

(Updated: 2/22/2012)

Trade Growth, and Macroeconomics:

A Quantitative Approach – Lectures and Workshop

Topics and Readings The following list summarizes the topics and readings. I may deviate from this schedule if more time is required for a certain topic. I will use major sections from a book I am writing with Jonathan Eaton: *Technology in the Global Economy: A Framework for Quantitative Analysis* (henceforth EK).

1. Application of 2-Country 2-Good Models:

- Elliott, Foster, Kortum, Munson, Cervantes, and Weisbach, “Trade and Carbon Taxes,” *American Economic Review Papers and Proceedings*, 2010: 465-469.
- Elliott, Foster, Kortum, Khun Jush, Munson, and Weisbach, “Unilateral Carbon Taxes, Border Tax Adjustments and Carbon Leakage.”
- Harstad, “Buy Coal? Deposit Markets and Environmental Policy,” forthcoming, *Journal of Political Economy*.

2. Extensions of the Ricardian Model:

- Eaton and Kortum, “Putting Ricardo to Work,” forthcoming, *Journal of Economic Perspectives*.
- Dornbusch, Fischer, and Samuelson, “Comparative Advantage, Trade, and Payments in a Ricardian Model with a Continuum of Goods,” *American Economic Review*, 1977: 823-839.
- Dekle, Eaton, and Kortum, “Unbalanced Trade,” *American Economic Review, Papers and Proceedings*, 2007 (see appendix to *NBER Working Paper #13035*).

3. Multi-Country Ricardian Model:

- EK, Chapter 4-6.
- Eaton and Kortum, “Technology, Geography, and Trade,” *Econometrica*, 2002: 1741-1780.
- Waugh, “International Trade and Income Differences,” *American Economic Review*, 2010: 2093-2124.

- Donaldson, “Railroads of the Raj: Estimating the Impact of Transportation Infrastructure,” *NBER Working Paper #16487*, 2010.
 - Alvarez and Lucas, “General Equilibrium Analysis of the Eaton-Kortum Model of International Trade,” *Journal of Monetary Economics*, 2007: 1726-1768.
 - Caliendo and Parro, “Estimates of the Trade and Welfare Effects of NAFTA,” unpublished, University of Chicago, 2011.
4. **Monopolistic Competition Model:**
- EK, Chapter 3.
 - Melitz, “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity,” *Econometrica*, 2003: 1659-1726.
 - Chaney, “Distorted Gravity: Heterogeneous Firms, Market Structure, and the Geography of International Trade,” *American Economic Review*, 2008: 1707-1721.
 - Arkolakis, Costinot, Rodríguez-Clare, “New Trade Model, Same Old Gains?,” forthcoming *American Economic Review*.
5. **Analysis of Producer-Level Behavior:**
- Bernard and Jensen, “Exporters, Jobs, and Wages in US Manufacturing, 1976-1987,” *Brookings Papers, Microeconomics*, 1995.
 - Bernard, Eaton, Jensen, and Kortum, “Plants and Productivity in International Trade,” *American Economic Review*, 2003: 1268-1290.
 - Arokolakis, “Market Access Costs and the New Consumers Margin in International Trade,” *Journal of Political Economy*, 2011: 1151-1199.
 - Eaton, Kortum, and Kramarz, “An Anatomy of International Trade: Evidence from French Firms,” *Econometrica*, 2011: 1453-1498.
6. **Large Firms:**
- Gabaix, “The Granular Origins of Aggregate Fluctuations,” *Econometrica*, 2011: 733-772.
 - Eaton, Kortum, and Sotelo, “International Trade: Linking Micro and Macro,” unpublished, University of Chicago, 2011.

7. Heckscher-Ohlin Models:

- Treffer, “The Case of the Missing Trade and Other Mysteries,” *American Economic Review*, 1995: 1029-1046.
- Dornbusch, Fischer, and Samuelson, “Heckscher-Ohlin Trade Theory with a Continuum of Goods,” *Quarterly Journal of Economics*, 1980: 203-224.
- Romalis, “Factor Proportions and the Structure of Commodity Trade,” *American Economic Review*, 2004: 67-97.
- Bernard, Redding, and Schott, “Comparative Advantage and Heterogeneous Firms,” *Review of Economic Studies*, 2007: 31-66.
- Lu, “Exceptional Exporter Performance? Evidence from Chinese Manufacturing Firms,” unpublished, University of Chicago.

8. Growth and Technological Change:

- Krugman, “A Model of Innovation, Technology Transfer, and the World Distribution of Income,” *Journal of Political Economy*, 1979: 253-266.
- Romer, “Endogenous Technological Change,” *Journal of Political Economy*, 1990: S71-S102.
- Lucas, “Ideas and Growth,” *Economica*, 2009: 1-19.
- Lucas and Moll, “Knowledge Growth and the Allocation of Time.” NBER Working paper #
- Eaton and Kortum, “International Technology Diffusion: Theory and Measurement,” *International Economic Review*, 1999: 537-570.

9. Multinationals:

- Keith Head and John Ries, “FDI as an Outcome of the Market for Corporate Control: Theory and Evidence,” mimeo University of British Columbia, forthcoming *Journal of International Economics*.
- Head and Ries, “How Remote is the Offshoring Threat?,” *European Economic Review*, 2009: 429-444.
- McGratten and Prescott, “Technology Capital and the US Current Account,” *American Economic Review*, 2010: 1493-1522.

10. Firm Dynamics:

- Ruhl, “The International Elasticity Puzzle,” unpublished, New York University.
- Arkolakis, “A Unified Theory of Firm Selection and Growth,” unpublished, Yale University.
- Luttmer, “On the Mechanics of Firm Growth,” *Review of Economic Studies*, 2011: 1042-1068.
- Alessandria, Kaboski, and Midrigan, “Inventories, Lumpy Trade and Large Devaluations,” *American Economic Review*, 2010: 2304-2339.
- Klette and Kortum, “Innovating Firms and Aggregate Innovation,” *Journal of Political Economy*, 2004: 986-1018.

11. Geography and Cities:

- Holmes, “The Diffusion of Wal-Mart and Economies of Density,” *Econometrica*, 2011: 253-302.
- Redding, “The Economics of Density: Evidence from the Berlin Wall,” unpublished, Princeton University.
- Hsu, Wen-Tai, “Central Place Theory and City Size Distribution,” forthcoming, *Economic Journal*.