

Syllabus

Quantitative Research in International Trade

Andreas Moxnes

FALL 2017

Time and Location:

Oct 25 14:15-1600, Oct 26 09:15-15:00, Oct 27 09:15-1500

Eilert Sundts building, room ES1220.

Www: <https://www.uio.no/studier/emner/sv/oekonomi/ECON9401>

Description: This is a course on quantitative research in international trade. The course will cover recent advances in trade theory as well as recent empirical applications.

Gravity

- (*) Anderson, J. E. and E. van Wincoop (2003), “Gravity with Gravitas: A Solution to the Border Puzzle,” *American Economic Review*, 93: 170-192.
- Anderson, J. E. and E. van Wincoop (2004). “Trade Costs”. *Journal of Economic Literature*, 42: 691-751.
- Krugman, P.R. (1980). “Scale Economies, Product Differentiation, and the Pattern of Trade”. *American Economic Review*, 70: 950-959

Ricardian Analysis

- (*) Dornbusch, R., S. Fischer, and P.A. Samuelson (1977), “Comparative Advantage, Trade, and Payments with a Continuum of Goods,” *American Economic Review*, 67: 823-839.
- (*) Eaton J. and S. Kortum (2002), “Technology, Geography, and Trade.” *Econometrica*, 70: 1741-1779

Heterogeneous Firms

- (*) Melitz, M.. (2003), “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity,” *Econometrica*, 71: 1695-1726.
- (*) Chaney, T. (2006), “Distorted Gravity: Heterogeneous Firms, Market Structure, and the Geography of International Trade,” *American Economic Review*.
- (*) C. Hottman, S. Redding and D. Weinstein. 2016. “Quantifying the Sources of Firm Heterogeneity,” *Quarterly Journal of Economics*
- Melitz, M., and S. Redding. “Heterogeneous Firms and Trade.” NBER Working Paper No. 18652, 2012. (Handbook (2013))
- Arkolakis, C., and Arnaud Costinot. “New Trade Models, Same Old Gains?” *American Economic Review* 102, no. 1 (2012): 94–130.
- Bernard, A.B., J. Eaton, J.B. Jensen and S. Kortum (2003). “Plants and Productivity in International Trade”. *American Economic Review*, Vol. 93, No. 4, September, pp. 1268-1290.
- Yeaple, S. R. (2002), “A Simple Model of Firm Heterogeneity, International Trade, and Wages,” *Journal of International Economics*, 65: 1-20.

Multinational Corporations

- (*) Helpman, E., M.J. Melitz, and S.R. Yeaple (2003), “Exports vs. FDI with Heterogeneous Firms,” *American Economic Review*, 94: 300-316.
- Helpman, E. (2006), “Trade, FDI, and the Organization of Firms,” *Journal of Economic Literature*, 46: 589-630.
- Irarrazabal, Moxnes and Oromolla (2013). “The Margins of Multinational Production and the Role of Intrafirm Trade”, *Journal of Political Economy*.

- Markusen, “The boundaries of multinational enterprises and the theory of international trade,” *Journal of Economic Perspectives*, 1995, 169-189.

Vertical Specialization

- (*) Grossman and Rossi-Hansberg (2008), “Trading Tasks: A Simple Theory of Offshoring”, *American Economic Review*, 98(5): 1978-97.
- Yi (2010), “Can Multi-Stage Production Explain the Home Bias in Trade?,” *American Economic Review*, 100(1): 364–93.
- Yi (2003), “Can Vertical Specialization Explain the Growth of World Trade?,” *Journal of Political Economy*, 111: 52-102.

Spatial Models

- (*) S. Redding. 2016. “Goods Trade, Factor Mobility and Welfare,” *Journal of International Economics*
- (*) B. Faber and C. Gaubert. “Tourism and Economic Development: Evidence from Mexico’s Coastline”.
- (*) Donaldson and Hornbeck, 2016. “Railroads and American Economic Growth: A “Market Access” Approach”, *Quarterly Journal of Economics*.
- Allen, T., & Arkolakis, C. (2014). “Trade and the topography of the spatial economy”. *The Quarterly Journal of Economics*.
- A. Bernard, A. Moxnes and Y. Saito. 2015. “Production Networks, Geography and Firm Performance”.
- Donaldson, Dave. “Railroads of the Raj: Estimating the Impact of Transportation Infrastructure,” forthcoming *American Economic Review*.

Applications

- (*) Bernard A. B., J. B. Jensen and P. Schott, “Firms in International Trade”, *Journal of Economic Perspectives*.
- (*) Pavcnik, N. (2002). “Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants”. *The Review of Economic Studies* 69, January 2002, pp. 245-76.
- (*) Costinot, Arnaud and Dave Donaldson. “What Goods Do Countries Trade? A Quantitative Exploration of Ricardo’s Ideas.” *Review of Economic Studies* 79, no. 2 (2012): 581-608.
- Bernard A. B., J. B. Jensen, S. Redding and P. Schott, “Global Firms”, forthcoming *Journal of Economic Literature*.
- Elhanan Helpman & Marc Melitz & Yona Rubinstein, 2008. “Estimating Trade Flows: Trading Partners and Trading Volumes,” *The Quarterly Journal of Economics*, MIT Press, vol. 123(2), pages 441-487, 05.
- Eaton, Jonathan, Samuel Kortum, and Francis Kramarz (2011). “An Anatomy of International Trade”. *Econometrica*.
- Roberts, M.J. and J.R. Tybout (1997). “The Decision to Export in Columbia: An Empirical Model of Entry with Sunk Costs”. *American Economic Review*, 87: 545-564.
- Tybout, James (2001). “Plant- and Firm-level Evidence on the New Trade Theories”. (in E. Kwan Choi and James Harrigan, ed., *Handbook of International Trade*, Oxford: Basil-Blackwell, 2003, and NBER Working Paper No. 8418).

Papers marked with (*) are required readings.