Webnote 345

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **3.4 Economic integration**  **Big Question:**  1. Is economic integration desirable? |  | **Example** | **U-tube** |  |  |
| **Forms of economic integration** | | | | | | | | | |
| **157** |  |  | Preferential trade  agreements | • Distinguish between bilateral and multilateral (WTO) trade agreements.  • Explain that preferential trade agreements give preferential access to certain products from certain countries by reducing or eliminating tariffs,  or by other agreements  relating to trade. |  | **Example** | **U-tube** | **3** |  |
| **Item** | **hl** | **sl** | **Must Know** | **Must know very well! Here are the details of what you need to know.** | **Reading** | **Example** | **U-tube** | **W**  **E**  **I**  **G**  **H**  **T** | **W**  **E**  **B**  **N**  **O**  **T**  **E** |
| **158** |  |  | Trading blocs | • Distinguish between a free  trade area, a customs union  and a common market.  • Explain that economic  integration will increase  competition among producers  within the trading bloc.  • Compare and contrast the  different types of trading  blocs. |  | **Example** | **U-tube** | **3** |  |
| **159**  **HL Only** |  |  | Trading blocs | • Explain the concepts of trade creation and trade diversion in a customs union.  • Explain that different forms of economic integration allow member countries to gain from economies of scale. |  | **Example** | **U-tube** | **3** |  |
| **160** |  |  | Monetary union | • Explain that a monetary union is a common market with a common currency and a common central bank.  • Discuss the possible  advantages and  disadvantages of a monetary union for its members. |  | **Example** | **U-tube** | **4** |  |
| **TOK**  **Theory of knowledge: potential connections**  What criteria can be used to assess the benefits and the costs of increased economic integration?  Might increased economic integration ever be considered undesirable? | | | | | | | | | |