Advanced International Trade
Econ 552, Spring 2016
Bendheim 317, MW 9:00 -10:30am
Princeton University

Syllabus

Overview: This is a graduate course in the second year international trade sequence. We will cover topics related to trade and the international organization of production. In particular, we will study multinationals, offshoring and vertical specialization. We will also study models of trade where factors of production are heterogeneous and so need to match to form production teams. Finally, we will study economic geography and the relationship between the distribution of economic activity in space and trade flows.

Grading: Your grade for this course will be based on class participation, a class presentation, and submitting a paper with a research idea. The idea can be preliminary but should be described precisely. Your paper is due on May 10th. You will also have to present a paper in class. The paper can either be chosen from the syllabus on a topic of your interest or you can suggest a paper. You need to discuss your choice with me. Please do the required reading ahead of time and come to class prepared to discuss the related topics.

Outline and Readings: This syllabus, with the links to my notes and all papers, can be downloaded from the course website at:

http://www.princeton.edu/~erossi/Econ552.pdf

Outline:

- Week 1: Firm Boundaries and Trade
  - Slides
  - Required Readings:
• Optional Readings:

• Week 2: Organization and Trade
  - Slides
  - Required Readings:
  - Optional Readings:

• Week 3: Global Supply Chains
  - Slides
  - Required Readings:
  - Optional Readings:

• Week 4-5: Offshoring and Task Trade
  o Slides
  o Required Readings:
  o Optional Readings:
    ▪ Baldwin. 2006. “Globalisation: The Great Unbundling(s),” mimeo
    ▪ Tintelnot. 2014. “Global Production with Export Platforms,” mimeo

• Week 6-7: Trade, Matching, Sorting and Heterogeneity
  o Required Readings:
Optional Readings:

- Kremer and Maskin. 2006. “Globalization and Inequality,” mimeo

Week 8-9: Economic Geography and Trade

Required Readings:


Optional Readings:


Week 10-11: Trade Dynamics and Growth

Required Readings:


  - Optional Readings:

- **Week 12: Cities and Systems of Cities**
  - Required Readings:

• Optional Readings:


  • Henderson, 1974, “The Sizes and Types of Cities,” American Economic Review