

## ESSAYS IN INTERNATIONAL TRADE AND FINANCE



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# Abstract

There has been a huge increase in the volume of trade in the last fifty years, fueled in part by the proliferation of international agreements. This thesis studies two important implications of these agreements as well as a third implication of a comparison of specific patterns of rising trade across countries. After an overview of the thesis in Chapter 1, Chapter 2 examines detailed firm-level microdata on firms who invested and traded with Peru, before and after the Canada-Peru Foreign Investment Protection Agreement enacted in 2007. It finds little evidence that the agreement contributed to outsourcing in Canada. It also finds that in this case, the firm's Foreign Direct Investment was more likely to have expanded their production structures horizontally rather than vertically, although the evidence is incomplete. Chapter 3 uses a theoretical model to show potential shortcomings of reducing tariffs through international agreements when governments may face a sovereign debt crisis, especially when their institutions have limited ability to collect other forms of taxes. Chapter 4 examines trade data on imports of luxury goods, finding no robust evidence of different rates of changes across countries that have been estimated by others to have had large or small increases in top end incomes.





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# **Declaration of Academic Achievement**

The content of the research in this thesis is composed of work by Stephanie Houle, Pau S. Pujolas and Michael R. Veall. Chapters 2 and 3 are solely the work of Stephanie Houle while Chapter 4 was joint work with Pau S. Pujolas and Michael R. Veall. To Chapter 4, I contributed all the data work, tables and graphs, and the writing for Section 4.5.

