

# **International Trade**

## **(Prof. Barba Navaretti)**

### **Textbooks and Papers**

- Barba Navaretti G., and T. Venables, 2005, *Multinational Firms in the World Economy*, Princeton University Press (BNV);
- Feenstra R. C., 2004, *Advanced International Trade. Theory and Evidence*, Princeton University Press (F);
- Markusen J. R., J. R. Melvin, W. H. Kaempfer, and K. E. Maskus, 1995, *International Trade. Theory and Evidence* (MMKM);
- Helpman E., 2006, *Trade, FDI and the Organization of the Firm*, Journal of Economic Literature, vol. 44(3), pp. 589-630;
- Helpman E., M. J. Melitz, and S. R. Yeaple, 2004, *Export versus FDI with heterogeneous firms*, American Economic Review, vol. 94, pp. 300-316;
- Melitz M. J., 2003, *The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity*, Econometrica, vol. 71(6), pp. 1695-1725;
- Melitz M., and G. Ottaviano, 2008, *Market Size, Trade, and Productivity*, Review of Economic Studies, vol.75, pp. 295-316.

### **Syllabus**

- Introduction  
*References:* Baldwin and Martin, NBER WP No. 6904;  
Findlay and O'Rourke, NBER WP No. 8579;  
MMKM, ch. 2-4 (revision of some micro).
- The Gains from Trade *References:* MMKM, ch. 5\*.
- The Ricardian Model *References:* MMKM, ch. 7\*.
- The Heckscher-Ohlin Model  
*References:* MMKM, ch. 8\* and ch. 14 (up to page 232)\*;  
F, ch. 2.
- Imperfect Competition *References:* MMKM, ch. 11\*.
- Increasing Returns to Scale  
*References:* MMKM, ch. 12 (up to page 189)\*.

Compulsory readings are marked with an \*. The others should be considered as additional readings.

- Trade in Intermediate Inputs and Wages *References:* F, ch. 4\*.

- Heterogeneous Firms and the International Markets *References:* Helpman (2006)\*  
Helpman, Melitz, and Yeaple (2004)\*;  
Melitz (2003)\*;  
Melitz and Ottaviano (2008)\*.
- Horizontal VS Vertical FDI  
*References:* BNV, ch. 1-4\*.
- Economics of Multinationals: the Firm and the Market  
*References:* BNV, ch. 5\*.

Compulsory readings are marked with an \*. The others should be considered as additional readings.