

International Economics Development Economics

Academic year 2019-2020

Advanced International Trade B: Advanced Topics in International Trade

EI089 - Printemps - 3 ECTS

Tuesdays	09/03 10:15-12:00	P1-701
	25/03 08:15-12:00	P1-601
	02/04 16:15-20:00	P1-701
	23/04 14:15-18:00	P1-701

Course Description

This course discusses recent cutting-edge research on empirical international trade, in a reading-seminar format. This first part will focus on four main topics of international trade research: trade and labor market dynamics, migration and trade, structural transformation and trade in services. Strong emphasis is put into in-class participation through presentations and active discussions of the various topics. The objective is to get a comprehensive knowledge of modern empirical international trade and drive students to acquire the necessary expertise to be able to carry out a high-quality research project in the field of international trade.

> PROFESSOR

[Andrea Ariu](#)

[Office hours](#)

> ASSISTANT

[Office hours](#)

Syllabus

1. Pre-requisites

PhD level International Trade A is a pre-requisite for this course, as well as a good understanding of the topics in a graduate level general econometrics course.

2. Evaluation

There are two components to the evaluation of this course (*please note that the evaluation method for this module is subject to revision, based on the number of students enrolled in the course – final details will be given in lecture 2 or 3*).

1. In class presentations: Each student will deliver a number of approximately 45 minutes presentations on designated papers. Papers will be randomly allocated to presenters. All relevant technical aspects of the paper need to be addressed, with the goal of the audience gaining full understanding of the paper in: (i) its framing in the literature; (ii) the model and estimation strategy, where applicable; (iii) the econometric approach, implementation and challenges, where applicable; (iv) the result and main conclusions; (v) limitations and relevant caveats. All presentations taken together account for 50% of the course overall mark.

2. Research proposal: Students are asked to submit and present in class a short paper with a research idea of their own. This should include at least the following: (i) a clear, relevant, feasible research question in empirical (micro) trade; (ii) a literature review on the relevant topic, highlighting the contribution that the intended research plan would offer; (iii) a description of the data and methodology required for addressing the question at hand. If students draw from previous work of their own (MSc. dissertation, PhD entry proposal, etc.), this should be clearly stated in the submission, which must in any case constitute a significantly novel piece of work. It is hoped that this will serve as a basis for the students' MPTs. The manuscript is to be submitted in pdf and should not exceed the length of 10 pages in font of size 12. This will account for 50% of the overall mark of the course.

Please, observe the Institute's rules on plagiarism. All submission will be evaluated using software-based plagiarism detection and a grade of zero will be awarded should the result of this examination be positive.

3. Reading list

The following is the tentative list of topics and readings to be covered and it is subject to change.

1. Trade and labor

Autor, D., Dorn, D. and Hanson, G. H. (2013) "The China Syndrome: local labor market effects of import competition in the United States" (AER)

Bloom, N., Draca, M. and Van Reenen, J. (2015) "Trade Induced Technical Change? The Impact of Chinese Imports on innovation, IT and Productivity" (REStud)

Caliendo, L., Dvorkin, M. and Parro, F. (2018) "Trade and Labor Market Dynamics: General Equilibrium Analysis of the China Trade Shock" (Working paper)

Marc Muendler (2019) "Trade, technology, and prosperity: An account of evidence from a labor-market perspective", WTO Staff Working Paper, No. ERSD-2017-15

David Hummels, Rasmus Jorgensen, Jakob Munch, Chong Xiang (2014) "The Wage Effects of Offshoring: Evidence from Danish Matched Worker-Firm Data", American Economic Review. 104: 1597-1629.

Rosario Crinò, Italo Colantone and Laura Ogliari,(2019) "Globalization and Mental Distress", Journal of International Economics, 119: 181-207.

Peter Schott and Justin Pierce (2020) "Trade Liberalization and Mortality: Evidence from U.S. Counties" AER Insights, Forthcoming

2. Migration and trade

Bratsberg, B., Moxnes, A., Raaum, O., and Ulltveit-Moe, K. H. (2018) "Opening the floodgates: Industry and occupation adjustment to labor immigration" (Working paper)

Ottaviano, G. I. P., Peri, G., and Wright, G. (2013) "Immigration, Offshoring, and American Jobs" (AER)

Ariu, Andrea, (2020), Foreign Workers, Product Quality, and Trade: Evidence from a Natural Experiment

Parsons, C. and Vezina, P.-L. (2018). Migrant Networks and Trade: The Vietnamese Boat People as a Natural Experiment. *The Economic Journal*, 128(612):210–234.

Beerli, A., Ruffner, J., Siegenthaler, M., and Peri, G. (2018). The Abolition of Immigration Restrictions and the Performance of Firms and Workers: Evidence from Switzerland. NBER Working Papers 25302, National Bureau of Economic Research, Inc.

Egger, P., Erhardt, K., and Lassmann, A. (2019). Immigration and Firms' Integration in International Production Networks. *European Economic Review*, 111:1–34.

Mion, G. and Opromolla, L. D. (2014). Managers' mobility, trade performance, and wages. *Journal of International Economics*, 94(1):85–101.

Mion, G., Opromolla, L. D., and Sforza, A. (2016). The Diffusion of Knowledge via Managers' Mobility. CEPR Discussion Papers 11706, C.E.P.R. Discussion Papers.

Olney, W. W. and Pozzoli, D. (2018). The Impact of Immigration on Firm Level Offshoring. Working Papers 3-2018, Copenhagen Business School, Department of Economics.

3. Trade in Services

Ariu, A., 2016a, Crisis-Proof Services: Why Trade in Services Did Not Suffer During the 2008-2009 Collapse, *Journal of International Economics*, Vol.98, 138-149.

Ariu, A., 2016b, Services Versus Goods Trade: A Firm-Level Comparison, *Review of World Economics*, Vol.152 (1) 19-41.

Ariu et al., 2017a, One Way to the Top: How Services Boost the Demand for Goods, *Journal of International Economics*, Vol.123.

Ariu et al., 2017b, Firm Heterogeneity and Aggregate Business Services Exports: Micro Evidence from Belgium, France, Germany and Spain, ECB Working Paper 2097.

Breinlich et al., 2017, From Selling Goods to Selling Services: Firm Responses to Trade Liberalization, *American Economic Journal: Economic Policy*.

Crozet, M. and E. Milet, 2017, Should Everybody be in Services? The Effect of Servitization on Manufacturing Firm Performance, *Journal of Economics and Management Strategy*, Vol.26 (4), 820-841.

Kelle, M., 2013, Crossing Industrial Borders: German Manufacturers as Services Exporters, *The World Economy*, Vol.36 (12), 1494-1515.

4. Structural Transformation

Andrew B. Bernard, Valerie Smeets, Frederic Warzynski, Rethinking deindustrialization, *Economic Policy*, Volume 32, Issue 89, January 2017, Pages 5–38

Teresa Fort, Xiang Ding, Stephen J. Redding, and Peter K. Schott (2020) "Structural Change Within Versus Across Firms: Evidence from the United States

Teresa Fort, Justin Pierce and Peter Schott (2018) "New Perspectives on the Decline of U.S. Manufacturing Employment" *Journal of Economic Perspectives*, 2018. 32(2): 47-72

Peter Schott and Justin Pierce (2016) "The Surprisingly Swift Decline of US Manufacturing Employment (2016) *American Economic Review* 106(7):1632-62

Andrew Bernard and Teresa Fort, (2015) "Factoryless Goods Producing Firms", *American Economic Review, Papers and Proceedings*, 2015. 105, 518-23.