

TOPICS IN INTERNATIONAL TRADE WS2011

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Organization:

The block-seminar will take place in the winter semester, the 13th and 14th of January 2011. The presentation of the seminar will take place the 9th of November 2011 at 13:00 p.m in VG2.108. We encourage you to discuss your paper and presentation in our office hours at this stage and not just a few days before you finalize your paper. The listed references should provide a very clear overview of the main ideas and the main literature you have to use. The final paper is due no later than one week before the first day of the seminar (10 pages excluding references, tables and figures, 12pt, 1.5 spaced). There is no claim that the reading list is complete, it is intended to give you a good start, but however you will need more literature than there is on the list.

The file of your presentation is due three days before the seminar. Please hand in two hard copies of your paper and also send the paper as a pdf file and a ppt file of the presentation to fjohann@gwdg.de.

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Office hours: any time by appointment via email.

Requirements

The paper accounts for 70 percent and your presentation and active in class participation for 30 percent. For the grade of the presentation it is crucial that you can very well explain the ideas, theoretical and empirical models included in your paper to your classmates.

To register for the course it is necessary to register for the seminar in Stud.ip. To choose a topic, go to the forum of the seminar in Stud.ip and answer the thread of the corresponding topic. Every topic is only given once, so the first to answer gets the topic.

Important Dates and Deadlines

November 9 th	Introductory meeting (1 p.m. at VG2.108)
November 10 th	Begin of registration process on Stud.ip at 10 a.m.
November 30 th	End of registration period on Stud.ip
November 30 th	Registration deadline (Prüfungsamt)
January 5 th	Submission of your paper
January 10 th	Submission of your presentation
January 13 th	First meeting (8 a.m. VG2.108)
January 14 th	Second meeting (8 a.m. Oec1.164)
January 30 th	Grades are available at Stud.IP

Topics

Topic 1: Institutional quality, trade and growth

Das, Anupam and Biru Paksha Paul (2011) "Openness and growth in emerging Asian economies: Evidence from GMM estimations of a dynamic panel" *Economics Bulletin* 31, issue 3.

Dollar, D. and Kraay, A. (2003) *Institutions, Trade and Growth: Revisiting the Evidence*, World Bank Policy Research Working Paper, 3004.

Rodrik, D., Subramanian, A., and Trevisi, F. (2004) Institutional Rule: The Primacy of Institutions over Geography and Integration in Economic Development, *Journal of Economic Growth*, 9, 2, pp. 131-165.

Yanikkaya, H. (2003) "Trade, Openness and Economic Growth: A Cross-country Empirical Investigation" *Journal of Development Economics* 72, 57-89.

Topic 2: Aid for Trade

Udvari, Beáta "The Role of Aid for Trade in The European Union's Development Policy" ETSG Conference 2011 Copenhagen.

Hoekman, B. (2010): *Aid for Trade: Why, what and where are we?* Available: http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1273092281133/Bernard_Hoekman_Aid_For_Trade.pdf

Moreira, E. P. (2010): *Aid for Trade, Infrastructure, and the Growth Effects of Trade Reform. Issues and Implications for Caribbean countries. Policy Research Working Paper*, 5265, The World Bank.

Vijil, M. and Wagner, L. (2010) "Does aid for trade enhance export performance? Investigating on the infrastructure channel. Available at: http://www.etsg.org/ETSG2010/papers/Vijil_Wagner.pdf

Topic 3: Trade Facilitation

Behar, Alberto (2009). "De Bonus Vetus OLS: Approximating the international trade-cost effects of red tape", Available at: http://works.bepress.com/alberto_behar/11

Ferguson, Shon and Rikard Forslid "The heterogeneous effects of trade facilitation: theory and evidence". ETSG Conference 2011 Copenhagen.

Lederman, D., M. Olarreaga, and L. Payton (2010): "Export promotion agencies: Do they work?," *Journal of Development Economics*, 91(2), 257-265.

Persson, M. (2007) "Trade Facilitation and the EU-ACP Economic Partnership Agreements" GTAP WP, 2007.

Topic 4: Trade agreements

Trefler, Daniel. 2004. "The Long and Short of the Canada–U.S. Free Trade Agreement." *American Economic Review*, 94(4): 870–95.

Pavcnik, Nina. 2002. "Trade Liberalization, Exit, and Productivity Improvement: Evidence from Chilean Plants." *Review of Economic Studies*, 69(1): 245–76.

Amiti, Mary, and Jozef Konings. 2007. "Trade Liberalization, Intermediate Inputs, and Productivity: Evidence from Indonesia." *American Economic Review*, 97(5): 1611–1638.

Bergin, Paul R. Glick, Reuven. 2007 "Tradability, productivity, and international economic integration" *Journal of International Economics, Volume 73, Issue 1, September 2007, Pages 128-15.*

Topic 5: Trade and the environment

Aichele, Rahel Gabriel Felbermayr (2011) "Estimating the effect of Kyoto on bilateral trade flows and the carbon content of trade using matching econometrics" ETSG Conference 2011 Copenhagen.

Batrakova ,Svetlana and Ronald B Davies, (2010) Is there an environmental benefit to being an exporter? Evidence from firm level data University College Dublin WP10/07. Available at: http://www.ucd.ie/t4cms/wp10_07.pdf

Busse, M. and Magdalene Silberberger (2010) "Effects of Openness and Trade in Pollutive Industries on Stringency of Environmental Regulation" Ruhr-University of Bochum. <http://www.etsg.org/ETSG2010/papers/silberberger,busse.pdf>

Copeland, Brian R. and M. Scott Taylor (2003) "Free Trade and Global Warming: A Trade Theory View of the Kyoto" University of British Columbia, Vancouver, Canada.

Ederington, J., Levison, A. and Minier, J. (2004) "Trade Liberalization and Pollution Havens" *Advances in Economic Analysis and Policy* 4 (2),1-22.

Kellenberg, Derek K. (2009) "An empirical investigation of the pollution haven effect with strategic environment and trade policy" *Journal of International Economics, Volume 78, Issue 2, July 2009, Pages 242-255.*

Kearsley, Aaron and Mary Riddel (2010) "A further inquiry into the Pollution Haven Hypothesis and the Environmental Kuznets Curve" *Ecological Economics, Volume 69, Issue 4, 15 February Pages 905-919.*

Topic 6: Technology and Trade

Kneller, R., Pantzea, S. and Upward, R. (2010) "Does Absorptive Capacity Affect Who Benefits from International Technology Transfer? Available at: <http://www.etsg.org/ETSG2010/papers/Pantea.pdf>

Bascavusoglu, von E. (2005), "Does International Trade Transfer Technology to Emerging Countries? Open University wp 14. Available at: http://www.open.ac.uk/ikd/workingpapers/workingpaper_14.pdf

Keller, Wolfgang (2002). "Trade and the Transmission of Technology." *Journal of Economic Growth* 7(1): 5-24.

Topic 7: Gender Inequality and Trade

Aguayo, Ernesto, Jim Airola, and Chinhui Juhn (2010), "Did Trade Liberalization Help Women? The Case of Mexico in the 1990s", NBER working paper 16195.

Bussolo, Maurizio, R De Hoyos (2009), "Introduction and Overview", in M Bussolo and R De Hoyoy (ed.), *Gender Aspects of the trade and Poverty Nexus*, World Bank Press.

Kiratu, S. and Roy, S. (2010), "Beyond Barriers: The Gender Implications of Trade Liberalization in Southern Africa", International Institute for Sustainable Development, mimeo.

Shaw, A. (2010), "Gender and Trade in East Africa. A review of the Literature", UK Department for International Development (DFID), mimeo.

Topic 8: Trade, income per capita and inequality

Bernasconi, Claudia (2009) New Evidence for the Linder Hypothesis and the two Extensive Margins of Trade, February 2009.

Choi, Yo Chul, David Hummels, and Chong Xiang, "Explaining Import Quality: the Role of the Income Distribution," *Journal of International Economics*, 2009, 77, 265-275.

Latzer, H el ene and Florian Mayneris "Trade in quality and income distribution: an analysis of the enlarged EU market".ETSG Conference 2011 Copenhagen.

Markusen, J. R. (2010) "Putting per-capita income back into trade theory" available at: <http://www.etsg.org/ETSG2010/papers/markusen.pdf>

Mitra, Devashish and Vitor Trindade (2005) "Inequality and trade", *Canadian Journal of Economics*, Vol. 38, No. 4, 1253-1271.

Topic 9: Trade and transport costs

Alberto Behar and Anthony J. Venables. "Transport Costs and International Trade" *Handbook of Transport Economics*. Ed. Andr e de Palma, Robin Lindsey, Emile Quinet & Roger Vickerman. Edward Elgar, 2010.
Available at: http://works.bepress.com/alberto_behar/17

Kleinert, Joern and Julia Spies "Endogenous Transport Costs in International Trade" ETSG Conference 2011 Copenhagen. <http://www.etsg.org/ETSG2011/Papers/Spies.pdf>

Limao, N, Venables, AJ (2001), Infrastructure, Geographical Disadvantage and Transport Costs. *World Bank Economic Review* 15, 451-479.

Martínez-Zarzoso, I. and Suárez-Burguet, C. (2005), "Transport costs and trade: empirical evidence for Latin American imports from the European Union". *Journal of International Trade and Economic Development*, 14(3), 227-245.

Topic 10: Trade and logistics

Alberto Behar, Phil Manners, and Ben Nelson. 2009. "Exports and Logistics" Department of Economics Working Paper Series, Available at: http://www.economics.ox.ac.uk/index.php/papers/details/departement_wp_439/

Clark, X., Dollar, D. and Micco, A. (2004). Port efficiency, maritime transport costs, and bilateral trade. *Journal of Development Economics*, 75, 417-450.

Micco, A. and Pérez, N. (2002). Determinants of Maritime Transport Costs. WP-441, Inter-American Development Bank.

Topic 11: Exchange Rate Volatility and Trade

Baum, C.F. et al. 2010. On the sensitivity of the volume and volatility of bilateral trade flows to exchange rate uncertainty. *Journal of International Money and Finance*, 29(1), pp. 79-93.

Tenreyro, S. 2007. On the trade impact of nominal exchange rate volatility. *Journal of Development Economics*, 82(2), pp. 485-508.

Clark, P. et al. 2004. Exchange Rate Volatility and Trade Flows - Some New Evidence. *International Monetary Fund Occasional Paper*, No. 235.

Bahmani-Oskooee, M. & Hegerty, S.W., 2007. Exchange rate volatility and trade flows: a review article. *Journal of Economic Studies*, 34(3), p.211 - 255.

Topic 12: Financial Integration and Trade

Aizenman, J., 2008. On the hidden links between financial and trade opening. *Journal of International Money and Finance*, 27(3), 372 - 386.

Imbs, J., 2006. The real effects of financial integration. *Journal of International Economics*, 68(2), 296-324.

Shin, K. & Sohn, C., 2006. Trade and Financial Integration in East Asia: Effects on Co-movements. *The World Economy*, 29(12), 1649-1669.

Topic 13: Trade and Conflicts

Bhattacharya, P.S. & Thomakos, D.D., 2007. Trade, openness, and domestic conflict: an empirical investigation for Latin America. *Economics of Peace and Security Journal*, 2(2), 77 - 80.

Martin, P., Mayer, T. & Thoenig, M., 2008. Make Trade Not War? *Review of Economic Studies*, 75(3), 865 - 900.

Morrow, J.D., 1999. How Could Trade Affect Conflict? *Journal of Peace Research*, 36(4).

Reuveny, R., 2000. The Trade and Conflict Debate: A Survey of Theory, Evidence and Future Research. *Peace Economics, Peace Science and Public Policy*, 6(1).

Topic 14: The extensive and the intensive margin of trade

Helpman, Elhanan, Marc Melitz, and Yona Rubinstein. 2008. “Estimating Trade Flows: Trading Partners and Trading Volumes.” *Quarterly Journal of Economics* 117, pp137-.

Hillberry, R. and Hummels, D. (2008), Trade Responses to Geographical Frictions: A Decomposition Using Micro-Data, *European Economic Review* 52 (2008): 527–550.

Staub, K. “Estimation of trade effects at country margins” University of Zurich.

<http://www.sts.uzh.ch/members/staub/margins.pdf>

Topic 15: Product quality

Schott, Peter K. 2004. “Across-Product versus Within-Product Specialization in International Trade.” *Quarterly Journal of Economics*, 119(2): 647–78.

Hummels, David, Jun Ishii, and Kei-Mu Yi. 2001. “The Nature and Growth of Vertical Specialization in World Trade.” *Journal of International Economics*, 54(1): 75-96.

Hallak, Juan Carlos. 2006. “Product Quality and the Direction of Trade.” *Journal of International Economics*, 68(1): 238–65.

Hummels, David, and Peter Klenow. 2005. “The Variety and Quality of a Nation’s Exports.” *American Economic Review*, 95(3): 704–723.

Topic 16: Multilateral resistance and the border puzzle

Anderson, James E., and Eric van Wincoop. 2003. “Gravity with Gravitas: A Solution to the Border Puzzle.” *American Economic Review*, 93(1): 170-192.

Nelson, B. D. and Behar, A. 2009 “Trade Flows, Multilateral Resistance and Firm Heterogeneity” University of Oxford, mimeo.

Llano, C. and Requena, F. 2009 “The Border Effects in Spain: An Industry Level Analysis” Mimeo, Universidad de Valencia, Spain.

Topic 17: Geographical frictions

Chaney, T. (2008), Distorted Gravity: The Intensive and Extensive Margins of International Trade, *American Economic Review* 98:4, 1707-1721.

Clark, Don P. (2007), Distance, Production and Trade, *Journal of International Trade and Economic Development* 16 (3): 359-371.

Lawless, M. 2008 “Deconstructing Gravity: Trade Cost and the Extensive and the Intensive Margin” Central Bank of Ireland WP 5/RT/08.

Topic 18: Trade and International Production Networks

Baldwin, R. and Venables, A. J. (2010) "Relocating the value chain: Off-shoring and Agglomeration in the Global Economy. Available at: <http://www.etsg.org/ETSG2010/papers/Baldwin.pdf>

Obashi, Ayako (2010) Stability of production networks in East Asia: Duration and survival of trade, *Japan and the World Economy*, Volume 22, Issue 1, January, Pages 21-30.

Ma, Alyson C., Ari Van Assche, Chang Hong. (2009) Global production networks and China's processing trade *Journal of Asian Economics*, Volume 20, Issue 6, November, Pages 640-654.

Kimura, F., Takahashi, Y., Hayakawa, K., (2007), "Fragmentation and parts and components trade: Comparison between East Asia and Europe", *North American Journal of Economics and Finance*, 18, 23–40.

De Benedictis, Luca. (2010). "Africa in the World Trade Network" Available at: http://works.bepress.com/luca_de_benedictis/16.

Topic 19: The Euro Effect

Baldwin, R., Skudelny, F.& Taglioni, D., 2005. Trade effects of the euro - evidence from sectoral data. European Central Bank, 446.

Frankel, J.& Rose, A., 2002. An Estimate Of The Effect Of Common Currencies On Trade And Income. *The Quarterly Journal of Economics*, 117(2), p.437 - 466.

Rose, A.K., 2000. One Currency, One Market: Estimating the Effect of Common Currencies on Trade. *Economic Policy*, 15(30), p.7-46.

Topic 20: Trade and Uncertainty

Dixit, A.K., 1989. Entry and Exit Decisions under Uncertainty. *Journal of Political Economy*, 97(3), p.620 - 38. Available at:

Handley, K., 2011. Exporting Under Trade Policy Uncertainty: Theory and Evidence. Working paper, University of Maryland.

Handley, K.& Limão, N., 2011. Trade and Investment under Policy Uncertainty: Theory and Firm Evidence. ETSG Conference 2011 Copenhagen.

Berman, Nicolas and Vincent Rebeyrol, 2011 "Exporter dynamics and investment under Uncertainty". ETSG Conference 2011 Copenhagen.