

University of Mannheim
MSc Economics

Topics in International Economics, E597
Seminar
Spring Term 2021

Harald Fadinger
E-mail: harald.fadinger@uni-mannheim.de
Office: L7 3-5, Room 4.19

Time: tbd

Location: tba

Evaluation:

Oral presentation (40%), term paper (40%), active participation in class (20%)

Oral Presentation:

Each participant should choose one article from the reading list below. Articles will be assigned after the organizational meeting. You should use the time until end of March to have a look at the articles.

The presentation should explain the main theoretical (if applicable) and empirical results of your assigned article. For purely empirical papers it is particularly important to explain in detail the econometric methodology and identification strategy. If necessary, you should consult an econometrics textbook (see below for suggestions). The presentation should take around 45 minutes. You are expected to prepare 20-25 slides (in Powerpoint or pdf format). You should also prepare a handout with questions for your peers relating to important points of your presentation. These questions should help us to have a lively discussion after your talk. You are required to send me your presentation at least one week before our meeting so that I have time to give you feedback. (!)

Term Paper:

In the term paper you should present the main results of your assigned article, explain the model (if applicable) and the econometric methodology. Importantly, you should also critically evaluate its scientific potential and discuss possible

weaknesses. In case the article is purely empirical and does not contain an economic model, I would like you to discuss the contribution of your article with respect to the related literature (you need to read some of the papers cited in the references or find related papers using google scholar to do that). This is not necessary if your article has a theoretical part, which is indicated with a (*) in the reading list. The term paper should have a length of approximately 10 pages, including references, but excluding the cover page and the table of contents. You should use one-sided DIN A4 layout, with 12pt font size and 1.5pt line spread. The text should be aligned and the left and right margin should be 3 centimeters.

Textbooks:

Here is a list of textbooks that discuss some of the basic models used in international trade.

Robert Feenstra (2015): *Advanced International Trade*, 2nd edition, Princeton University Press (advanced trade textbook)

Krugman, Obstfeld and Melitz (2014): *International Economics*, 10th Edition, Pearson (introductory trade textbook)

These textbooks are useful to review the econometrics used in the articles:

Wooldridge, J. M. (2006). *Introductory econometrics: A modern approach*. Mason, OH: Thomson/South-Western. (introductory econometrics textbook)

Jeffrey M. Wooldridge, 2001. "Econometric Analysis of Cross Section and Panel Data," MIT Press Books, The MIT Press. (more advanced textbook that discusses, e.g, dynamic panel estimators)

Readings:

Note: Articles without a (*) are purely empirical. Articles with a (*) include both a theoretical model and empirics and are more challenging.

Trade and Growth

James Feyrer, 2009. "Distance, Trade, and Income - The 1967 to 1975 Closing of the Suez Canal as a Natural Experiment," NBER Working Papers 15557, National Bureau of Economic Research, Inc.

*Cesar Ducruet, Reka Juhasz, David Nagy and Claudia Steinwender (2020) All Aboard: The Effects of Port Development NBER Working Paper No. 28148.

Réka Juhász, 2018. "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade," *American Economic Review*, 108 (11): 3339-76

* Dani Rodrik, 2008. "The real exchange rate and economic growth," *Brookings Papers on Economic Activity*.

Trade with historical data

*Gojko Barjamovic, Thomas Chaney, Kerem Cosar and Ali Hortacsu, 2019, "Trade, Merchants and Lost Cities of the Bronze Age," *Quarterly Journal of Economics*

* Daniel M. Bernhofen and John C. Brown, 2016, "Testing the General Validity of the Heckscher-Ohlin Theorem," *American Economic Journal: Microeconomics*. Nov 2016, Vol. 8, No. 4: Pages 54-90

*Claudia Steinwender (2018), Real Effects of Information Frictions: "When the States and the Kingdom became United," *American Economic Review* 108(3), 657-696

* Christian Dippel and Avner Greif and Daniel Trefler. 2016 "The Rents From Trade and Coercive Institutions: Removing the Sugar Coating," NBER Working Paper.

Trade Policy

Chad Bown, Paola Conconi, Aksel Erbahar, and Lorenzo Trimarchi, "Trade Protection Along Supply Chains", CEPR Discussion Paper 15648 and CESifo Working Paper 881

Flaen, Aaron, Ali Hortaçsu, and Felix Tintelnot. 2020. "The Production Relocation and Price Effects of US Trade Policy: The Case of Washing Machines." *American Economic Review*, 110 (7): 2103-27.

*Joseph S Shapiro, The Environmental Bias of Trade Policy, *Quarterly Journal of Economics*, 2020

*Feng, L., Z. Li, and D. L. Swenson (2017). Trade policy uncertainty and exports: Evidence from China's WTO accession, *Journal of International Economics* 106, 20–36.

Trade, Technology and Labor Markets

*Daron Acemoglu and Pascal Restrepo, 2020. "Robots and Jobs: Evidence from US Labor Markets, *Journal of Political Economy*, 128(6), pp. 2188–2244.

David Autor, David Dorn, Gordon Hanson, 2013. "The China Syndrome: Local Labor Market Effects of Import Competition in the United States," *American Economic Review*, 103(6), 2121-68

David Autor, David Dorn, Gordon Hanson, and Jae Song, 2014. "Trade Adjustment: Worker Level Evidence", *Quarterly Journal of Economics*, 2014, 129(4), 1799–1860.

*David Autor, David Dorn, Lawrence Katz, Christina Paterson and John Van Reenen, 2017. "The Fall of the Labor Share and the Rise of Superstar Firms, *Quarterly Journal of Economics*, 135(2), May 2020, 645–709.

*Kirill Borusyak and Xavier Jaravel, 2018. "The Distributional Effects of Trade: Theory and Evidence from the United States," mimeo

*Rui Costa, Swati Dhingra and Steven Machin, 2019. "Trade and Worker Deskilling," CEP Discussion Paper No 1622

Rafael Dix-Carneiro and Brian Kovak, 2017. "Trade Liberalization and Regional Dynamics, *American Economic Review*, 107(10): 2908–2946

Trade and Political Outcomes

David Autor, David Dorn, Gordon Hanson and Kaveh Majlesi, 2016. "Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure," MIT Working Paper.

Italo Colatone and Piero Stanig, 2018. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe," *American Journal of Political Science*.

Trade and Covid-19

*Barthelemy Bonadio, Zhen Huo, Andrei Levchenko and Nitya Pandalai-Nayar, 2020. *Global Supply Chains in the Pandemic*, NBER Working Paper 27224

The papers below can be combined into a presentation (they are individually too short/too easy):

- a) Richard Baldwin and Aichi Tomura, 2020. Thinking ahead about the trade impact of COVID-19, in Baldwin, De Mauro, eds. *Economics in the Time of Covid-19*.
- b) Katja Zajc Kejžar and Alan Velić, 2020, Covid-19, trade collapse and GVC linkages: European experience, *Covid Economics*, 61, 11.

- c) Matthias Meier and Eugenio Pinto, 2020, Covid-19 Supply Chain disruptions, Covid Economics, Covid Economics, 48.