

INTERNATIONAL ECONOMIC PROBLEMS

International Economic Problems

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Contents

<i>List of Tables</i>	vii
<i>Preface</i>	ix
<i>Acknowledgements</i>	xi
INTRODUCTION	1
1 MULTILATERAL TRADE NEGOTIATIONS	7
1.1 The Progress of Trade Liberalisation	7
1.2 Non-Tariff Barriers	19
1.3 Agricultural Protectionism	25
2 TRADE AND DEBT PROBLEMS OF THE THIRD WORLD	31
2.1 Expansion of Industrial Exports	31
2.2 Commodity Problems	45
2.3 LDC Debts	56
3 EAST-WEST TRADE	63
3.1 The Background	63
3.2 East-West Trade Problems	70
3.3 Prospects	74
4 THE EURODOLLAR MARKET, SHORT-TERM CAPITAL FLOWS AND CURRENCY CRISES	80
4.1 Rationale of the Eurodollar Market	81
4.2 The Eurodollar Market and Monetary Policy in Europe	85
4.3 Currency Crises	92
5 WORLD MONETARY ARRANGEMENTS	100
5.1 The Bretton Woods System	100
5.2 The 1971 Dollar Crisis and its Aftermath	106
5.3 Perspectives on International Monetary Reform	111

vi *Contents*

6	MULTINATIONAL CORPORATIONS	118
6.1	The Significance of the Multinational Corporation	118
6.2	Multinationals and Development	127
6.3	Policies towards Multinationals	136
7	TECHNOLOGY, HUMAN RESOURCES AND INTERNATIONAL COMPETITION	143
7.1	Labour Skills and Comparative Advantage	143
7.2	Technology and Trade Patterns	152
7.3	Indices of Competitiveness	159
	<i>Notes and References</i>	165
	<i>Index</i>	177

List of Tables

1.1	Average Level of Customs Duties After the Kennedy Round (per cent)	9
1.2	Industrial Import Quotas in Major Countries, 1970	21
1.3	Agricultural Import Quotas in Major Countries, 1970	26
2.1	Imports of Manufactures by 21 Developed Countries from Developing Countries, 1962, 1973	35
2.2	Leading Developing Country Exporters of Manufactures, 1970, 1972	36
2.3	Industrial Tariff Profiles in Selected Major Industrial Countries	37
2.4	Trade Creation Effects of Tariff Cuts and Quantitative Limitations Under the GSP Schemes (1971 data, in thousand U.S. dollars)	41
2.5	Estimated External Debts of Selected non-OPEC LDCs, end 1975 (data in \$ billions)	57
3.1	Trade of Industrial Western Countries with COMECON, 1975	67
3.2	Value of COMECON Countries' Exports to the West, 1975	67
3.3	East–West Trade as Percentages of Total Trade of COMECON Countries, 1973	68
4.1	Growth of the Eurocurrency Market, 1965–77 Net Size (billions of U.S. dollars)	82
4.2	Estimated Disposition of OPEC Surpluses (in billions of U.S. dollars)	97
5.1	U.S. Liabilities to Foreign Official Institutions, by Area, 1968–75 (in millions of dollars)	107
5.2	Growth Rates of Consumer Prices and Money Stock—Six Industrial Countries, 1965–74 (per cent change; annual rate)	107

viii *List of Tables*

6.1	Stock of Foreign Direct Investment (book value) held by Major Countries, 1967 and 1971	122
6.2	Distribution of Japan's Foreign Direct Investment by Industrial Sector and Region (in millions of U.S. dollars and percentage end 1973)	126

Preface

This book was designed to meet the need for a policy or problem-orientated text to complement an introductory theory text in the field of international economics. General texts, more often than not, treat international policy issues in a rather cursory fashion. This book remedies this deficiency by offering the student and the general reader an up-to-date, comprehensive and critical analysis of the keenly debated issues in international economic relations. Its purpose is to bridge the gap between the abstractions of economic theory and the complexity of economic decision-making and policy. By providing concise statements of the major problems confronting the world economy it serves as a source of topics for essays or project work assigned to students who have mastered the basic theory.

A theme that runs throughout the book is the clash of national interests against the constraints imposed on national policy-making by the inexorable trend towards interdependence in the world economy. This problem is specifically treated in the Introduction, but its undertones can be discerned in subsequent chapters. Chapter 1 discusses the issues involved in the current Tokyo Round of multilateral trade negotiations. This is followed by chapters on the trade problems of the Third World and an analysis of the new frontiers in East–West trade. The integration of money markets across the Atlantic and, indeed, financial integration in the wider world is the subject of Chapter 4, which examines the role of the Eurodollar market in this development. Chapter 5 looks at the problems of the international monetary system and discusses the failures and achievements of the post-war IMF system established at Bretton Woods – a system designed to institutionalise monetary co-operation as a permanent feature of international economic relations. Nowhere (apart from the area of com-

mercial policy) is the tension between international interdependence and national sovereignty more acute than in the sphere of international monetary arrangements. The conflicts that brought down the Bretton Woods system are described, as are the attempts to rebuild a new monetary order. The impact of multinational corporations on the world economy is the topic of Chapter 6. The book ends with a survey of recent empirical and theoretical explanations of the pattern of international trade in manufactured goods. An understanding of the underlying forces in trade patterns is appropriate in the context of the trade liberalisation and adjustment measures now currently being discussed in the Tokyo Round.

In all the discussions the findings of the very latest research are incorporated.

Throughout the text references to 'billion' = United States billion, i.e. 1 thousand million.

LEONARD GOMES

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