

Advanced Theory Of China's Open Economics

Wednesday 14:00 -17:00

Eight lessons, March 13th-May 8th

励行楼 501 (蒲河校区)

Course Description

This course will cover the causes and consequences of international trade, including the determinants of the trade pattern, increasing returns, gains from trade, trade policy, the role of multinational corporations, and the relationship between trade and growth.

Contact Information

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Course Prerequisites

Prerequisites for this course are advanced microeconomics (I and II) or equivalent. For those who didn't take such courses but have strong interest in international trade could contact me directly before registration.

Recommended Books:

These books are not required but very helpful for future research. Those intending to do research in this field may want to have them in their personal libraries.

- Feenstra, Robert C., *Advanced International Trade: Theory and Evidence*, 2016, Princeton University Press, 2nd version
- Dixit Avinash and Victor Norman, *Theory of International Trade*, Cambridge, 1980.
- Feenstra Robert, *Product Variety and the Gains from International Trade*, MIT 2010.
- Feenstra Robert, *Offshoring in the Global Economy*, MIT 2010.
- Feenstra Robert and Wei Shang-jin, *China's Growing Role in World Trade*, University of Chicago Press, 2011.
- Grossman & Rogoff, *Handbook of International Economics*, Vol. 3, 2002.
- Antras Pol, *Global Production: Firms, Contracts, and Trade Structure*, Princeton University Press.
- Eaton & Kortum, *Technology in the Global Economy: A Framework for Quantitative Analysis*, 2010.
- Gopinath Helpman and Rogoff, *Handbook of International Economics*, Vol. 4, 2014.
- Lili Ing & Miaojie Yu, *World Trade Evolution*, Taylor and Francis Press, 2018.
- Yu Miaojie, *Trade Openness and China's Economic Development*, Routledge Press, 2019.

- Yu Miaojie, *China-US Trade War and Trade Talk*, Springer Press, 2020.
- Yu Miaojie, *Exchange Rate, Credit Constraints and China's Foreign Trade*, Springer Press, 2021.
- Tian Wei and Miaojie Yu, *Outward Foreign Direct Investment of Chinese Enterprises*, Springer Press, 2022.
- Tian Wei and Miaojie Yu, *Input Trade Liberalization*, Springer Press, 2023.
- 余淼杰, 李坤望, 《中国开放型经济学》, 2024年
- 余淼杰, 《国际贸易学: 理论、政策与实证》, 北京大学出版社, 2021年第二版

Course Grading:

Presentation	TBA	20%
Homework	TBA	10%
Final Exam/Term Paper	TBA	70%

Course Outline:

This is tentative and subject to change. Check back at <http://mjyu.lnu.edu.cn> for periodic updates and direct links to papers. Please read the assigned readings before the lecture. Lectures will follow Feenstra's book quite closely. Papers listed here are highly recommended but not required.

1. Ricardian Trade Theory

- ✧ Dornbusch, R., S. Fischer and P.A. Samuelson (1977), "Comparative advantage, trade and payments in a Ricardian model with a continuum of goods", *American Economic Review*, 1977, 823-39.
- ✧ Eaton, J. and S. Kortum (2002), "Technology, Geography, and Trade", *Econometrica*, 70(5), 1741-1779.
- ✧ Bernard Andrew, Jonathan Eaton, and J. Bradford Jenson, Sam Kortum, "Plants and Productivity in International Trade" *American Economic Review*, 93(4), 2003, 1268-1290.
- ✧ Eaton, J., S. Kortum, and Francis Kramarz (2011), "An Anatomy of International Trade," *Econometrica*, Vol. 79, No. 5 (September, 2011), 1453-1498.
- ✧ Costinot, Arnaud (2009), "An Elementary Theory of Comparative Advantage," *Econometrica*, 77(4), pp. 1165-1192.
- ✧ Eaton, J. and S. Kortum (2012), .Putting Ricardo to Work, *Journal of Economic Perspectives*, 2012: 65-90.
- ✧ Dekle, Eaton, and Kortum (2007), Unbalanced Trade, *American Economic Review, Papers and Proceedings*, 2007: 351-355.
- ✧ Costinot and Rodriguez-Clare, Trade Theory with Numbers: Quantifying the Consequences of Globalization, chapter 4, *Handbook of International Economics*, 2014.
- ✧ Caliendo Lorenzo and Parro, Estimates of the Trade and Welfare Effects of NAFTA, *Review of Economic Studies*, 2014: 1-44.
- ✧ Caliendo, L., Feenstra, R. C., Romalis, J., & Taylor, A. M. (2016). Tariff Reductions, Entry, and Welfare: Theory and Evidence for the Last Two Decades. *NBER working paper*.

2. The Heckscher-Ohlin Model

- ✦ Feenstra, Chapter 1 & 2
- Ethier, W. J. (1982). Higher dimensional issues in trade theory.
- Leamer, E.E., “The Leontief Paradox, Reconsidered”, *Journal of Political Economy*, 1980, 88(3) 495-503.
- Trefler, Daniel, “International Factor Price Differences: Leontief was Right!” *Journal of Political Economy*, December, 1993, 101(6), 961-87.
- Trefler, D., “The Case of the Missing Trade and Other Mysteries”, *American Economic Review*, December 1995, 85(5), 1029-46.
- Helpman, E. “The Structure of Foreign Trade,” *Journal of Economic Perspectives*, Spring 1999, 13(2), 121-44.
- Davis, D.R. and D.W. Weinstein, “An Account of Global Factor Trade,” *American Economic Review*, December 2001, 91(5), 1423-53.
- Peter M. Morrow and Daniel Trefler, “Endowments, Factor Prices, and Skill Biased Technology: Importing Development Accounting into HOV, *working paper*, 2017

3. The Gravity Equation

- ✦ Feenstra, Chapter 5
- Anderson, James and van Wincoop, Eric (2003), "Gravity with Gravitas: A Solution to the Border Puzzle," *American Economic Review* 93(1), pp. 170-192.
- Baier, Scott L. and Bergstrand, Jeffrey H.(2001), "The Growth of World Trade: Tariffs, Transport Costs, and Income Similarity," *Journal of International Economics* 53, pp. 1-27.
- Rose, Andrew K. (2004), "Do We Really Know That the WTO Increases Trade?" *American Economic Review* 94(1), pp. 98-114.
- ✦ Arkolakis Costas & Arnaud Costinot & Andres Rodriguez-Clare (2012), "New Trade Models, Same Old Gains?" *American Economic Review*, American Economic Association, vol. 102(1), pages 94-130, February.
- ✦ Chaney, T. (2008). Distorted gravity: the intensive and extensive margins of international trade. *American Economic Review*, 98(4), 1707-1721.
- ✦ Head, Keith and Thierry Mayer, 2013, “Gravity Equations: Workhorse, Toolkit, and Cookbook,” In *Handbook of International Economics*, 4th ed. (Preliminary Draft).
- ✦ Marius Brühlhart, Klaus Desmet & Gian-Paolo Klinken (2020), “The Shrinking Advantage of Market Potential,” *Journal of Development Economics*, pp.147.

4. Trade in Intermediate Inputs and Wages

- ✦ Feenstra, Chapter 4
- ✦ Feenstra, R.C. and Hanson, G.H., “The Impact of Outsourcing and High-Technology Capital on Wages: Estimates for the United States, 1979-1990,” *Quarterly Journal of Economics*, August 1999, 114(3), 907-40.
- ✦ Verhoogen, Eric (2008), “Trade, Quality Upgrading and Wage Inequality in the Mexican Manufacturing Sector.” *Quarterly Journal of Economics*, vol. 123, no. 2, pp. 489-530.
- Chen Bo, Miaojie Yu, and Zhihao Yu (2017), “Measured Skill Premia and Input Trade Liberalization: Evidence from Chinese Firms”, *Journal of International Economics*, 109, pp. 31-42.
- Grossman Gene and Esteban Rossi-Hansberg (2008), “A Simple Theory of Offshoring,

American Economic Review 98, pp. 1978-97.

- Halpern, L., Koren, M., & Szeidl, A. (2015), "Imported Inputs and Productivity," *American Economic Review*, 105(12): 3660–3703
- Pinelop Goldberg, Amit Khandelewal, Ninar Pavcnik, and Petia Topalova (2010), "Imported Intermediate Inputs and Domestic Product Growth: Evidence from India," *Quarterly Journal of Economics*, 125(4), 1727-1767
- Yi, Kei-Mu. 2003. "Can Vertical Specialization Explain the Growth of World Trade?" *Journal of Political Economy*, 111, 52-100.
- Brandt, Loren, and Peter M. Morrow. "Tariffs and the organization of trade in China." *Journal of International Economics* 104 (2017): 85-103.
- Kee, Hiau Looi, and Heiwai Tang. "Domestic Value Added in Exports: Theory and Firm Evidence from China." *American Economic Review* 106.6 (2016): 1402-1436.
- Wang, Yaqi and Miaojie Yu (2021), "Import and RMB Exchange Rate Pass-through: Marginal Cost versus Quality Change," *Journal of Behavior and Economic Organization*, 2021, 187, pp.470-487.

5. Increasing Returns to Scale and Firm Heterogeneity

- ✧ Feenstra, Chapter 5
- ✧ Melitz, Marc and Stephen Redding, "Heterogeneous Firms and Trade," In *Handbook of International Economics*, 4th ed. (Preliminary Draft).
- Helpman and Krugman, 1985, Chapters 3-4.
- Krugman, P.R. (1980), "Scale Economics, Product Differentiation, and the Pattern of Trade", *American Economic Review*, 1980. 70(5): p. 950-959.
- Krugman, P.R. (1981), Intra-industry Specialization and the Gains from Trade. *Journal of Political Economy*, pp. 959-973.
- Krugman, P. R., & Venables, A. J. (1995). Globalization and the Inequality of Nations. *Quarterly Journal of Economics*, 110(4), 857-80.
- Gordon Hanson and Xiang Chong (2004), "The Home Market Effect and Bilateral Trade Patterns," *American Economic Review*, 94: 1108-1129.
- Fajgelbaum Pablo, Grossman Gene, Elhanan Helpman, "Income Distribution, Product Quality, and International Trade", *Journal of Political Economy*, vol. 119 (August 2011)
- ✧ Melitz, M.J., "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity," *Econometrica*, 2003, 1695-1725.
- ✧ Chaney, Thomas (2008). "Distorted gravity: the intensive and extensive margins of international trade," *American Economic Review*, 98(4), 1707-1721.
- ✧ Feenstra, Robert (2010), "Measuring the Gains from Trade under Monopolistic Competition," *Canadian Journal of Economics*, 43(1), pp. 1-28.
- Bernard, Andrew, Redding Stephen, and Peter Schott (2007), "Comparative Advantage and Heterogeneous Firms," *Review of Economic Studies*, 74, pp 31-66.
- Melitz, Marc and Gianmarco Ottaviano (2008), "Market Size, Trade, and Productivity," *Review of Economics and Studies*, 75(1), 295-316.
- Bernard, A. B., Jensen, J. B., Redding, S. J., & Schott, P. K. (2007). Firms in International Trade. *Journal of Economic Perspectives*, 21(3), 3.
- Bernard, A. B., Jensen, J. B., Redding, S. J., & Schott, P. K. (2012). The Empirics of Firm Heterogeneity and International Trade. *Annual Review of Economics*, 4(1), 283-313.

- Kugler, M., & Verhoogen, E. (2012). Prices, plant size, and product quality. *Review of Economic Studies*, 79(1), 307-339.
- Amit Khandelwal (2010), "The Long and Short (of) Quality Ladders," *Review of Economic Studies*, 77(4), 1450-1476.

6. Trade and Credit Constraints

- ✧ Feenstra, Robert, Zhiyuan Li and Miaojie Yu (2014), "Export and Credit Constraint under Private Information: Theory and Application to China," *Review of Economics and Statistics*, 96(4), pp. 729-744
- Chaney, T. (2013). Liquidity constrained exporters (No. w19170). *National Bureau of Economic Research*.
- Manova, Kalina (2013), "Credit Constraints, Heterogeneous Firms and International Trade," *Review of Economic Studies* 80, p.711-744.
- Amiti, Mary and David Weinstein (2011), "Exports and Financial Shocks", *Quarterly Journal of Economics*, 126 (4), 1841-1877.

7. Multiple Products and Firm Heterogeneity

- Baldwin, J. and W. Gu (2009), "The impact of trade on plant scale, production-run length and diversification", in *Producer Dynamics: New Evidence from Micro Data*, ed. T. Dunne, J. B. Jensen and M. J. Roberts, University of Chicago Press.
- Bernard, Andrew, Bradford Jensen, and Peter Scott (2009), "Importers, Exporters, and Multinationals: A Portrait of Firms in the U.S. that Trade Goods," in *Producer Dynamics: New Evidence from Micro Data*, edited by Timothy Dunne, Bradford Jensen, and Mark Roberts, University of Chicago Press.
- ✧ Bernard, Andrew, Stephen J. Redding, and Peter K. Schott (2010), "Multiple-Product Firms and Product Switching," *American Economic Review*, 100(1), pp. 70-97.
- ✧ Bernard, Andrew, Stephen J. Redding, and Peter K. Schott (2011), "Multiple-Product Firms and Trade Liberalization," *Quarterly Journal of Economics*, 126(1), pp. 70-97.
- ✧ Caliendo Lorenzo and Esteban Rossi-Hansberg (2012), "The Impact of Trade on Organization and Productivity," *Quarterly Journal of Economics*, 27(3), 1393-1464.
- Feenstra, Robert and Hong Ma (2008), "Optimal choice of product scope for multiproduct firms", in *The Organization of Firms in a Global Economy*, ed. E. Helpman, D. Marin and T. Verdier, Harvard University Press.
- Qiu, L. D., & Zhou, W. (2013). Multiproduct firms and scope adjustment in globalization. *Journal of International Economics*, 91(1), 142-153.
- Qiu, D. Larry and Miaojie Yu (2020), "Managerial Efficiency and Product Decision," *Journal of Behavior and Economic Organization*, 177, pp.71-90.
- Mayer, T., Melitz, M. J., & Ottaviano, G. I. (2014). Market Size, Competition, and the Product Mix of Exporters. *American Economic Review*, 104(2), 495-536.
- Daniel Trefler and Mengxiao Liu (2019), "What's the Big Idea? Multi-Function Products, Firm Scope and Firm Boundaries", *NBER working paper*.

8. Empirical Evidence from Firm and Plant Data

- ✧ Bernard, Andrew B, Redding, Stephen J and Schott, Peter K (2007) "Firms in International Trade," *Journal of Economic Perspectives*, 21(3), 105–130.
- ✧ Lileeva Alla and Daniel Trefler (2010), "Improved Access to Foreign Markets Raises

Plant-Level Productivity ... for Some Plants,” *Quarterly Journal of Economics*, 125(3) (August 2010):1051-1099.

- ✧ Melitz, Marc J., and Daniel Trefler. 2012. "Gains from Trade When Firms Matter." *Journal of Economic Perspectives*, 26(2): 91-118.
- ✧ Melitz, Marc J., and Stephen Redding, 2012, “Heterogeneous Firms and Trade”, *Handbook of International Economics (IV)*
- Pavcnik, Nina (2002) “Trade Liberalization, Exit, and Productivity Improvement: Evidence from Chilean Plants,” *Review of Economic Studies*, 69(1), 245-76.
- Trefler, Daniel (2004) “The Long and Short of the Canada-U.S. Free Trade Agreement”, *American Economic Review*, 94, 870-895.
- Amit Khandelwal and J. Ahn, and Wei, Shang-jin (2011), “The Role of Intermediary Firms in Facilitating Trade,” *Journal of International Economics*, 84(1), 73-85.
- Kugler, M., & Verhoogen, E. (2009). Plants and imported inputs: New facts and an interpretation. *American Economic Review*, 501-507.
- Dai, Mi, Madura Maitra, and Miaojie Yu (2016), Unexceptional Exporter Performance in China? Role of Processing Trade, *Journal of Development Economics*, 121, pp.177-189.
- Lim, Kevin, Daniel Trefler and Miaojie Yu (2022). Looking Backward, Innovating Forward: A Theory of Competitive Cascades. *NBER working paper No.30455*.

9. Trade Liberalization and Firm Productivity

- ✧ Feenstra, Chapter 7, 8
- Pavcnik, Nina (2002), “Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants,” *Review of Economic Studies*, pp. 245-276.
- Amiti, Mary, and Jozef Konings (2007), "Trade Liberalization, Intermediate Inputs, and Productivity: Evidence from Indonesia," *American Economic Review* 93, pp. 1611-1638.
- Amit Khandelwal and Petia Topalova (2010), “Trade Liberalization and Firm Productivity: The Case of India,” *Review of Economics and Statistics*, 93(3), 995-1009, 2011.
- Yu, Miaojie (2015), “Processing Trade, Tariff Reductions, and Firm Productivity: Evidence from Chinese Firms”, *Economic Journal*, 125(June), 943-988.
- Melitz, M. J., & Polanec, S. (2015). Dynamic Olley-Pakes productivity decomposition with entry and exit. *RAND Journal of Economics*, 46(2), 362-375.
- Olley, Steven and Ariel Pakes (1996), "The Dynamics of Productivity in the Telecommunications Equipment Industry," *Econometrica* 64(6), pp. 1263-1297.
- Blundell, Richard and Stephen Bond (1998), "Initial Conditions and Moment Restrictions in Dynamic Panel Data Models," *Journal of Econometrics* 87, pp. 11-143.
- Levinsohn, James and Amil Petrin (2003), "Estimating Production Functions Using Inputs to Control for Unobservable," *Review of Economic Studies* 70(2), pp. 317-341.
- Bustos, Paula (2011), “Trade Liberalization, Exports and Technology Upgrading: Evidence on the Impact of MERCOSUR on Argentinean Firms,” *American Economic Review*, 101(1), pp. 304-340.
- Akerberg D A, Caves K, Frazer G. “Identification properties of recent production function estimators”. *Econometrica*, 2015, 83(6): 2411-2451.
- Gandhi, A., Navarro, S., & Rivers, D.A. (2020). On the Identification of Gross Output Production Functions. *Journal of Political Economy*, 128, 2973 - 3016.
- Thierry Mayer, Marc J Melitz & Gianmarco IP Ottaviano (2016), “Product mix and firm

productivity responses to trade competition,” *NBER working paper*

10. International Political Economy

- ✦ Feenstra, Chapter 9
- ✦ Grossman, G.M. and E. Helpman, “Protection for Sale,” *American Economic Review*, September 1994, 84(4), 833-50.
- Grossman, G.M. and E. Helpman, “The Politics of Free Trade Agreements,” *American Economic Review*, September 1995, 84(4), 667-90.
- Koujianou Goldberg, P. and G. Maggi, “Protection for Sale: An Empirical Investigation,” *American Economic Review* 89(5): 1135-55, December 1999.
- Devashish Mitra, Dimitrios D. Thomakos, Mehmet A. Ulubaşoğlu; “Protection for Sale” in a Developing Country: Democracy vs. Dictatorship. *The Review of Economics and Statistics* 2002; 84 (3): 497–508.
- Brestetter, Lee and Robert Feenstra (2002), “Trade and Foreign Direct Investment in China: A Political Economy Approach,” *Journal of International Economics* 53: 53-79.
- Yu, Miaojie (2009), “Trade Protectionism and Electoral Outcome,” *CATO Journal*, vol. 29(3), pp. 523-557.
- Yu, Miaojie (2010), “Trade, Democracy, and the Gravity Equation,” *Journal of Development Economics*, 91(2), pp. 289-300.
- Yu, Miaojie and Ka-fu Wong (2015), “Democracy and the GATT/WTO Accession Duration,” *Review of Development Economics*, 2015, 19(4), pp. 843-859.
- Kyle Bagwell and Robert Staiger (2011), What Do Trade Negotiators Negotiate About? Empirical Evidence from the World Trade Organization, *American Economic Review*, 101(June), pp. 1238-1273.
- Giovanni Maggi and Robert Staiger (2011), The Role of Dispute Settlement Procedures in International Trade Agreements, *Quarterly Journal of Economics*, pp. 475-515.
- Antràs, P., & Staiger, R. W. (2012). Offshoring and the Role of Trade Agreements. *American Economic Review*, 102(7), 3140-3183.
- Bown Chad and Meredith Crowley (2013), “Self-Enforcing Trade Agreements: Evidence from Time-Varying Trade Policy,” *American Economic Review*, 103(2): 1071–1090.
- Bown Chad and Meredith Crowley (2007), “Trade Deflection and Trade Depression,” *Journal of International Economics*, 72, pp. 176-201.
- Khandelwal, Amit, Peter K. Schott, and Shang-Jin, Wei (2013), “Trade Liberalization and Embedded Institutional Reform: Evidence from Chinese Exporters,” *American Economic Review*, 103(6), 2169-95.
- De Loecker, Jan, Pinelopi K. Goldberg, Amit K. Khandelwal, Nina Pavcnik (2016), “Price, Markup, and Trade Reform,” *Econometrica*, 84(2), 445-510.
- Rodney D. Ludema, Anna Maria Mayda, Zhi Yu, Miaojie Yu, *The political economy of protection in GVCs: Evidence from Chinese micro data*, *Journal of International Economics*, 131 (2021) 103749.
- Xiaomin Cui, Miaojie Yu, Rui Zhang, *Judicial Quality, Input Customisation, and Trade Margins: The Role of Product Quality*, *The Economic Journal*, Volume 132, Issue 643, April 2022, Pages 926–952.

11. Trade and Endogenous Growth

- ✧ Feenstra, Chapter 10
- Brezis, E., P.R. Krugman and D. Tsiddon, “Leapfrogging in International Competition”, *American Economic Review*, December 1993, 83(5), 1211-19.
- Bayoumi, Tamim, Coe, David T. and Helpman, Elhanan, “R&D Spillovers and Global Growth”, *Journal of International Economics*, April 1999, 47(2), 399-428.
- Hsieh, Chang-Tai, and Peter Klenow (2009), “Misallocation and Manufacturing TFP in China and India,” *Quarterly Journal of Economics*, August 2009, 124(4), 1403-48.
- De Loecker, J. (2011). Product differentiation, multiproduct firms, and estimating the impact of trade liberalization on productivity. *Econometrica*, 1407-1451.
- Romer, Paul, “Endogenous Technological Change,” *Journal of Political Economy* 1990: S71-S102.
- Kortum Samuel (1997), “Research, Patenting, and Technological Change,” *Econometrica*, 1997: 1389-1419.
- Wen-Tai Hsu, Raymond G. Riezman & Ping Wang (2019), “Innovation, Growth, and Dynamic Gains from Trade”, *NBER working paper*.

12. Trade and Environment

- ✧ Copeland Brian and M. Scott Taylor (1994), “North-South Trade and the Environment”, *Quarterly Journal of Economics*, 755-787.
- Copeland Brian and M. Scott Taylor (1995), “Trade and Transboundary Pollution”, *American Economic Review*, 716-737
- Copeland Brian and M. Scott Taylor (2009), “Trade, Tragedy, and the Commons,” *American Economic Review*, 725-749.
- Shapiro, Joseph (2016), “Trade Costs, CO2, and the Environment,” *American Economic Journal: Economic Policy*, 8(4), 220-254.
- Levinsohn, Arik (2009), “Technology, International Trade, and Pollution from US Manufacturing,” *American Economic Review*, 99:5, 2177–2192.
- Jiang Haiwei, Wei Tian, and Miaojie Yu, “Environmental Regulation, Environmental Intensity, and Trade”, LNU working paper, 2024.

13. Index Number and Imported Variety

- ✧ Feenstra Robert (1994), “New Product Varieties and the Measurement of International Prices,” *American Economic Review* 84(1), 157-77.
- ✧ Broda, Christian and David Weinstein (2006), “Globalization and the Gains from Variety,” *Quarterly Journal of Economics*, 121(2), 541-85.
- ✧ Feenstra, Robert and David Weinstein (2010), “Globalization, Competition, and the U.S. Price Level,” NBER Working Paper 15749, Cambridge, MA.
- ✧ Feenstra, Robert C., & Romalis, J. (2014). “International Prices and Endogenous Quality,” *Quarterly Journal of Economics*, 129 (2): 477-527.
- ✧ Feenstra, Robert C. (2016), Gains from Trade Under Monopolistic Competition , *Pacific Economic Review*, February, vol.21(No.1) pp. 35-44.
- ✧ Feenstra, Robert C. and David Weinstein (2016), Globalization, Competition, and U.S. Welfare, joint with David Weinstein, forthcoming, *Journal of Political Economy*.
- ✧ Caliendo Lorenzo, Robert Feenstra, John Romalis and Alan M. Taylor (2016), “Tariff Reductions, Entry, and Welfare: Theory and Evidence for the Last Two Decades”, NBER

Working Paper No. 21768.

- ✧ Yoon J. Jo, Misaki Matsumura & David E. Weinstein (2019), "The Impact of E-Commerce on Relative Prices and Consumer Welfare", *NBER working paper*.

14. Firms, Contracts and Trade

- Antras, Pol (2004), *Advanced Topics in International Trade: Firms and International Trade*, Harvard University.
- Antras, Pol (2003) "Firms, Contracts and Trade Structure", *Quarterly Journal of Economics*, 118, 1375-418.
- Antras, Pol and Helpman, Elhanan (2004) "Global Sourcing," *Journal of Political Economy*, Vol. 112, No. 3, June 2004, pp. 552-580.
- Feenstra Robert and Gordon Hanson (2005), "Ownership and Control in Outsourcing to China: Estimating the Property Rights Theory of the Firm," *Quarterly Journal of Economics*, 120(2): 729-762.
- Nunn, Nathan and Dan Trefler (2008) "The Boundaries of the Multinational Firm: An Empirical Analysis," in E. Helpman, D. Marin, and T. Verdier (eds.), *The Organization of Firms in a Global Economy*, Harvard University Press: Cambridge MA.

15. Trade and Labor Market Frictions

- Davidson, Carl, Lawrence Martin and Steven Matusz (1988) "The Structure of Simple General Equilibrium Models with Frictional Unemployment," *Journal of Political Economy*, 96, 1267-1293.
- Helpman, Elhanan and Oleg Itskhoki (2007) "Labor Market Rigidities, Trade and Unemployment," *NBER Working Paper*, 13365.
- Jose Luis Groizard, Priya Ranjan, and Jose Antonio Rodriguez-Lopez (2014), "Offshoring and Job Flows", *European Economic Review*, 72, 221-239
- Autor, David, David Dorn, and Gordon Hanson (2013), "The China Syndrome: The Impact of Import Competition on US Labor Markets." *American Economic Review*.
- Jose Antonio Rodriguez-Lopez and Miaojie Yu (2023), "Job Flows and Trade Liberalization," *Review of International Economics*.
- Robert C. Feenstra, Yuan Xu & Hong Ma, (2019), "Magnification of the 'China Shock' Through the U.S. Housing Market", *NBER working paper*.
- Gaurav Khanna, Kevin Shih, Ariel Weinberge, Mingzhi Xu, Miaojie Yu (2020), "Trade Liberalization and Chinese Students in US Higher Education", *Review of Economics and Statistics*.

16. Foreign Direct Investment

- ✧ Helpman, Elhanan, Marc J. Melitz and Steven R. Yeaple (2004), "Export vs. FDI," *American Economic Review* 94(1), pp. 300--16.
- ✧ Blonigen, Bruce (2001), "In Search of Substitution between Foreign Production and Exports," *Journal of International Economics* 53(1), pp. 81-104.
- ✧ Blonigen, Bruce (2005), "A Review of the Empirical Literature on FDI Determinants," *Atlantic Economic Journal* 33, pp. 383--403.
- ✧ Hanson, Gordon H., Mataloni, Raymond J., Slaughter, Mathew J. (2001), "Expansion Strategies of U.S. Multinational Firms," National Bureau of Economic Research (Cambridge, MA) Working Paper No. 8433.

- ✧ Horstmann, Ignatius J. and James R. Markusen (1996), "Exploring New Markets: Direct Investment, Contractual Relations and the Multinational Enterprise," *International Economic Review*, 37(1), pp. 1-19.
- ✧ Oldenski, Lindsay (2012), "Export Versus FDI and the Communication of Complex Information," *Journal of International Economics* 87, 312-322.
- ✧ Chen, Cheng, Wei Tian and Miaojie Yu (2019), "Outward FDI and Domestic Input Distortions: Evidence from Chinese Firms," *Economic Journal*, 129(624), 3025-3057.
- ✧ Tian Wei and Miaojie Yu, "Distribution, Outward FDI and Productivity Heterogeneity: Evidence from Chinese Firms," *Journal of International Financial Markets, Institutions and Money*, 2020, 67, 101218.

17. Trade and Innovation

- Aghion, Philippe, Antonin Bergeaud, Matthieu Lequien, and Marc Melitz, "The Impact of Exports on Innovation: Theory and Evidence," Working paper. 2017.
- Aghion, Philippe, Christopher Harris, Peter Howitt, and John Vickers, "Competition, Imitation and Growth with Step-by-Step Innovation," *Review of Economic Studies*, 2001, 68 (3), 467– 492.
- Aghion, Philippe, Nicholas Bloom, Richard Blundell, Rachel Griffith, and Peter Howitt, "Competition and Innovation: An Inverted-U Relationship," *Quarterly Journal of Economics*, 2005, 120 (2), 701–728.
- Lileeva, Alla and Daniel Trefler, "Improved Access to Foreign Markets Raises Plant Level Productivity ... for Some Plants," *Quarterly Journal of Economics*, August 2010, CXXV (3), 1051–1100.
- Lim, Kevin, Daniel Trefler and Miaojie Yu (2022). Looking Backward, Innovating Forward: A Theory of Competitive Cascades. *NBER working paper No.30455*.
- Chang-Tai Hsieh, Peter J. Klenow & Ishan B. Nath (2019), "A Global View of Creative Destruction", *NBER working paper*.
- Tian Wei and Miaojie Yu, 2017, " Firm R&D, Processing Trade and Input Trade Liberalisation: Evidence from Chinese Firms," *The World Economy*, 40(2), pp. 297-313.