Asymmetric economic integration refers to integration between partners of different sizes.

The primary objective of this book is to investigate asymmetric integration – the extent to which the effects differ as a result of economic integration taking place between partner countries of different sizes. The general literature on preferential trade areas assumes that small countries gain more from economic integration than large countries because of positive scale effects and reduced trade costs. This literature, however, makes no attempt to define country size or develop any definite classification of size other than the orthodox economic theoretical terms of trade definition of a small open economy. As such, the extent to which the effects of economic integration vary according to the relative sizes of partner countries has not been addressed in the analytical literature.

The principal hypothesis investigated is whether the effects of economic integration differ according to the size of countries, i.e., to consider the effects of economic integration between asymmetric partners. Testing the hypothesis of asymmetric effects of economic integration between partners of unequal sizes, the relationship between size and the characteristics of economies is examined and the relationship between trade costs and the size classification of economies is observed.

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