



Research
Education
Outreach

CCA

Allievi Program

International Economics

Fall 2023

Instructor: Brett McCully

Contact Information

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Objective of the course

What explains the movements of goods, people, capital, and ideas 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) comprehend formal models of migration, trade, and foreign investment, (ii) criticize existing studies, (iii) conduct rudimentary data analysis, and (iv) 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 the frontier of international economics research. Second, students will leverage this knowledge to critique recent research and come up with and communicate their own ideas.

Category	Percent of Grade
Problem set	10%
Paper responses (6)	25%
Presentation	25%
Research paper	35%
Participation	5%

In the first 8 weeks, students are required to read an assigned paper each week and write up a brief response (e.g., key insights, possible extensions, discussion questions) submitted on the course website. Students are allowed to skip submitting a response for one week of their choosing.

While the research paper is due at the end of the course, after classes are complete, students are required to submit components of the paper throughout the course, starting in week 2 when a set of 20 possible questions are due; followed by a literature review due in week 4; in week 7, a research proposal is due; and in week 9 some preliminary data/theoretical analysis is due.

Each student will be given the option to pick a published or working paper within international economics to present to the class in the final 2 weeks. This paper may be closely related to the student's research idea. The chosen paper must be approved by the instructor. The paper may be published or a working paper. Students are expected to both summarize and criticize their chosen paper. During their presentations, students should expect to be interrupted by clarifying questions.

Plagiarism

Paper responses, presentations, and your research paper components MUST be original work. If I detect plagiarism (which includes copying from other students or sources on the internet, etc.), there will be severe consequences for your grade in this course.

I encourage you to utilize your ChatGPT subscription to its fullest extent. Anytime you receive any kind of help from ChatGPT, however, you must submit the conversation you had with the AI as part of your assignment.

Course Website

I will post course materials to the Google Classroom site:

<https://classroom.google.com/c/NjIwODEyODkxOTQw?cjc=dqewpnt>

Textbooks

We will not be following any textbook closely for this course, but for reference you might use the following two online textbooks:

1. *Elements of Advanced International Trade* by Treb Allen and Costas Arkolakis (February 2016), available at <https://arkolakis.com/wp-content/uploads/ClassNotes.pdf>
2. *Technology in the Global Economy: A Framework for Quantitative Analysis* by Jonathan Eaton and Samuel Kortum (March 2010), available at <https://www.blogs.uni-mainz.de/fb03-economics-macro/files/2018/11/EatonKortum030410.pdf>

Tentative Course Outline

Dates	TOPIC
<i>Core Theory of International Trade (optional readings listed below)</i>	
27/9	Course introduction; stylized facts of international econ; gravity model No class 28/9
4/10 & 5/10	Taste-based Reasons for International Trade Armington, P. (1969). "A Theory of Demand for Products Distinguished by Place of Production." Staff Papers (International Monetary Fund), 16(1): 159-178.
11/10 & 12/10	Productivity Differences as a Source of Comparative Advantage Eaton, Jonathan, and Samuel Kortum. "Technology, geography, and trade." <i>Econometrica</i> 70.5 (2002): 1741-1779.

18/10 & 19/10	Increasing Returns to Scale and 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.
25/10 & 26/10	Heterogeneous Firms in International Trade 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	
1/11 & 2/11	Openness and Economic Growth
8/11 & 9/11	Immigration
15/11 & 16/11	Immigrants and Trade
22/11 & 23/11	Student Presentations
29/11 & 30/11	Student Presentations
15/12	Research paper due