrialized Countries," *Brookings Papers on Economic Activity*, 1984: 1–75.
- Sohmen, E. (1969) *Flexible Exchange Rates*, Chicago: University of Chicago Press.
- Swoboda, A. and Dornbusch, R. (1973) "Adjustment Policy and Monetary Equilibrium in a Two-Country Model," in M. Connolly and A. Swoboda (eds), *International Trade and Money*, London: George Allen and Unwin.
- Turnovsky, S. (1977) *Macroeconomic Analysis and Stabilization Policy*, Cambridge: Cambridge University Press.

Chapter 20

- Balassa, B. (1964) "The Purchasing Power Parity Doctrine: A Reappraisal," *Journal of Political Economy*, 72: 584–96.
- Cassel, G. (1928) *Post-War Monetary Stabilization*, New York: Columbia University Press.
- Dornbusch, R. (1976) "Expectations and Exchange Rate Dynamics," *Journal of Political Economy*, 84: 1161–1176.
- (1987) "Purchasing Power Parity," in J. Eatwell, M. Milgate, and P. Newman (eds), *The New Palgrave*, Vol. 3, New York: Macmillan.

- Frenkel, J.A., Gylfason T., and Heliwell, J.F. (1980) "A Synthesis of Monetary and Keynesian Approaches to the Short-Run Balance of Payment Theory," *The Economic Journal*, 90: 582–92.
- Frankel, J. and Rose, A. (1996) "A Panel Project on Purchasing Power Parity: Mean Reversion Within and Between Countries," *Journal of International Economics* 40: 209–24.
- Frenkel, J. and Johnson, H. (eds) (1976) *The Monetary Approach to the Balance of Payments*, London: Allen and Unwin.
- International Monetary Funds (1977) *The Monetary Approach to the Balance of Payments*, Washington D.C.: International Monetary Funds.
- Kravis, I. and Lipsey, R. (1983) *Toward an Explanation of National Price Levels*, Princeton Studies in International Finance, No 52. Princeton N.J.: International Finance Section, Department of Economics, Princeton University.
- Lothian, J. and Taylor, M. (1996) "Real Exchange Rate Behavior: The Recent Float from the Perspective of the Past Two Centuries," *Journal of Political Economy*, 104: 488–509.
- Rogoff, K. (1996) "The Purchasing Power Parity Puzzle," *Journal of Economic Literature*, 34: 647–68.
- Samuelson, P. (1964) "Theoretical Notes on Trade Problems," *Review of Economics and Statistics*, 46: 145–54.
- Summers, R. and Heston, A. (1991) "The Penn World Tables: An Expanded Set of International Comparisons, 1950–1988," *Quarterly Journal of Economics*, 106: 327–68.
- Vernon, R. (1966) "International Investment and International Trade in the Product Cycle," *Quarterly Journal of Economics* 80:190–207.

Chapter 21

- Bordo M. and Eichengreen, B. (eds) (1993) *A Retrospective on the Bretton Woods System*, Chicago: University of Chicago Press.
- Branson, W. (1984) "Exchange Rate Policy after a Decade of Floating," in J. Bilson and R. Marston (eds), *Exchange Rate Theory and Practice*, Chicago: University of Chicago Press.
- Crockett, A. (1997) "The Theory and Practice of Financial Stability," *Princeton Essays in International Finance*, 203: April.
- Dornbusch, R. (1980) "Exchange Rates Economics: Where Do We Stand?," *Brookings Papers on Economic Activity*, 1980:143–85.
- Eichengreen, B. and Flandreau, M. (eds) (1997) *The Gold Standard in Theory and History*, London: Routledge.
- Frankel, J. (1996) "Recent Exchange Rate Experience and Proposal for Reforms," *American Economic Review*, Papers and proceedings, 86: 153–8.
- Hume, D. (1898) "On the Balance of Trade," in *Essays: Moral, Political and Literary*, London: Longmans Green.
- Keynes, J.M. (1920) *The Economic Consequences of the Peace*, New York: Harcourt Brace.
- (1931) "The Economic Consequence of Mr. Churchill," in J.M. Keynes, *Essays in Persuasion*, reprinted (1991) New York: W.W.Norton.
- McKinnon, R. (1996) *The Rules of the Game*, Cambridge: MIT Press.
- Meese, R. (1990) "Currency Fluctuations in the Post-Bretton Woods Era," *Journal of Economic Perspectives*, 4: 3–24.
- Moggridge, D.E. (1972) *British Monetary Policy 1924–1931: the Norman Conquest of Four Dollars & Eighty Six Cents*, reprinted (1992) London: Ashgate Publishing Company.
- Nurske, R. (1944) *International Currency Experience*, Geneva: League of Nations.
- Triffin, R. (1960) *Gold and the Dollar Crisis*, New Haven and London: Yale University Press.

Chapter 22

- Artis, M. (1992) "The Maastricht Road to Monetary Union," *Journal of Common Market Studies*, 30: 299–310.
- Blanchard, O. (2006) "Portugal, Italy, Spain, and Germany: The Implications of a Suboptimal Currency Area," New York: WEL–MIT meeting.
- De Grauwe, P. (1994) "Towards European Monetary Union without the EMS," in *Economic Policy*, Cambridge: Cambridge University Press: 149–85.
- (1994) *The Economics of Monetary Integration*, Oxford: Oxford University Press.
- Economic Report of the President (1999) Executive Office of the President of the United States, Washington: Government Printing Office: 291–305.
- Eichengreen, B. (1993) "European Monetary Unification," *Journal of Economic Literature*, 31: 1321–1357.
- Eichengreen, B. and Wyplosz C. (1998) "The Stability Pact: More than a Minor Nuisance?," *Economic Policy*, 26: 65–113.
- Giavazzi, F., Micossi, S., and Miller, M. (eds) (1988) *The European Monetary System*, Cambridge: Cambridge University Press.
- Giavazzi F. and Giovannini, A. (1989) *Limiting Exchange Rate Flexibility: The European Monetary System*, Cambridge, MA: MIT Press.
- Higgins, B. (1993) "Was the ERM Crisis Inevitable?," *Economic Review*, Kansas Federal Reserve, 78/4: 27–40.
- McKinnon, R. (1963) "Optimum Currency Area," *American Economic Review*, 54: 717–25.
- Mundell, R. (1961) "A Theory of Optimum Currency Areas," *American Economic Review*, 52: 657–65.
- Padoa-Schioppa, T. (1988) "The EMS: A Long-Term View," in F. Giavazzi, S. Micossi, and M. Miller (eds), *The European Monetary System* Banca d'Italia, Centre for Economic Policy Research, Cambridge: Cambridge University Press.
- Padoa-Schioppa, T., et al. (1987) *Efficiency, Stability and Equity*, Oxford: Oxford University Press: ch. 8 and ch. 12.
- Portes, R. and Rey H. (1998) "The Emergence of the Euro as an International Currency," *Economic Policy*, 26: 305–43.
- Swann, D. (1992) "Economic and Monetary Union," in *The Economics of the Common Market*, 7th ed., London: Penguin (ch. 7: 199–245).
- Tew, B. (1992) "Onwards to EMU," in *The Single European Market and Beyond*, D. Swann (ed.), London: Routledge (ch. 8: 193–211).
- Thygesen, N. (1993) "Towards Monetary Union in Europe," *Journal of Common Market Studies*, 31: 447–72.
- Tsoukalis, L. (1993) *The New European Economy*, Oxford: Oxford University Press.
- Ungerer, H., Evans O., and Young P. (1983) *The European Monetary System: The Experience*, Washington: International Monetary Fund.
- van Ypersele, J. and Koeune J. C. (1985) *The European Monetary System*, Cambridge: Cambridge University Press (chapters 2 and 3).

Chapter 23

- Boorman, J., Lane, T., Ghattas, M.S., Bulir, A., Gjosh, A., Haverman, X., Mourmouras, A., and Phelps, S. (2000) "Managing the Financial Crisis: The Experience in East Asia," IMF Working Paper 107.
- Chinn, Menzie D. (1998) "Before the Fall: Were East Asian Currencies Overvalued?," NBER working paper 6491.
- Chiodo, A.J. and Owyang, M.T. (2002) "A Case Study of a Currency Crisis: The Russian Default of 1998," *St. Louis Federal Reserve Review*, 11.

- Doraisami, A. (2005) "The Political Economy of Capital Flows and Capital Controls in Malaysia," *Journal of Contemporary Asia*, 35: 249–63.
- Eichengreen, B., (1999) "The International Monetary Fund in the Wake of the Asian Crisis," University of California-Berkeley Working Paper.
- FDIC, (1997) "Chapter 5: The LDC Debt Crisis," in *History of the Eighties – Lessons for the Future*, FDIC's Public Information Center.
- Feldstein, M. (1999) "A Self-Help Guide for Emerging Markets," *Foreign Affairs*, 78: March/April.
- Fischer, S. (1997) "Closing Remarks: What Have we Learned?," in G. Perry, G. Calvo, W. M. Corden, S. Fischer, Sir A. Walters, and J. Williamson, *Currency Boards and External Shocks: How Much Pain, How Much Gain?* Washington, D.C.: The World Bank.
- Gutián, M. (1998) "The Challenge of Managing Global Capital Flows," *Finance and Development*, 35: June.
- Haggard, S. (2000) *The Political Economy of the Asian Financial Crisis*, Washington, D.C.: Institute for International Economics.
- Haggard, S. and MacIntyre, A. (2000) "The political economy of the Asian financial crisis: Korea and Thailand Compared," in G.W. Noble and J. Ravenhill (eds), *The Asian Financial Crisis and the Architecture of Global Finance*, Cambridge: Cambridge University Press.
- IMF (1997) "Globalization in Asia: Challenges for Regional Cooperation and Implications for Hong Kong," *IMF Survey*, March 26: no. 5.
- IMF Staff (1998) "The Asian Crisis: Causes and Cures," *Finance and Development*, June 35: 2.
- IMF External Relations Department (1999) "The IMF's Response to the Asian Crisis," Factsheet, January <http://imf.org/external/np/exr/facts/asia.htm>.
- Kindleberger, C.P. (1978) *Manias, Panics, and Crashes: A History of Financial Crises*, New York. Basic Books.
- Krueger, A. O. (1987) "Debt, Capital Flows, and LDC Growth," *The American Economic Review*, Papers and Proceedings 77: 159–64.
- Krugman, P. (1979) "A Model of Balance-of-Payments Crises," *Journal of Money, Credit, and Banking*, 11: 311–25.
- (1998) "Saving Asia: It's Time to Get Radical," *Fortune*, September 7: 75–80.
- Mishkin, F.S. (1999) "Lessons from the Asian Crisis," National Bureau of Economic Research. Working Paper Series. Working Paper No. 7102. April.
- Mohanty, M.S. and Turner, P. (2006) "Foreign exchange reserve accumulation in emerging markets: what are the domestic implications?," *Bank for International Settlements Quarterly Review*, September.
- Nanto, D.K. (1998) "CRS Report: The 1997–1998 Asian Financial Crisis," CRS Report for Congress, February 6, <http://www.fas.org/man/crs/crs-asia2.htm>.
- Rodrik, D. (2006) "The Social Cost of Foreign Exchange Reserves," NBER Working Paper 11952.
- Sachs, J. and Solomon, R. (1981) "The Debt of Developing Countries: Another Look," *Brookings Papers on Economic Activity*, 1981: 593–607.
- Sachs, J. (1998) "The IMF and the Asian Flu," *The American Prospect*, 37: 16–21.
- Sachs, J. D., Cooper, R. N. and Fischer, S. (1981) "The Current Account and Macroeconomic Adjustment in the 1970s," *Brookings Papers on Economic Activity*, 1981: 201–82.
- Sachs, J.D. and Woo, W.T. (1999) "The Asian Financial Crisis: What Happened and What is to be Done," University of Michigan Working Paper.
- Saxena, S.C. (2004) "The Changing Nature of Currency Crises since the 1970s," *Journal of Economic Surveys*, 18: 321–50.
- Vasquez, I. (1996) "The Brady Plan and Market-Based Solutions to Debt Crises," *Cato Journal*, 16: 233–43.