

Syllabus

[cmcd.economia@fgv.br]

Course: International Trade

Professor:

2017 FIRST SEMESTER

PROGRAM

I. Standard Trade Models

I.1. Technological Differences

I.2. Monopolistic Competition

II. Firm Heterogeneity and Trade

III. The Gravity Equation

IV. Gains from Trade

V. Trade and Labor Markets

V.1.Theory

V.2 Empirics

V2. Structural Models

VI. Other Topics

VI.1.Trade and Uncertainty

VI.2.Trade and Innovation

BIBLIOGRAPHY

I. Standard Trade Models

A. Technological Differences

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* Eaton, J. and S. Kortum. "[Technology, geography, and trade](#)," *Econometrica* 70(5), 1741-1779, 2002.

R. Dornbusch, S. Fischer and P. Samuelson. "[Comparative advantage, trade, and payments in a Ricardian model with a continuum of goods](#)," AER 67: 823-839, 1977.

Eaton, J., S. Kortum and F. Kramarz. "An Anatomy of International Trade: Evidence from French Firms," Econometrica 79: 1453-1498, 2011.

Costinot, A., D. Donaldson and I. Komunjer. "What Goods Do Countries Trade? A Quantitative Exploration of Ricardo's Ideas," Review of Economic Studies 79(2): 581-608, 2012.

B. Monopolistic Competition

* Krugman, P. "Increasing returns, monopolistic competition, and international trade," Journal of International Economics 9(4), 469-479, 1979.

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Krugman, P. "Scale Economies, Product Differentiation, and the Pattern of Trade," AER 70: 950-959, 1980.

II. Firm Heterogeneity and Trade

Hv4 (ch. 1, 1-54): M. Melitz & S. Redding, "Heterogeneous Firms and Trade."

* Bernard, A., S. Redding and P. Schott. "Firms in International Trade," Journal of Economic Perspectives, 21(3), 105-130, 2007.

* Melitz, M. "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity," Econometrica 1695-1725, 2003.

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Arkolakis, C. "Market Penetration Costs and the New Consumers Margin in International Trade," JPE 118(6): 1151-1199, 2010.

Trefler, D. "The Long and Short of the Canada-U.S. Free Trade Agreement", *American Economic Review* 94, 870-895, 2004.

III. The Gravity Equation

* **Hv4 (ch. 3, 131-195)**: K. Head and T. Mayer, "Gravity Equations: Workhorse, Toolkit, and Cookbook."

IV. Gains from Trade

***Hv4 (ch. 4, 197-264)**: A. Costinot and A. Rodríguez-Clare, "Trade Theory with Numbers: Quantifying the Consequences of Globalization."

* C. Arkolakis, A. Costinot and A. Rodríguez-Claré. "[New Trade Model, Same Old Gains?](#)" *AER* 94-130, 2012.

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D. Bernhofen and J. Brown. "An Empirical Assessment of the Comparative Advantage Gains from Trade: Evidence from Japan," *AER* 95(1): 208-225, 2005.

V. Trade and Labor Markets

V.1.Theory

*Helpman, Elhanan and Oleg Itskhoki & Stephen Redding. "Inequality and Unemployment in a Global Economy," *Econometrica*, Econometric Society, vol. 78(4), pages 1239-1283, 07, 2010.

V.2 Empirics

*Autor, David H. and David Dorn and Gordon H. Hanson. "The China Syndrome: Local Labor Market Effects of Import Competition in the United States," *American Economic Review*, American Economic Association, vol. 103(6), pages 2121-68, October, 2013.

*Costa, Francisco and Jason Garred and Joao Paulo Pessoa. "Winners and Losers from a Commodities-for-Manufactures Trade Boom," *Journal of International Economics* (forthcoming), 2016.

Autor, David H. and David Dorn and Gordon H. Hanson and Jae Song. "Trade Adjustment: Worker-Level Evidence," *The Quarterly Journal of Economics*, Oxford University Press, vol. 129(4), pages 1799-1860, 2014.

V2. Structural Models

- *Artuç, Erhan, Shubham Chaudhuri and John McLaren. 2010. "Trade Shocks and Labor Adjustment: A Structural Empirical Approach." *American Economic Review*, 100(3): 1008-45.
- * Pessoa, João Paulo. "International Competition and Labor Market Adjustment," mimeo, 2016.

VI. Other Topics

VI.1. Trade and Uncertainty

- *Handley, Kyle and Nuno Limão. "Policy Uncertainty, Trade and Welfare: Theory and Evidence for China and the U.S," NBER Working Papers 19376, 2013.
- Pierce, Justin R. and Peter K. Schott. "The Surprisingly Swift Decline of U.S. Manufacturing Employment," NBER Working Papers 18655, 2012.

VI.2. Trade and Innovation

- *Bloom, Nicholas and Mirko Draca and John Van Reenen. "Trade Induced Technical Change? The Impact of Chinese Imports on Innovation, IT and Productivity," *Review of Economic Studies*, Oxford University Press, vol. 83(1), pages 87-117, 2016.

GRADING

Problem Sets/Empirical Exercises: 75% of the final grade.
Presentation: 25% of the final grade.

[OBS: Art. 46º - Aos alunos dos Cursos de Mestrado Acadêmico e Doutorado é atribuída nota em cada disciplina, variável de 0 (zero) a 10 (dez).

I - A nota final dos alunos em cada disciplina, variável de 0 (zero) a 10 (dez), é a média ponderada das notas atribuídas:

I.I) a uma ou mais formas de avaliações intermediárias;

I.II) à avaliação final, que pode constar de prova escrita ou de trabalho final;

II - O peso atribuído à nota de cada uma das formas de avaliação da disciplina é determinado pelo professor da disciplina e deve constar explicitamente do respectivo programa, não sendo permitido atribuir peso superior a 60% (sessenta por cento) a nenhuma das formas de avaliação especificadas.]

PROFESSOR - EMAILS