

Outline

The 12 two-hour lectures will be organized as follows:

1. Introduction
Stylized facts.
2. Neoclassical trade models (1/6)
Ricardo & Dornbusch Fischer Samuelson (1977).
Feenstra, chap.1
3. Neoclassical trade models (2/6)
Heckscher-Ohlin-Samuelson 2x2x2 model
Feenstra, chap.1-2
4. Neoclassical trade models (3/6)
HOS with more goods and factors: Heckscher-Ohlin Vanek & Dornbusch Fischer Samuelson (1980)
Feenstra, chap.3
5. Neoclassical trade models (4/6)
Empirical performance of neoclassical trade models: Trefler (1995), Davis and Weinstein (2001)
Feenstra, chap.3
6. Neoclassical trade models (5/6)
Eaton and Kortum (2002)
Online Appendix
7. Neoclassical trade models (6/6)
Eaton and Kortum (2002) and applications (Caliendo Parro 2015)
Online Appendix
8. Imperfect competition and Trade in Differentiated Varieties (1/2)
From Krugman (1980) to Melitz (2003)
Handbook, chap. 1
9. Imperfect competition and Trade in Differentiated Varieties (2/2)
Extensions of Melitz (2003) and empirical evidence on firms and trade.
Handbook, chap. 1
10. Gravity and Gains from Trade (1/2)
Gravity equations: theory (Anderson van Wincoop 2003) and estimation.
Handbook, chap. 3
11. Gravity and Gains from Trade (2/2)
Quantifying gains from trade: gravity-based models (Costinot Rodriguez 2014), natural experiments.
Handbook, chap. 3
12. Fragmentation
Value-added trade. Offshoring model (Grossman Rossi-Hansberg 2008).
Reading list.

References

In general the course will rely on the two following textbooks. Occasionally articles will be handed out in class.

Feenstra: Robert C. Feenstra (2003), *Advanced International Trade: Theory and Evidence*, Princeton University Press, ISBN: 9780691114101

Handbook: *Handbook of International Economics*, Volume 4, Pages 1-740 (2014), Edited by Gita Gopinath, Elhanan Helpman and Kenneth Rogoff, North-Holland, ISBN: 978-0-444-54314-1

Evaluation

Final exam.