

International Trade: Theory and Evidence. Graduate Course, Spring 2013

Reading List

(* optional)

1. Basic Models of International Trade

Feenstra, R. (2004), *Advanced International Trade. Theory and Evidence*. Princeton: Princeton University Press. Chapters 1, 2 and 3.

Chapter 1 Preliminaries

Chapter 2 The Heckscher-Ohlin Model

Chapter 3 Many goods and factors

Bowen, H.; A. Hollander, and J-M. Viaene (2012), *Applied International Trade Analysis*. Second Edition. London: MacMillan.

Chapter 3 The Ricardian Framework

(* Chapter 4 The Factor Abundance Model

(* Section 6.4 The Specific Factors Model

(* Chapter 7 Higher Dimensional Issues

Eaton, J. and S. Kortum (2012), Putting Ricardo to Work. *Journal of Economic Perspectives*, 26(2), pp. 65-90.

Trefler, D. and S. Zhu (2010), The Structure of Factor Content Predictions, *Journal of International Economics*, 82(2), 195-207.

2. Monopolistic Competition and Increasing Returns

Feenstra, R. (2004), *Advanced International Trade. Theory and Evidence*. Princeton: Princeton University Press. Chapter 5, 137-144.

Chaney, T. (2012), Lecture 2: Basic Models of Trade.

Krugman, P. (1980), Scale Economies, Product Differentiation and the Pattern of Trade. *American Economic Review* 70(5), 950-959.

3. The Gravity Equation and Trade Costs

Feenstra, R. (2004), *Advanced International Trade. Theory and Evidence*. Princeton: Princeton University Press. Chapter 5, 144-169.

Chaney, T. (2012), Lecture 1: The Gravity Equation.

Head, K. (2003), Gravity for Beginners. Mimeo.

Anderson, J. and E. van Wincoop (2004), Trade Costs. *Journal of Economic Literature*, 42(3), 691-751.

Disdier, A-C. and K. Head (2008), The Puzzling Persistence of the Distance Effect on Bilateral Trade. *Review of Economics and Statistics*, 90(1), 37-41.

Helpman, E., M. Melitz and Y. Rubinstein (2008), Estimating Trade Flows: Trading Partners and Trading Volumes. *Quarterly Journal of Economics*, 123(2), 441-487.

4. Offshoring

Feenstra, R. (2004), *Advanced International Trade. Theory and Evidence*. Princeton: Princeton University Press. Chapter 4.

Grossman, G. and E. Rossi-Hansberg (2008), Trading Tasks: A Simple Theory of Offshoring. *American Economic Review*, 98(5), 1978-1997.

5. International Migration of Labor

Hanson, G. (2009), The Economic Consequences of the International Migration of Labor. *Annual Review of Economics*, 1, 179-208.

Grogger, J. and G. Hanson (2011), Income Maximization and the Selection and Sorting of International Migrants. *Journal of Development Economics*, 95(1) 42-57.

Card, D. (2005), Is the New Immigration Really So Bad? *Economic Journal*, 115(507), F300-F323.

Iranzo, S. and G. Peri (2009), Migration and Trade: Theory with an Application to the Eastern-Western European Integration. *Journal of International Economics*, 79(1), 1-19.

Javorcik, B., C. Özden, M. Spatareanu and C. Neagu (2011), Migrant Networks and Foreign Direct Investment. *Journal of Development Economics*, 94(2), pp. 231-241.

6. International Trade and Heterogeneous Firms

Melitz, M. (2003), The Impact of Trade on Intra-Industry Reallocation and Aggregate Industry Productivity. *Econometrica*, 71(6), 1695-1725.

Chaney, T. (2012), Lecture 3.

Melitz, M. and D. Trefler (2012), Gains from Trade when Firms Matter. *Journal of Economic Perspectives*, 26(2), 91-118.

Bernard, A., B. Jensen, S. Redding and P. Schott (2011), The Empirics of Firm Heterogeneity and International Trade. Forthcoming in *Annual Review of Economics*.

7. Multinational Firms, Production, and Technology Spillovers

Barba Navaretti, G. and A. Venables, (2004), *Multinational Firms and the World Economy*. Princeton: Princeton University Press. Chapter 2, 23-48.

Hanson, G., R. Mataloni and M. Slaughter (2005), Vertical Production Networks in Multinational Firms. *Review of Economics and Statistics*, 87(4), 664-678.

Head, K. and J. Ries (2004), Exporting and FDI as Alternative Strategies. *Oxford Review of Economic Policy*, 20(3), 409-423.

Helpman, E. (2004), Export versus FDI with Heterogeneous Firms. *American Economic Review*, 94(1), 300-316.

Keller, W. (2010), International Trade, Foreign Direct Investment, and Technology Spillovers. Chapter 19 in Hall, B. and N. Rosenberg (eds) *Handbook of the Economics of Innovation Volume 2*. Amsterdam: North-Holland.