

**Lecture:** Mondays 9:45-11:45 AM in Littauer M42

\*Note - **9:45 am start time** is different than course catalog 9 am start\*

**Recommended Background Textbook:** Paul Krugman, Maurice Obstfeld, and Marc Melitz:

*International Economics: Theory and Policy*, 11<sup>th</sup> edition, Addison Wesley (available for rent on Amazon; earlier editions available to buy) \*Cheaper copies may be available online\*

**Professor:** Marc Melitz

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Office hours: Mondays, 12:30-2PM

**Note** - Please add "Econ 980DD" to the email subject line

**Teaching Fellow:** Lydia Cox

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Office hours: Wednesdays, 9:45 -11:45AM

Location: Littauer Basement, Office G23

## **Junior Seminar Lottery Form:** [link](#)

### **Course Description and Pre-requisites**

This course will overview recent trends in the distribution of income within and across countries and will discuss economic research aimed at understanding the role of globalization (trade integration, multinational activity, etc) in shaping these trends. The course will focus on analytical and statistical methods and therefore requires knowledge of calculus and econometrics.

We will use microeconomic tools extensively, and thus having taken Economics 1010a or 1011a is a pre-requisite for the course. I would also recommend having taken Economics 1535 (International Trade and Investment), but it is not a formal pre-requisite of the course.

### **Grading Policy**

- As in other junior seminars, students will be assigned papers from the reading list and will present an overview in class; these presentations will count for 30% of the course grade.
  - Presenters must meet with the TF in office hours the week prior to the Monday presentation; and email slides of the presentation by end of the day Thursday.
- Students will be required to write a 15-20 page paper by the end of the course, and 60% of the course grade will be based on this paper.
  - Every student must schedule a minimum of 3 meetings with the TF in preparation for the paper. The first meeting can be used to discuss and refine topics. A literature review and outline (with data sources) will be required for the second meeting. A first draft (with initial results) will be required for the third meeting.
  - In preparation for the empirical work for your paper, a brief data exercise (using a posted dataset related to the class material) will be assigned. This will involve running a few regressions to replicate the results of a paper discussed in class.
- I expect that you will have read the assigned papers before coming to class. You are strongly encouraged to participate in class discussions during lectures. Class participation will account for the remaining 10% of your course grade.
  - All students must write 1-2 paragraph responses to the readings and email them by 5PM the day before class (Sunday)

### **Topics Covered in Class**

- Empirical evidence on inequality trends
  - Income/wages and worker characteristics (skills, education)
  - Worker and firm matching (and firm characteristics)
- Sector-level trade (and inequality)
  - Trade versus technology (as cause of rising inequality)
  - Offshoring and FDI
  - Regional disparities
- Trade and firm inequality (and impact for workers)
- Trade and technological choice/innovation
- International migration (and inequality)
- Trade and voting outcomes

- Brexit and national populism/protectionism

## **[Reading List](#)**

## **[Paper Resources and Data Exercise](#)**

## **[Class Presentation Slides](#)**

### **Lecture Plan**

I will give the first 3 lectures before we move on to student-led presentations on the topics from the list above (a detailed reading list of papers will be posted shortly). You will be asked for a ranking of your preferences over topics and I will do my best to match your assigned topic with those preferences.

- [Lecture 1](#): Course Introduction and overview of basic facts
- [Lecture 2](#), [Lecture 3](#): Crash course on international trade
  - Ec1010a Review
    - [Demand](#), [Buying and Selling](#), [Market Demand and Elasticity](#), [Exchange](#)
  - KOM textbook chapters 2-8