Students should be able to: Define the following terms and concepts related to regional integration:

TERMS AND CONCEPTS FOR REGIONAL INTEGRATION

Region: an area of a country or the world having definable characteristics but not always fixed boundaries.

Integration: the act of combining things to form a whole

Cooperation: working helpfully with others.

Bi-lateral Agreement: An agreement between two parties or states setting out the conditions under which trade between them will be conducted.

Multi-lateral Agreement: An agreement among more than two parties or nations setting out conditions under which they would cooperate with each other.

Common market: a type of trade bloc with free movement of goods, labour and capital between member states

Single market: a more advanced form of common market. In comparison to a common market a single market envisions more efforts geared towards removing the physical (borders), technical (standards) and fiscal (taxes) barriers among the member states.

Economic integration: refers to trade unification between different states by the partial or full elimination of customs duties, tariffs, quotas, licenses and non-tariff barriers (anti-dumping measures and countervailing duties) on trade taking place between them.

Independent state: A state which has achieved independence (self-government; exercising sovereignty)

Developed country: a country with a relatively high per capita income, where most people have a higher standard of living with access to more goods and services than most people in developing countries.

Developing country: A country whose resources and/or capital are insufficient to have sustained reasonable standards of living a country with a relatively low per capita income, where most people have a lower standard of living with access to fewer goods and services than most people in developed countries. Also known as a third- world country.

Underdeveloped country: A nation which, comparative to others, lacks industrialization, infrastructure, developed agriculture, and developed natural resources, and suffers from a low per capita income as a result.

Trade liberalisation: means reducing the limitations on trade that countries around the world have erected over a number of years (tariffs, duties, quotas, licenses).

Protectionism: is a means of attempting to ensure that domestic industries are protected from competition from foreign producers through tariffs, which raise the price of goods coming into a country (imports), quotas - a physical limit on the number of goods that can be brought into a country, and other non-tariff barriers such as regulations and legislation that make it very hard for foreign competitors to sell goods into another country.

Globalization: the growing interdependence of the world's economy, cultures, and populations, brought about by cross-border trade in goods and services, technology and the flow of investment, people and information.

Multinational Corporation – (MNC): A corporation that has its facilities and other assets in at least one country other than its home country. Sometimes referred to as "transnational corporation".

Transnational Corporations (TNCs): Transnational corporations, or multinational companies, are very large businesses that have offices and factories in several different countries.

Regionalism: e.g.: Increased regional identity: as a region becomes more economically integrated, it will necessarily become politically integrated as well. (The European Union)

Predatory pricing: the practice of selling a product or service at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors.

Trading bloc: a group of countries with a common interest in improving trade relations with each other by closer cooperation and integration. Nations belonging to a mutual trade pact agreeing to give each other reduced trade tariffs and other accommodations while imposing trade barriers and restrictions to non-member nations. E.g. NAFTA

A tariff: A tax levied on imported or exported goods

Non-tariff barriers: trade barriers that restrict imports but are not in the usual form of a tariff. Some common examples are anti-dumping measures and countervailing duties

Fiscal policy: refers to the expenditure a government undertakes to provide goods and services and to the way in which the government finances these expenditures.

Fiscal Policy: Measures employed by governments to stabilize the economy, specifically by adjusting the levels and allocations of government borrowing, taxes and expenditures.

Monetary policy: The process a government, central bank, or monetary authority of a country uses to control the money supply and the cost of money or rate of interest to attain a set of objectives oriented towards the growth and stability of the economy.