

ECON 862: International Trade

Spring 2025

Professor	Armen Khederlarian
Email	ak9095@hunter.cuny.edu
Meeting Time	Monday 9:30-11:30am
Meeting Room	5383
Office Hours	By appointment
Course website	GitHub (work in progress)

This is a Ph.D.-level field course in International Trade. The typical target audience is graduate students in their second year or later. This is a tentative syllabus that will be updated as we go.

Learning Objectives

1. Develop a deep understanding of some of the workhorse static and dynamic trade models. Learn how to build, solve, and parameterize the types of models used in research.
2. Analyze and critique research in the field.
3. Develop quantitative and empirical research skills through problem sets.

Grading

Your grade will be based on

1. **Exam (40%):** There will be final exam that will serve as a good preparation for those of you taking the field exam in the summer. It will be on the last day of class, May 12, during regular class hour.
2. **Homework Problem Sets (40%):** There will be final exam that will serve as a good preparation for those of you taking the field exam in the summer. It will be on the last day of class, May 12, during regular class hour.
3. **In-class Presentation (20%):** Students will be required to choose a paper that they wish to critique from a list that will be made available. Papers are chosen on a first come first served basis. If you want to present a paper that is not on the list please e-mail me the paper and I will give you green/red light. The presentation dates will take place in the last 6 weeks of class (except last class: exam). Please e-mail me you preferred date. Again, first come first served basis.

Course Reading List

Note papers with a star are going to be covered in class. Others are optional and complementary.

Static Trade Models

- * Anderson (1979), “A Theoretical Foundation for the Gravity Equation”, American Economic Review
- * Krugman (1980), “Scale Economies, Product Differentiation, and the Pattern of Trade”, American Economic Review
- * Bernard, Jensen, Redding and Schott (2007): “Firms in International Trade,” Journal of Economic Perspectives
- * Melitz (2003), “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity”, Econometrica
- * Chaney (2008): “Distorted Gravity: The Intensive and Extensive Margins of International Trade,” American Economic Review
- Helpman, Melitz, and Yeaple (2004), “Export Versus FDI with Heterogeneous Firms”, American Economic Review
- * Arkolakis, Costinot, and Rodriguez-Clare (2012), “New trade models, same old gains?” American Economic Review
- Arkolakis et al. (2018), “The elusive pro-competitive effects of trade”, The Review of Economic Studies

Trade Dynamics

- * Das, Roberts and Tybout (2007), “Market Entry Costs, Producer Heterogeneity, and Export Dynamics”, Econometrica
- Alessandria, Arkolakis and Ruhl (2021), “Firm Dynamics and Trade”, Annual Review Economics
- * Alessandria and Choi (2007), “Do Sunk Costs of Exporting Matter for Net Exporter Dynamics?”, Quarterly Journal of Economics
- Arkolakis (2010), “Market Penetration Costs and the New Consumers Margin in International Trade”, Journal of Political Economy
- * Ruhl and Willis (2017), “New Exporter Dynamics”, International Economic Review
- Alessandria, Choi and Ruhl (2021), “Trade adjustment dynamics and the welfare gains from trade”, Journal of International Economics
- Fitzgerald, Haller, and Yedid-Levi (2024), “How Exporters Grow”, Review of Economic Studies

Trade Policy and the Trade Elasticity

- Anderson and Van Wincoop (2003), “Gravity with Gravitas: A Solution to the Border Puzzle”, American Economic Review

- Broda and Weinstein (2006): “Globalization and the Gains from Variety,” Quarterly Journal of Economics
- Kehoe and Ruhl (2013), “How Important Is the New Goods Margin in International Trade?”, Journal of Political Economy
- Khan and Khederlarian, 2021, “How does trade respond to anticipated tariff changes? Evidence from NAFTA”, Journal of International Economics
- Boehm, Levchenko, and Pandalai-Nayar (2023), “The Long and Short (Run) of Trade Elasticities”, American Economic Review
- * Alessandria, Khan, Khederlarian, Ruhl and Steinberg, 2025, “Recovering credible trade elasticities from incredible reforms”, Working Paper

Trade Policy Uncertainty

- Handley and Limao (2017), “Policy Uncertainty, Trade, and Welfare: Theory and Evidence for China and the United States”, American Economic Review
- Feng, Li, and Swenson (2017) “Trade policy uncertainty and exports: Evidence from China’s WTO accession.” Journal of International Economics
- Martin, Mejean, and Parenti (2021), “Relationship stickiness, international trade, and economic uncertainty”, Review of Economics and Statistics
- * Alessandria, Khan and Khederlarian, 2024, “Taking Stock of Trade Policy Uncertainty: Evidence from China’s pre-WTO accession”, Journal of International Economics
- * Alessandria, Khan, Khederlarian, Ruhl and Steinberg, 2025, “Trade Policy Dynamics: Evidence from 60 Years of US-China Trade”, Journal of Political Economy

Course Elective Reading List (Presentation)¹

I will choose one of the topics and I will let you choose another one. Once we have picked our lists you can choose a paper to present from this list. If you want to present a paper that is not on the list please e-mail me the paper and I will give you green/red light.

Productivity Gains from Trade

- Pavcnik (2002), “Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants”, The Review of Economic Studies
- Amiti and Konings (2007), “Trade Liberalization, Intermediate Inputs, and Productivity: Evidence from Indonesia”, American Economic Review
- Kasahara and Lapham (2013), “Productivity and the decision to import and export: Theory and evidence”, Journal of International Economics
- De Loecker, Goldberg, Khandelwal, and Pavcnik (2016), “Prices, Markups and Trade Reform”, Econometrica

¹The list is still incomplete. I will finish it soon and share.

- Halpern, Koren and Szeidl (2015), “Imported Inputs and Productivity”, American Economic Review
- Khan and Khederlarian (2024), “Inventories, Input Costs, and Productivity Gains from Trade Liberalizations”, International Economic Review

Trade and Labor

- Autor, Dorn, and Hanson (2013), “The China Syndrome: Local Labor Market Effects of Import Competition in the United States”, American Economic Review
- Dix-Carneiro et al. (2021). “Globalization, trade imbalances and labor market adjustment.” NBER Working Paper 28315.

Trade and Development

- Waugh (2010), “International Trade and Income Differences”, American Economic Review
- Donaldson (2014), “Railroads of the Raj: Estimating the Economic Impact of Transportation Infrastructure”, American Economic Review

Trade and Innovation

- Perla, Tonetti, and Waugh (2021), “Equilibrium Technology Diffusion, Trade, and Growth”, American Economic Review
- Santacreu (2024), “Dynamic Gains from Trade Agreements with Intellectual Property Provisions”, Journal of Political Economy

Trade and Finance

- Leibovici (2021), “Financial Development and International Trade”, Journal of Political Economy
- Kohn, Leibovici, and Szkup (2016), “Financial Frictions and New Exporter Dynamics”, International Economic Review

A primer on Sovereign Default

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Academic Integrity

Please see CUNY’s website to learn about its academic integrity policy:

<https://gc.catalog.cuny.edu/general-information/cuny-policy-on-academic-integrity>. I assume you are all familiar with it and will enforce it accordingly.

Disability-Related Accommodations

The Graduate School and University Center does not discriminate on the basis of disability in the admission and retention of students or the employment of faculty and staff. For information regarding services and facilities for students with disabilities, please refer to the Student Handbook section

“Services for Students with Disabilities” and to the CUNY Disability Accommodations Procedure at Disability & Accessibility Services – The City University of New York (cuny.edu)

An internal grievance procedure provides for prompt and equitable resolution of complaints alleging any action prohibited by the Office of Civil Rights under section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990. Grievances should be addressed to Mr. Matthew G. Schoengood, Vice President for Student Affairs and 504/ADA Coordinator, Room 7301; Telephone: 1-212-817-7400.

Religious Observances Policy

Please see CUNY’s website to learn about its religious observances policy and student rights:

<https://gc.catalog.cuny.edu/policies-of-the-graduate-center/religious-observances-student-rights>.