CONTENTS

List of figures ix
List of tables xiii
List of contributors xv
Preface xix

PART I
History 1

1 West European economic integration since 1950 3
Nicholas Crafts

2 The history of European economic and monetary union 22
Harold James

3 History of economic thought and policy-making at the European Commission 38
Ivo Maes

PART II
The Single Market and the euro 53

4 The economics of the Single Market 55
Harry Flam

5 Factor movements: FDI 70
Bent E. Sørensen and Carolina Villegas-Sanchez
Contents

6  The euro as an international currency
    Agnès Bénassy-Quéré 82

PART III
Monetary and fiscal policy 101

7  The common currency: More complicated than it seems
    Charles Wyplosz 103

8  Design failures in the Euro Area: Can they be fixed?
    Paul De Grauwe 119

9  The credit channel of monetary policy in the Euro Area
    Angela Maddaloni and José-Luis Peydró 132

10 Fiscal policy in the EU: An overview of recent and potential future developments
    Roel Beetsma 143

11 The roles of fiscal rules, fiscal councils and fiscal union in EU integration
    Lars Calmfors 157

PART IV
Trade issues 171

12 European integration and the gains from trade
    Gianmarco I.P. Ottaviano 173

13 The effects of European integration on the stability of international trade:
    A duration perspective
    Tibor Besedes 188

14 EU trade policy
    André Sapir 205

15 The EU and the US: TTIP
    Gabriel Felbermayr 220

16 The EU and the ACP countries
    Ludger Kühnhardt 238
Contents

PART V
Selected policy areas 253

17 Regional policy
Sascha O. Becker, Peter H. Egger and Maximilian von Ehrlich 255

18 The common agricultural policy
Johan Swinnen 269

19 Labor and social policy
Giuseppe Bertola 284

20 Tax competition and tax coordination
Christian Keuschnigg, Simon Loretz and Hannes Winner 295

21 Financial market integration, regulation and stability
Angel Ubide 312

PART VI
The crisis 329

22 The crisis in retrospect: Causes, effects and policy responses
Fritz Breuss 331

23 Exceptional policies for exceptional times: The ECB's response to
the rolling crises of the euro area
Lucrezia Reichlin and Huw Pill 351

24 Living (dangerously) without a fiscal union
Ashoka Mody 376

25 Reforming the architecture of EMU: Ensuring stability in Europe
Jakob de Haan, Jeroen Hessel and Niels Gilbert 408

PART VII
Institutions 433

26 The political economy of European integration
Enrico Spolaore 435

27 Efficiency, proportionality and member states' power in the EU
Council of Ministers
Nikolaos Antonakakis, Harald Badinger and Wolf Heinrich Reuter 449
Contents

28 Measuring European economic and institutional integration 467
Helge Berger and Völker Nitsch

29 The dynamics of European economic integration: A legal perspective 478
Erich Vranes

Index 497