

International Trade

ECON 4415

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I. References

Required textbooks

Feenstra, Robert C., 2004, Advanced International trade: Theory and Evidence. Princeton University Press.

Dixit, Avinash and Victor D. Norman, 1980, Theory of International Trade: A Dual, General Equilibrium Approach. Cambridge Economic Handbooks. Cambridge University Press

P. R. Krugman (1990): Geography and trade, MIT Press, 1990. [all chapters]

Krugman, Paul R., 1994, Rethinking international trade. MIT Press. [ch. 5, 6]

Other useful texts (Undergraduate textbooks):

Krugman and Obstfeld. International Economics: Theory and Policy, 8/e.

Norman, V. og L. Orvedal. 2010. Næringstruktur og Utenrikshandel. Universitetsforlaget Oslo.

II. Topics and selected reading

Section I. Introduction: Facts and basic methods

1. Trade facts

Krugman, P. 1993. What do undergrads need to know about trade?. AER.May 2003.

Freeman, Richard B.: "Trade Wars: The Exaggerated Impact of Trade in Economic Debate" i 2003. NBER Working Paper 10000

2. General equilibrium and the gains from trade

DN ch. 1,2,3

Feenstra ch. 1,6,7

Krugman, 1994, ch. 5

3. Technological differences and trade: The Ricardian model

DN ch. 2-4

Feenstra ch 1

Dornbusch, R., S. Fischer, and P. Samuelson. 1977. Comparative Advantage, Trade and Payments in a Ricardian Model with a Continuum of Goods. *American Economic Review* 67: pp. 823-839.

4. The Specific factor model (Ricardo-Viner)

DN ch. 4

Feenstra ch. 3

5. The Factor endowment model (Heckscher-Ohlin)

DN ch. 2-4

Feenstra ch 2.

Section II: Imperfect competition and the geography of trade

6. Imperfect competition and trade

DN ch. 9

Feenstra ch 5.

Krugman, P.: "Scale Economies, Product Differentiation, and the Pattern of Trade" i *American Economic Review* 70, 1980. pp 950-959

7 Geography, agglomeration and trade

Krugman, P. R., 1990, *Geography and trade*, MIT Press, 1990

Krugman, P. R. and A. J. Venables, 1995, Globalization and the inequality of nations, *Quarterly Journal of Economics* 110: pp. 857-880

Ottaviano, G. I. P. and D. Puga, 1998, Agglomeration in the global economy: a survey of the "new economic geography", *World Economy* 25: pp. 707-731

Section III: Topics – if time allows

8. The Gravity equation

Feenstra ch. 5

9. Trade and heterogeneous firms

Bernard, A. B., J. Eaton, B. Jensen, and S. Kortum (2003): “Plants and Productivity in International Trade,” *American Economic Review*, 93(4), 1268–1290.

Chaney, T. (2008), “Distorted Gravity: The Intensive and Extensive Margins of International Trade,” *American Economic Review*, 98(4), 1707-1721

Melitz, M. J. (2003): “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity,” *Econometrica*, 71(6), 1695–1725.