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International Trade II_1

Econ 552, Spring 2020

Zoom: <https://princeton.zoom.us/j/92063463226>, Tuesdays 9:00am to 12:00pm

Princeton University

Syllabus

Overview: This is a graduate Ph.D. course in the second-year international trade sequence. We will cover topics related the effect of trade on organization and productivity, offshoring, and spatial economics.

Grading: Your grade for this course (including both halves) will be based on class participation (including a paper presentation if enrollment permits) and a paper with a research idea. The idea can be preliminary but should be described precisely. Your paper is due on May 5th. Please do the required reading ahead of time and come to class prepared to discuss the related topics.

Outline:**• Firm Boundaries and Trade**

- Required Readings:
 - Antràs, P. 2003. "[Firms, Contracts, and Trade Structure](#)," *Quarterly Journal of Economics*.
 - Antràs, P. and Helpman, E. 2004. "[Global Sourcing](#)," *Journal of Political Economy*.
- Optional Readings:
 - Antràs, P. and E. Rossi-Hansberg. 2009. "[Organizations and Trade](#)," *Annual Review of Economics*.
 - Antràs, P. 2005. "[Property Rights and the International Organization of Production](#)," *American Economic Review* P&P.
 - Feenstra, R. and Gordon, H. 2005. "[Ownership and Control in Outsourcing to China: Estimating the Property-Rights Theory of the Firm](#)," *Quarterly Journal of Economics*.
 - Nunn, N. 2007. "[Relationship-Specificity, Incomplete Contracts and the Pattern of Trade](#)," *Quarterly Journal of Economics*.

- Yeaple, S. 2006. “[Offshoring, Foreign Direct Investment, and the Structure of U.S. Trade](#),” *Journal of the European Economic Association*
- **Organization and Trade**
 - Required Readings:
 - Caliendo, L and Rossi-Hansberg, E. 2012. “[The Impact of Trade on Organization and Productivity](#),” *Quarterly Journal of Economics*.
 - Caliendo, L., Monte, F., and Rossi-Hansberg, E. 2015. “[The Anatomy of French Production Hierarchies](#),” *Journal of Political Economy*.
 - Costinot, A. 2009. “[On the Origins of Comparative Advantage](#),” *Journal of International Economics*.
 - Optional Readings:
 - Blum, N. and Van Reenen, J. 2007. “[Measuring and Explaining Management Practices Across Firms and Countries](#),” *Quarterly Journal of Economics*.
 - Caliendo, L., Monte, F., and Rossi-Hansberg, E. 2018. “[Exporting and Organizational Change](#),” in *World Trade Evolution: Growth Productivity and Employment*.
- **Global Supply Chains**
 - Required Readings:
 - Antràs, P., and Chor, D. 2013. “[Organizing the Global Value Chain](#),” *Econometrica*.
 - Costinot, P., Vogel, J., and Wang, S. 2012. “[Global Supply Chains and Wage Inequality](#),” *Review of Economic Studies*.
 - Yi, K. 2003. “[Can Vertical Specialization Explain the Growth of World Trade?](#)” *Journal of Political Economy*.
 - Optional Readings:
 - Tintelnot, F. 2017. “[Global Production with Export Platforms](#),” *Quarterly Journal of Economics*
 - Antràs, P., Fort, T., and Tintelnot, F. 2017. “[The Margins of Global Sourcing: Theory and Evidence from U.S. Firms](#),” *American Economic Review*
 - Antràs, P., and de Gortari, A. 2020. “[On the Geography of Global Value Chains](#),” *Econometrica*

- **Quantitative Spatial Economics**

- Required Readings:

- Redding and Rossi-Hansberg. 2017. "[Quantitative Spatial Economics](#)" *Annual Review of Economics*

- Optional Readings:

- Desmet and Henderson. 2015. "[The Geography of Development within Countries](#)," Chapter 22 in the *Handbook of Regional and Urban Economics*
- Duranton and Puga. 2011. "[Micro-Foundations of Urban Agglomeration Economics](#)," Chapter 48 in the *Handbook of Urban and Regional Economics*
- Proost and Thisse. 2019. "[What Can Be Learned from Spatial Economics?](#)" *Journal of Economic Literature*

- **Two Quantitative Models for Regions**

- Required Readings:

- Allen and Arkolakis. 2014. "[Trade and the Topography of the Spatial Economy](#)," *Quarterly Journal of Economics*
- Caliendo, Parro, Rossi-Hansberg and Sarte. 2018. "[The Impact of Regional and Sectoral Productivity Changes on the U.S. Economy](#)," *Review of Economic Studies*

- Optional Readings:

- Fajgelbaum and Gaubert. 2020. "[Optimal Spatial Policies, Geography, and Sorting](#)," *Quarterly Journal of Economics*
- Rossi-Hansberg, Sarte, and Schwarzman. 2020. "[Cognitive Hubs and Spatial Redistribution](#)," working paper
- Redding. 2016. "[Goods Trade, Factor Mobility and Welfare](#)," *Journal of International Economics*
- Rossi-Hansberg. 2005. "[A Spatial Theory of Trade](#)," *American Economic Review*

- **Adding Commuting to Urban and Regional Models**

- Required Readings:

- Ahlfedlt, Redding, Sturm and Wolf. 2015. "[The Economics of Density: Evidence from the Berlin Wall](#)," *Econometrica*
- Monte, Redding and Rossi-Hansberg. 2018. "[Commuting, Migration and Local Employment Elasticities](#)," *American Economic Review*

- Optional Readings:

- Desmet and Rossi-Hansberg. 2013. "[Urban Accounting and Welfare](#)," *American Economic Review*
 - Gabaix, 1999, "[Zipf's Law for Cities: An Explanation](#)," *Quarterly Journal of Economics*
 - Jan Eeckhout, 2004, "[Gibrat's Law for \(All\) Cities](#)," *American Economic Review*
 - Rossi-Hansberg and Wright, 2007, "[Urban Structure and Growth](#)," *Review of Economic Studies*

- **Transportation Networks**
 - Required Readings:
 - Fajgelbaum and Schaal, 2020, "[Optimal Transport Networks in Spatial Equilibrium](#)," *Econometrica*
 - *Optional Readings:*
 - Allen and Arkolakis, 2020, "[The welfare effects of Transportation Infrastructure Improvements](#)," working paper

- **Spatial Models: Adding Dynamics in Labor Markets**
 - Required Readings:
 - Caliendo, Dvorkin and Parro. 2019. "[Trade and Labor Market Dynamics](#)," *Econometrica*
 - *Optional Readings:*
 - Acemoglu, Autor, Dorn, Hanson and Price. 2015. "[Import Competition and the Great US Employment Sag of the 2000s](#)," *Journal of Labor Economics*
 - Caliendo, Oromolla, Parro and Sforza. 2018. "[Goods and Factor Market Integration: A Quantitative Assessment of EU Enlargement](#)," working paper

- **A Spatial Growth Framework**
 - Required Readings:
 - Desmet and Rossi-Hansberg. 2014. "[Spatial Development](#)," *American Economic Review*
 - Desmet, Nagy, and Rossi-Hansberg. 2018. "[The Geography of Development](#)," *Journal of Political Economy*
 - *Optional Readings:*
 - Desmet, et al. 2021. "[Evaluating the Economic Cost of Coastal Flooding](#)," *American Economic Journals: Macroeconomics*
 - Cruz and Rossi-Hansberg. 2021. "[The Economic Geography of Global Warming](#)," working paper