



Research
Education
Outreach

CCA

Allievi Program

International Economics

Fall 2022

Instructor: Brett McCully

Contact Information

Collegio Carlo Alberto

Office: 107

Office Hours: Drop by or send an email to set up an appointment.

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Objective of the course

What explains the movements of goods, people, and capital across space? What are the economic costs and benefits from these movements? In this course, we will explore how economists have answered these fundamental questions both theoretically and empirically.

Students will learn how to (i) formally model migration, trade, and foreign investment, (ii) criticize existing studies, and (iii) develop their own research ideas. By the end of the course, students will understand up to the research frontier and be able to apply standard models from international economics to novel situations.

Requirements and Grading

Course requirements will assess two key capabilities. First, students will learn about standard international economics models and able to solve them. Second, students will use their knowledge about these standard models to critique recent research as well as begin to develop their own novel research.

Category	Percent of Grade
Problem Sets (2)	25%
Midterm	25%
Presentation	25%
Literature review/research idea	25%

In the first half of the course, students will turn in 2 problem sets and complete an in-class or take-home midterm exam. During the last few class meetings, students will present a recent worker paper or recently published paper (approved by me), as well as their critiques of the paper. Finally, in lieu of a

final exam, students will submit either a literature review on a pre-approved topic in international economics that is of interest to the student, or submit an outline of a research idea. PhD students must submit a write-up of a research idea.

Course Website

I will post course materials to the Google Classroom site:
[TBA]

Tentative Course Outline

Core Empirics

- Gravity model of trade
 - Head and Mayer 2014

Core Theory

- Classical models of international economics
 - Heckscher-Ohlin model
 - Specific-Factors model
 - Ricardian model (Dornbusch, Fischer, and Samuelson 1977)
- New Trade Theory (past Nobel prize winners)
 - Krugman 1979, 1980
- New New Trade Theory (future Nobel prize winners)
 - Eaton and Kortum 2002
 - Melitz 2003

Topics (very tentative)

- What are the labor market effects of international immigration for the host country?
 - Burstein et al. 2021 (ECTA)
- How do social networks contribute to the movement of goods and people?
 - Chaney 2014
- What are the gains from trade? How do new varieties enhance the benefits of trade?
 - Feenstra 1994, Broda and Weinstein 2006
- How do trade and migration shape the movement of workers out of agriculture and into manufacturing?
 - Fajgelbaum and Redding 2021; Galor and Mountford 2008
- Who immigrates, and why?
 - Roy model and applications (e.g., Lagakos and Waugh 2014, Lagakos, Marshall, Mobarak, Vernot, and Waugh 2021)