

Topics in International Trade

Organisation:

Lectures and classes: Tuesday 13 c.t. - 16, Ludwigstr. 28, Vgb., Room 221

Books:

Feenstra, R. (2003), *Advanced International Trade: Theory and Evidence*, Princeton University Press

Helpman, E. and P. Krugman (1991) *Trade Policy and Market Structure*, Cambridge, MIT Press

Helpman, E. and P. Krugman (1985) *Market Structure and Foreign Trade*, Cambridge, MIT Press

Helpman, E. D. Marin, Th. Verdier (2008) *The Organization of Firms in a Global Economy*, Harvard University Press

Krugman, P. (1990), *Rethinking International Trade*, Cambridge, MIT Press

Krugman, P. and M. Obstfeld (1997), *International Economics: Theory and Policy*, Addison Wesley Publishers

Lecture Program

1. What is new about Globalisation?

*Feenstra, R. (1998) "Integration of Trade and Disintegration of Production in the Global Economy", *Journal of Economic Perspectives*, 12(4), 31-50

*Hummels, D.; J. Ishii and K.-M. Yi (2001) "The Nature and Growth of Vertical Specialization in World Trade", *Journal of International Economics*, 54, 75-96

Deardorff, A. and R. Stern (2000) "What the Public Should Know about Globalisation and the World Trade Organisation", University of Michigan Discussion Paper No. 460

Irwin, D. (1996) "The United States in a New Global Economy? A Century's Perspective" *American Economic Review*, 86(2), 41-6

Krugman, P. (1995) "Growing World Trade: Causes and Consequences", *Brooking Papers on Economic Activity*, 1, only pages 327-43

2. Ricardian Model

*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, 823-39

Krugman, P. (1987) "The Narrow Moving Band, the Dutch Disease, and the Competitive Consequences of Mrs. Thatcher", *Journal of Development Economics*, 27, 41-55 (Reprinted in P. Krugman, *Rethinking International Trade*, MIT Press)

Young, A. (1991) "Learning by Doing and the Dynamic Effects of International Trade", *Quarterly Journal of Economics*, 106(2), 369-405

3. Heckscher-Ohlin-Model

*Helpman, E. and P. Krugman (1985) *Market Structure and Foreign Trade*, chapter 1

*Feenstra (2003) *Advanced International Trade: Theory and Evidence*, chapter 2

Ethier, W. (1995) *Modern International Economics*, 3ed Edition, chapter 5 (pp.139-146)

4. New Trade Theory

*Krugman, P. (1979) "Increasing Returns, Monopolistic Competition and International Trade", *Journal of International Economics*, 9(4), 469-79 (Reprinted in P. Krugman, *Rethinking International Trade*, MIT Press)

*Helpman, E. and Krugman, P. (1985) *Market Structure and Foreign Trade*, chapters 6, 7*, 8

Krugman, P. (1980) "Scale Economies, Product Differentiation, and the Pattern of Trade", *American Economic Review*, 70(5), 950-59 (Reprinted in P. Krugman, *Rethinking International Trade*, MIT Press)

Krugman, P. (1987) "Increasing Returns and the Theory of International Trade", in T. Bewley, *Advances in Economic Theory*, (Reprinted in P. Krugman, *Rethinking International Trade*, MIT Press).

5. Strategic Trade Policy

*Brander, J. and B. Spencer (1985) “Export Subsidies and International Market Share Rivalry”, *Journal of International Economics*, 18, 83-100

*Helpman, E. and P. Krugman (1985) *Trade Policy and Market Structure*, chapter 5.

Brander, J. (1995) “Strategic Trade Policy”, in G. Grossman and K. Rogoff (eds.) *Handbook of International Economics*, Vol. 3

Grossman, G. and J. Eaton (1986) “Optimal Trade and Industrial Policy Under Oligopoly”, *Quarterly Journal of Economics*, 101(2), 383-406

6. Multinational Corporations

*Krugman P. and E. Helpman (1985) *Market Structure and Foreign Trade*, chapter 12

*Feenstra, R. (2003), *Advanced International Trade: Theory and Evidence* chapter 11

*Brainard, S. (1997) “An Empirical Assessment of the Proximity-Concentration Trade-off Between Multinational Sales and Trade”, *American Economic Review*, 87, 520-544

*Feenstra, R. and G. Hanson (1996) “Globalisation, Outsourcing and Wage Inequality” *American Economic Review*, 86(2), 240-45

*Feenstra R. and G. Hanson (1996) “Foreign Investment, Outsourcing and Relative Wages” in R. Feenstra and G. Grossman and D. Irwin (eds.) *The Political Economy of Trade Policy, Papers in Honour of Jagdish Bhagwati*, Cambridge MIT Press

Carr, D.; J. Markusen and K. Maskus (2001) “Estimating the Knowledge-Capital Model of the Multinational Enterprise”, *American Economic Review*, 91(3), pp. 693-708

Ethier W, (1986) “The Multinational Firm”, *Quarterly Journal of Economics*, 101, 805-833

Hanson, G.; R. Mataloni and M. Slaughter “Expansion Strategies of US Multinational Firms”, in S. Collins and D. Rodrik (eds.) *Brookings Trade Forum 2001*, Brookings Institutions Press.

Helpman, E., (1984) “A Simple Theory of Trade with Multinational Corporations”, *Journal of Political Economy*, 92, 451-471

Markusen, J. (2002) *Multinational Firms and the Theory of International Trade*, Cambridge, MIT Press

Markusen, J. and A. Venables (2000) “The Theory of Endowment, Intra-industry and Multinational Trade”, *Journal of International Economics*, 52(2), 209-34

Markusen J. and A. Venables (1998) “Multinational Firms and the New Trade Theory”, *Journal of International Economics*, 46, 183-203

The New New Trade Theory

7. International Trade and Firm Heterogeneity

Theory

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

*Melitz, M. and G. Ottaviano (2008) “Market Size, Trade and Productivity”, *Review of Economic Studies*, 75(1), 295-316

Helpman, Elhanan, Marc Melitz und Stephen Yeaple (2004) “Export Versus FDI with Heterogeneous Firms”, *American Economic Review* 94(1), 300 – 316.

Marin, D. and Th. Verdier (2008) Competing in Organisations: Firm Heterogeneity and International Trade, in: Helpman, Marin, Verdier, Eds. (2008)

Empirics

*Bernard, Andrew B. , J. Bradford Jensen, Stephen J. Redding und Peter K. Schott (2007) “Firms in International Trade”, *Journal of Economic Perspectives*, 21(3), 105-130

*Bernard, Andrew und Bradford Jensen (1999) “Exceptional Exporter Performance: Cause, Effect, or Both?” *Journal of International Economics*, 47(1), 1-25.

Pavcnik, Nina (2002) “Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants,” *Review of Economic Studies*, 69(1), 245-276

Ottaviano, Gianmarco, Thierry Mayer (2007) “The happy few: new facts on the internationalisation of European firms”, Bruegel-CEPR EFIM2007 Report, Bruegel Blueprint Series.

8. International Trade and Organization

Trade as a Driver of Corporate Change

*Marin, D. and T. Verdier (2003) “Globalization and the Empowerment of Talent”, *CEPR Discussion Paper No. 4129*

*Marin, D. and T. Verdier (2008) “Corporate Hierarchies and the Size of Nations: Theory and Evidence, *CEPR Discussion Paper No. 6734*

*Marin, D. and T. Verdier (2008) “Power Inside the Firm and the Market: A General Equilibrium Approach, *Journal of the European Economic Association*, forthcoming

*Guadalupe, M. and J. Wulf (2008) "The Flattening Firm and Product Market Competition: The Effect of Trade Liberalization" *NBER Working Papers*, No. 14491

Marin, D. 2008, The 'New Corporation in Europe', University of Munich, Mimeo

Cuñat, V. and M. Guadalupe (2009) "Globalization and the Provision of Incentives inside the Firm: The Effect of Foreign Competition" *Economics Working Papers (Universitat Pompeu Fabra)*, No. 1134,

The International Organization of Production

Theory

*Antras, P. (2003) "Firms, Contracts and Trade Structure", *Quarterly Journal of Economics*, 118(4), 1375-1418

*Antras, P. and E. Helpman (2004) "Global Sourcing", *Journal of Political Economy*, 112(3), 552-80

Antras, P. and E. Helpman (2008) "Global Sourcing and Contractual Frictions, in: Helpman, Marin, Verdier, Eds. (2008)

Carluccio, J. and T. Fally (2008) "Global sourcing under imperfect capital markets," *PSE Working Papers*, No. 2008-69

Empirics

*Nunn, N. and D. Trefler (2008), "The Boundaries of the Multinational Corporation", in: Helpman, Marin, Verdier, Eds. (2008)

*Marin, D. (2006), "A New International Division of Labour: Outsourcing and Offshoring to Eastern Europe", *Journal of the European Economic Association*, May 2006

8. Trade, Contracts and Institutions

*Marin, D. and Schnitzer, M. (1995) "Tying Trade Flows: A Theory of Countertrade with Evidence", *American Economic Review*, 85(5), 1047-64

*Nunn, Nathan (2007) "Relationship-Specificity, Incomplete Contracts and the Pattern of Trade," *Quarterly Journal of Economics*, 122(2), 569-600.

Rauch J. and A. Cassella (2002) "Anonymous Market and Group Ties in International Trade", *Journal of International Economics*, 58, 19-47

- Acemoglu, D., S. Johnson and J. Robinson (2005) “The Rise of Europe, Atlantic Trade, Institutional Change and Economic Growth”, *American Economic Review*, 95(3), 546-579
- Greif, A. (1992) “Institutions and International Trade: Lessons from the Commercial Revolution”, *American Economic Review*, 82, 128-33
- Rauch J. (2001) “Business and Social Networks in International Trade” *Journal of Economic Literature*, 39, 1177-1203