This is a PhD level course in positive international trade – that is, understanding patterns and volumes of trade (less emphasis on trade policy). It will also touch on closely related problems in spatial economics, drawn largely from the systems of cities literature. The prerequisite is knowledge of the first year PhD economics core material. Familiarity with international trade at an undergraduate level is helpful, although not required.

The readings have been divided, with two ** indicating the most important, one * indicating the next most important, and no stars indicating additional valuable readings.

The course will have the following requirements, **each counting for one-third of the grade:**

- A term paper that may serve as the start on your required second year PhD paper. At a minimum, this should provide a critical (not merely expository) perspective on an important paper or cluster of papers on a topic relevant to this class. If in doubt, ask me if the topic is appropriate.
- Final Exam

**Electronic Resources**

Virtually all of the papers and resources listed here should be downloadable online. The key sites are Google Scholar, RePec, Social Sciences Citation Index, and Econlit. You must be familiar with all of these. Note that Google Scholar allows you to set preferences for Columbia University, so to retrieve a tremendous amount of the literature via e-link@columbia.

Of course, you should also visit the websites of the people whose work in an area you find most exciting to see frontier working papers.

**Strongly Recommended Books**

- Grossman, Gene and E. Helpman, [Innovation and Growth in the Global Economy], 1991 MIT. (GH)
- Helpman, Elhanan and Krugman, Paul, [Trade Policy and Market Structure], MIT 1989. (HK2)

**Recommended Books**

- Davis, Donald R., [Notes on Competitive Trade Theory]
- Grossman, Gene and Rogoff, Ken, eds. [Handbook of International Economics, Volume 3], Elsevier 1995. (HIE3)
- Jones, Ronald W. and Kenen, Peter, eds. [Handbook of International Economics, Volume 1], Elsevier 1984. (HIE)
I. Perfect Competition

A. Equilibrium in a Trading World and the Gains From Trade

Davis, Donald R., Notes on Competitive Trade Theory, Ch. 2.

B. Comparative Advantage

Theory

** DN. pp. 1-8 and “Mathematical Appendix.”
Ethier, W. “Higher Dimensional Issues in Trade Theory,” sections 1 and 2, HIE

Data


C. An Exchange Economy

Jones, Ronald W. and Peter Neary, “The Positive Theory of International Trade,” in HIE Section 2.1

D. Ricardo

Jones, R. and P. Neary, “The Positive Theory of International Trade,” HIE Section 2.2
DN pp. 36-38.

E. Heckscher-Ohlin

Theory

* DN pp. 1-19, 85-86, 93-122, 133-137.
** HK1 Ch. 1.
* Feenstra, Ch. 1
Rivera-Batiz and Oliva, Ch. 1
Ethier, W. “Higher Dimensional Issues in Trade Theory.” in HIE.

Data

** Feenstra Chs. 2-3


Rivera-Batiz and Oliva, Ch. 3


F. Specific Factors (Ricardo-Viner) Model

** Jones, R. and P. Neary, “The Positive Theory of International Trade,” HIE Section 2.4

G. Hybrid Competitive Models


H. Unemployment and Factor Markets under Perfect Competition

** Costinot, Arnaud and Jon Vogel, “Matching and Inequality in the World Economy,” JPE 2010.

I. Immigration

Lant Pritchett, Let Their People Come: Breaking the Gridlock on Global Labor Mobility, Center for Global Development, 2006. (Available as pdf.)
Rivera-Batiz and Oliva, Ch. 5.1-5.4

J. External Increasing Returns

* Bhagwati, Panagariya, and Srinivasan, Section 1 of Chapter 11 (Economies of Scale) of Lectures on International Trade.

II. Imperfect Competition Theory (static)

A. Monopoly


B. Monopolistic Competition

* Krugman, Paul “Increasing Returns, Monopolistic Competition and International Trade,” JIE 9 1979,
** HK1 Chs. 7-8, 9.5, 10.4, 11.4.
DN Ch. 9.
HK1 Chs. 6, 9-11.

C. Oligopoly

** HK1 Ch. 5
D. Firms and Trade

** Pol Antras’s notes for Ec 2535 at Harvard. See Antras Lectures.

E. Multinational Corporations

** Feenstra, Ch. 11
** HK1 Chs. 12.1-12.4, 13.1-13.3

F. Factor Markets under Imperfect Competition


III. Economic Geography

A. Gravity and the Volume of Trade

** Feenstra Ch. 5

B. Economic Geography

Theory

** Fujita, Krugman and Venables Chapters 4.5, 14
Rivera-Batiz and Oliva, Ch. 4

Data


* Rappaport, Jordan; Sachs, Jeffrey D, “The United States as a Coastal Nation,” Journal of Economic Growth, vol. 8, no. 1, March 2003, pp. 5-46


D. Systems of Cities


IV. Trade and Growth

A. Perfectly Competitive Framework


B. Research and Development

** GH Chs. 3, 6, 13.

C. Empirics

Feenstra Ch. 10
Rivera-Batiz and Oliva Ch. 6

IV. Elements of Trade Policy (to be expanded)

Theory


Empirics

Electronic resource management (ERM) is the practices and techniques used by librarians and library staff to track the selection, acquisition, licensing, access, maintenance, usage, evaluation, retention, and de-selection of a library’s electronic information resources. These resources include, but are not limited to, electronic journals, electronic books, streaming media, databases, datasets, CD-ROMs, and computer software. Electronic resources are easily accessible in remote areas. Electronic resources solve storage problems and control the flood of information. Print sources are being digitized. Electronic information sources are becoming more and more important for the academic community. The advent of technology has made the libraries to add new things to its collection. The more prominent among them is the e-resources. Electronic collections organize electronic resources for delivery and publication. Resources can include electronic journals, portfolios, databases, or e-books, among others. They can be accessed through a service such as full-text, using bibliographic records and URLs, or by a combination of these. Electronic collections are available (to be published to Primo or viewed in Primo VE) after they are activated. An electronic library resource (e-resource) - an online resource containing electronic publications which is available to HSE on the basis of an agreement with an ELR owner or another supplier. Authentication Data (AD) is a unique set of data, consisting of a login and a password; Remote Access (RA) - access to an ELR provided outside of HSE’s local network through the HSE Library’s proxy server via personal AD. The electronic resources are also known as online information resources covering bibliographic databases, electronic reference books, search engines for full text books, and digital collections of data. They include both born digital material which has been produced directly online. For example, e-journals, databases, and print resources which have been scanned and digitized. The electronic resources, e-journals, online databases are not owned by the libraries as they own the print material.