



Research
Education
Outreach

CCA

Allievi Program

International Economics

Fall 2022

Instructor: Brett McCully

Contact Information

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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. There will also be a significant emphasis on developing students' verbal and written communication skills.

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 and communicate ideas.

Category	Percent of Grade
Problem Sets (2)	20%
Paper responses	25%
Presentation	25%
Literature review/research idea	25%
Participation	5%

In the first half of the course, students will turn in 2 problem sets. During the last half of the course, students will present and critique a recent worker paper or recently published paper (approved by me),

as well as submit written responses to assigned readings. Finally, students will submit an outline of a research idea with a review of the relevant literature.

Course Website

I will post course materials to the Google Classroom site:

<https://classroom.google.com/c/NTQzOTE0MjY5ODI2?cjc=icdomel>

Tentative Course Outline

WEEK	TOPIC
Core Theory of International Economics (readings optional)	
1	Course introduction; stylized facts of international econ; gravity model Head, Keith, and Thierry Mayer. "Gravity equations: Workhorse, toolkit, and cookbook." <i>Handbook of international economics</i> . Vol. 4. Elsevier, 2014. 131-195.
2	Ricardian models Dornbusch, Rudiger, Stanley Fischer, and Paul Anthony Samuelson. "Comparative advantage, trade, and payments in a Ricardian model with a continuum of goods." <i>The American Economic Review</i> 67.5 (1977): 823-839. Eaton, Jonathan, and Samuel Kortum. "Technology, geography, and trade." <i>Econometrica</i> 70.5 (2002): 1741-1779.
3	Specific factors model; Heckscher-Ohlin model
4 and 5 (no class 21/10, 24/10)	Theory of the firm in international trade Krugman, Paul R. "Increasing returns, monopolistic competition, and international trade." <i>Journal of International Economics</i> 9.4 (1979): 469-479. Krugman, Paul. "Scale economies, product differentiation, and the pattern of trade." <i>The American Economic Review</i> 70.5 (1980): 950-959. Melitz, Marc J. "The impact of trade on intra-industry reallocations and aggregate industry productivity." <i>Econometrica</i> 71.6 (2003): 1695-1725.
Topics in International Economics (readings required, with response due)	
6	Networks and trade Chaney, Thomas. "The network structure of international trade." <i>American Economic Review</i> 104.11 (2014): 3600-3634. Allen, Treb. "Information frictions in trade." <i>Econometrica</i> 82.6 (2014): 2041-2083.
7	Product variety and trade Broda, Christian, and David E. Weinstein. "Globalization and the Gains from Variety." <i>The Quarterly journal of economics</i> 121.2 (2006): 541-585. TBD
8	Structural transformation and trade Fajgelbaum, Pablo, and Stephen J. Redding. "Trade, Structural Transformation, and Development: Evidence from Argentina 1869–1914." <i>Journal of Political Economy</i> 130.5 (2022): 1249-1318. TBD
9	Immigration in developing countries Lagakos, David, and Michael E. Waugh. "Selection, agriculture, and cross-country productivity differences." <i>American Economic Review</i> 103.2 (2013): 948-80. TBD
10	Global value chains TBD