報告要旨

Farsightedly Stable FTA Structures

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Taking account of the farsightedness of the countries and adopting the von Neumann-Morgenstern (vNM) stable set as the solution concept, we examine an FTA network formation game. FTA networks are represented by undirected graphs with their vertex sets being identified with the set of the countries. Each country's welfare depends upon the shape of the graph and its location in that graph. We examine two extreme cases: one in which the pre-agreement tariffs are very high and the other in which they are sufficiently low. In the former, the farsighted vNM stable set only supports global free trade, implying that bilateral FTAs are *building blocks* for achieving global free trade. In the latter, the farsighted vNM stable set does not support global free trade, instead it supports some inefficient FTA networks, implying that bilateral FTAs are *stumbling blocks* against achieving global free trade.