Section I: Neoclassical Theories of Trade

Lecture 1: Gains from Trade and the Law of Comparative Advantage (Theory)

Essential:
- DN pp. 65-79, 94-96

Recommended:
- F, pp.179-188

Lecture 2: Gains from Trade and the Law of Comparative Advantage (Empirics)

Essential:

Recommended:

Lecture 3: The Ricardian Model (Theory)

Essential:

Recommended:
• K chapter 10.

Lecture 4: The Ricardian Model (Empirics)

Essential:
• Deardorff, A. (1984), in JK.

Recommended:

Lectures 5&6: The Ricardo-Viner and Heckcher-Ohlin Models (Theory)

Ricardo-Viner:

Essential:
• DN pp.38-43, 86-87 and 102-106

Recommended:
Heckscher-Ohlin:

**Essential:**

**Recommended:**
- DN pp. 106-122
- HKa, chapter 1
- E. Leamer (2009), “Heckscher-Ohlin and the Craft of Economics,” mimeo

Lectures 7&8: The Ricardo-Viner and Heckcher-Ohlin Models (Empirics)

Ricardo-Viner:

**Essential:**

**Recommended:**
- Mayda and Rodrik (2005), “Why are some people (and countries) more protectionist than others?” *EER*.

Heckscher-Ohlin: General/Introduction

**Essential:**
- F, chapters 2-4.
- Leamer (2009), “Heckscher-Ohlin and the Craft of Economics,” mimeo
Heckscher-Ohlin: 'Goods Content' of Trade Tests

Essential:
- Harrigan (2001), “Specialization and the Volume of Trade: Do the Data Obey the Laws?” in *Handbook of International Trade (Volume 1)*, Choi and Harrigan, eds. [section 2 only].

Recommended:
- Schott (2003), “One Size Fits All? Heckscher-Ohlin Specialization in Global Production,” *AER*.

Heckscher-Ohlin: Factor Content of Trade Tests

Essential:

Recommended:
- Hakura (2001), "Why does HOV fail?: The role of technological differences within the EC", *JIE*.
Heckscher-Ohlin: FPE tests

Recommended:

Section II: ‘New’ (Non-Neoclassical) Theories of Trade:

Lecture 9: Increasing Returns and Monopolistic Competition (Theory)

Monopolistic Competition:

Essential:
- HKa, chapters 6-9

Recommended:
- K chapters 1-3

Other oligopolistic settings (not covered in class):

Recommended:
- HKa Chapter 5
- K Chapter 4

Lecture 10: Increasing Returns and Monopolistic Competition (Empirics)

Essential:

Recommended:
• Harrigan, J. (2001), “Specialization and the Volume of Trade: Do the Data Obey the Laws?” in Handbook of International Trade (Volume I), Choi and Harrigan, eds. [section 3 only].

Lectures 11&12: Monopolistic Competition with Firm-Level Heterogeneity (Theory)

Essential:
• Bernard, A., S., Redding, and P. Schott (2007), “Comparative Advantage and Heterogeneous Firms,” RES.

Recommended:
• Arkolakis, Costas (2008), "Market Penetration Costs and the New Consumers Margin in International Trade," NBER.
• Eckel, C. and P. Neary (2010) "Multi-Product Firms and Flexible Manufacturing in the Global Economy," RES.

Lectures 13&14: Monopolistic Competition with Firm-Level Heterogeneity (Empirics)

Essential:

Recommended:
• Roberts and Tybout (1997), “The Decision to Export in Colombia: An Empirical Model of Entry with Sunk Costs,” AER.
• Bernard and Jensen (1999), “Exceptional exporter performance: cause, effect, or both?” JIE.

Lecture 15: Gravity Models (Theory)

Essential:

Recommended:
• Anderson, James E. and E. van Wincoop (2003), “Gravity with gravitas; a solution to the border puzzle,” AER.
Lecture 16: Gravity Models and the Gravity Equation (Empirics)

Essential:

Recommended (Gravity Equation Estimation):

Recommended (Other work on estimating trade costs):
- Engel and Rogers (1996), “How Wide is the Border?,” AER.

Section III: Miscellaneous Topics in Trade

Lecture 17: Trade and Growth (Theory)

Recommended:
- D. Acemoglu, Introduction to Modern Economic Growth, Chapter 19
- GH Chapter 11
- J. Ventura, “Growth and Interdependence,” QJE

Lecture 18: Trade and Growth (Empirics)
Recommended (General):
- Tybout, WBER 1992
- F., Chapter 10

Recommended (Knowledge Diffusion):

Recommended (Market Size and Innovation):

Recommended (Learning and Infant Industry Protection):

Recommended (Institutional Change):

Recommended (Importing Capital Goods and Intermediate Inputs):

Recommended (Convergence and Technological Change):

Lecture 19: Trade and Labor Markets (Theory)
Essential:
- Costinot and Vogel (2010), “Matching and Inequality in the World Economy,” JPE

Recommended:

Lecture 20: Trade and Labor Markets (Empirics)

Recommended (General):

Recommended (Survey Articles):
• Feenstra grad textbook, chapter 4
• Wood, Adrian (1995), North-South Trade, Employment and Inequality: Changing Fortunes in a Skill-Driven World, OUP.
• Feenstra , ed (2000), The Impact of International Trade on Wages http://www.nber.org/books/feen00-1
Recommended (Stolper-Samuelson Effects):

- F., chapter 4.
- Slaughter (2000), "What Are the Results of Product-Price Studies and What Can We Learn from Their Differences?,” in Feenstra (ed) The Impact of International Trade on Wages http://www.nber.org/books/feen00-1

Recommended (Factor Content Approaches):

- JIE special jubilee issue (2000)

Recommended ('Differential Exposure' Approaches):


**Recommended (Dynamic Approaches):**


- Cosar, Guner and Tybout (2010), "Firm Dynamics, Job Turnover, and Wage Distributions in an Open Economy,” NBER working paper 16326

**Recommended (Assorted Firm-Level Studies):**


**Recommended (Immigration and Changes in Factor Supply):**

• Gandal, Hanson and Slaughter (2004), "Technology, Trade and Adjustment to Immigration in Israel,” *EER*, http://dx.doi.org/10.1016/S0014-2921(02)00265-9

**Lecture 21: Offshoring and Fragmentation of Production (Theory)**

*Recommended:*

• Grossman G. and E. Rossi-Hansberg, “Task Trade between Similar Countries,” mimeo

**Lecture 22: Offshoring and Fragmentation of Production (Empirics)**

*Recommended (Offshoring of Tasks and Services):*

• Autor and Handel (2009), “Putting Tasks to the Test: Human Capital, Job Tasks and Wages,” NBER working paper 15116
• Hummels, Jorgensen

• Alan Blinder, "Alternative Measures of Offshorability: A Survey Approach" (with Alan Krueger)
• Becker, Ekholm and Muendler (2009), “Offshoring and the onshore composition of tasks and skills,” UCSD working paper

Recommended (Fragmentation):
• Yi (2003), “Can Vertical Specialization Explain the Growth of World Trade?” JPE.
• Yi (2009), “Vertical Specialization and the Border Effect Puzzle;” AER.
• Johnson and Noguera (2009), “Accounting for Intermediates: Production Sharing and Trade in Value Added.”

Lecture 23: Organization of Multinational Firms (Theory)
Recommended:

Horizontal and Vertical Multinationals (not covered in class):
• F pp. 371-390
• E. Helpman, M. Melitz, and S. Yeaple (2004), “Exports versus FDI with Heterogeneous Firms,” AER

Lecture 24: Organization of Multinational Firms (Empirics)

Recommended (Organization of Multinationals):
• Feenstra textbook, Chapter 11
• P. Antràs (2003), “Firms, Contracts, and Trade Structure,” QJE
• Helpman, Melitz and Yeaple (2004), “Export versus FDI with Heterogeneous Firms,” AER

Recommended (Effects of Multinationals):
• Aitken and Harrison (1999), “Do Domestic Firms Benefit from Direct Foreign Investment? Evidence from Venezuela,” AER
• Becker and Muendler (2009), “Margins of multinational labor substitution,” forthcoming in AER

Lecture 25: Political Economy of Trade Policy and the WTO (Theory)

Essential (Political Economy of Trade Policy):
• HKb, chapter 2
• G. Grossman and E. Helpman (1994), ”Protection for sale,” AER

Recommended (Political Economy of Trade Policy):
• A Dixit (1985), ”Tax policy in open economies,” in A. Auerbach and M. Feldstein (eds.), Handbook of Public Economics
• H.G. Johnson (1953), ”Optimum tariffs and retaliation,” RES
• D. Rodrik (1995), ”The political economy of trade policy,” in GR

Essential (Trade Agreements and WTO):
• BS chapter 2

Recommended (Trade Agreements and WTO):
• G. Maggi and A. Rodríguez-Clare (1998), "The Value of Trade Agreements in the Presence of Political Pressures," JPE

Strategic Trade Policy (Not Covered in Class):
• J. Brander and B. Spencer (1985), "Export subsidies and international market share rivalry," JIE
• HKb, chapters 3,4,5,6,8

Lecture 26: Political Economy of Trade Policy and the WTO (Empirics)

Recommended (Political Economy of Trade Policy):

Recommended (Evidence on the role of the WTO and Trade Agreements):
• Broda, Limao and Weinstein (2009)
• Rose (2004), “Do We Really Know that the WTO Increases Trade?,” AER