

Problem Set 4: The China Shock

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1. Write a short summary of Autor et al. (2013) main research question, methodological approach and key findings (maximum one page). You should be able to do this by reading just the introduction and skimming the paper.
2. Then focus on their empirical identification strategy. What is the key identifying assumption? Seek out some papers (or a paper) that criticize this approach and describe what the main concerns of the identifying assumption are according to those papers.
3. Autor et al. (2013) focuses on local labor market effects and thus abstract from general equilibrium (GE) effects that could mitigate or amplify the effects of the China shock. Seek out some papers (or a paper) that perform a GE analysis of the China shock that accounts for the findings in Autor et al. (2013). In one page, describe their key modeling assumptions and key findings.

References

Autor, David H., David Dorn, and Gordon H. Hanson (2013) ‘The china syndrome: Local labor market effects of import competition in the united states.’ *American Economic Review* 103(6), 2121–2168