

ECON 575

INTERNATIONAL TRADE AND MACROECONOMICS

Syllabus

Spring 2018

Lectures:

Monday and Wednesday, 3:30 – 4:50 pm; Savery Hall, Room 157

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Office Hours: By appointment

Course Objectives and Description

This course focuses on the intersection of international trade and macroeconomics. Its purpose is to expose students to recent developments in this research area, to develop understanding of the interaction of micro and macro dynamics in international interdependence, and to stimulate ideas for dissertation research.

The course studies how international macroeconomic models with trade microfoundations can shed new light on long-standing and novel questions in international macroeconomics. We will confront theories with empirical evidence and pay special attention to the roles of producer entry and exit in domestic and export markets, and firm heterogeneity, in shaping aggregate fluctuations and economic policy outcomes. Topics we will cover include, among others: international trade and macroeconomic dynamics with producer entry, exit, and heterogeneity; comparative advantage and macroeconomic interdependence; FDI, offshoring, and international business cycles; global value chains; labor market frictions and the consequences of trade integration; financial frictions, banks, and trade; monetary policy and trade; structural reforms and their interaction with monetary policy; and the Great Trade Collapse.

There is no textbook for this course. Lectures will be based on journal articles and working papers as outlined below.

Course Requirements

Readings: Starting with the second lecture of the course, I will expect you to have read the papers I will cover in advance of the relevant lecture. (At the end of each lecture, I will announce the readings for the following lecture. All the readings we will cover can be found easily online.) There will be no homework for this course, but you must read the papers with pencil and paper,

making sure you can reproduce all arguments and derivations whenever feasible. I will expect you to be able to do that for the final exam.

Discussion: We will hold a Course Conference in mid-May—on a day/time to be determined. In this conference, you must give a thirty-minute discussion of an unpublished working paper. The goal of this exercise is for you to develop your discussant skills, which will be very important in your career after graduate school. Papers that you can discuss are listed at the end of this Syllabus, but you can also discuss a paper that you find on your own outside this list (and even a paper on a topic that we do not cover), subject to my approval. You must spend approximately ten minutes explaining the key contribution of the paper and twenty minutes on your comments, focusing on issues of substance. You cannot cooperate in preparing discussions. The Conference can feature at most two discussions of the same paper, and the choice of paper to be discussed will be on a first-come, first-served basis.

Research proposal: You must write a single-authored, research proposal on a topic of relevance to the course. Your proposal should begin by clearly stating the question of interest and why it is important. You should then explain how you plan to study the question in your research, and how your work would contribute to the existing literature. (If you have already obtained any result, you should briefly summarize them and the intuitions before explaining how you contribute to the literature.) Your proposal must be at most three pages long (1.5 spacing), excluding references, figures, and/or tables. The proposal must be e-mailed to me as a pdf file by noon on Friday, June 15, 2018.

Final exam: There will be a closed-books, closed-notes final exam on Thursday, June 7, 2018, 2:30-4:20 p.m. in Savery Hall, Room 157. The exam will test your technical proficiency and knowledge of the literature studied during the quarter.

Discussion, research proposal, and final exam will be graded on a scale 0-100. The weights of these requirements in your final course grade will be as follows:

Discussion:	20 percent;
Research proposal:	30 percent;
Final exam:	50 percent.

Academic Integrity

You can find the Department's Policy on Academic Conduct at http://econ.washington.edu/undergrad/academic_conduct. Although this page is in the Undergraduate Program section of the Department's website, the policy applies also to graduate students.

Course Topics and Readings

1. International Trade and Macroeconomic Interdependence with Producer Dynamics

Alessandria, G., and H. Choi (2007): "Do Sunk Costs of Exporting Matter for Net Export Dynamics?" *Quarterly Journal of Economics* 122: 289-336.

Alessandria, G., and H. Choi (2014): "Establishment Heterogeneity, Exporter Dynamics, and the Effects of Trade Liberalization," *Journal of International Economics* 94: 207-223.

Alessandria, G., H. Choi, J. P. Kaboski, and V. Midrigan (2015): “Microeconomic Uncertainty, International Trade, and Aggregate Fluctuations,” *Journal of Monetary Economics* 69: 20-38.

Bergin, P. R., and R. Glick (2007): “Tradability, Productivity, and International Economic Integration,” *Journal of International Economics* 73: 128-151.

Bergin, P. R., and R. Glick (2009): “Endogenous Tradability and Some Macroeconomic Implications,” *Journal of Monetary Economics* 56: 1086-1095.

Bergin, P. R., R. Glick, and A. M. Taylor (2006): “Productivity, Tradability, and the Long-Run Price Puzzle,” *Journal of Monetary Economics* 53: 2041-2066.

Comin, D., N. Loayza, F. Pasha, and L. Serven (2014): “Medium Term Business Cycles in Developing Countries,” *American Economic Journal: Macroeconomics* 6: 209-245.

Corsetti, G., P. Martin, and P. Pesenti (2007): “Productivity Spillovers, Terms of Trade, and the ‘Home Market Effect’,” *Journal of International Economics* 73: 99-127.

Corsetti, G., P. Martin, and P. Pesenti (2013): “Varieties and the Transfer Problem,” *Journal of International Economics* 89: 1-12.

Devereux, M. B., and V. Hnatkovska (2012): “The Extensive Margin, Sectoral Shares and International Business Cycles,” *Canadian Journal of Economics* 45: 509-534.

Eaton, J., S. S. Kortum, and S. Sotelo (2012): “International Trade: Linking Micro and Macro,” NBER WP 17864.

Fattal Jaef, R. N., and J. I. Lopez (2014): “Entry, Trade Costs, and International Business Cycles,” *Journal of International Economics* 94: 224-238.

Gibson, M. J., and T. A. Graciano (2011): “The Decision to Import,” *American Journal of Agricultural Economics* 93: 444-449.

Ghironi, F., and M. J. Melitz (2005): “International Trade and Macroeconomic Dynamics with Heterogeneous Firms,” *Quarterly Journal of Economics* 120: 865-915.

Ghironi, F., and M. J. Melitz (2007): “Trade Flow Dynamics with Heterogeneous Firms,” *American Economic Review (Papers and Proceedings)* 97: 356-361.

Gopinath, G., and B. Neiman (2014): “Trade Adjustment and Productivity in Large Crises,” *American Economic Review* 104: 793-831.

Hamano, M. (2013): “The Consumption-Real Exchange Rate Anomaly with Extensive Margins,” *Journal of International Money and Finance* 36: 26-46.

Hamano, M. (2014): “The Harrod-Balassa-Samuelson Effect and Endogenous Extensive Margins,” *Journal of the Japanese and International Economies* 31: 98-113.

Impullitti, G., A. A. Irarrazabal, and L. D. Opmollola (2013): “A Theory of Entry Into and Exit From Export Markets,” *Journal of International Economics* 90: 75-90.

Kehoe, T. J., and K. J. Ruhl (2013): “How Important is the New Goods Margin in International Trade?” *Journal of Political Economy* 121: 358-392.

Méjean, I. (2008): “Can Firms' Location Decisions Counteract the Balassa-Samuelson Effect?” *Journal of International Economics* 76: 139-154.

Pappada', F. (2010): “Real Adjustment of Current Account Imbalances with Firms' Heterogeneity,” *IMF Economic Review* 59: 431-454.

2. A Step Back: Trade Costs, Trade Integration and International Macro Puzzles

Kose, M. A., and K.-M. Yi (2001): “International Trade and Business Cycles: Is Vertical Specialization the Missing Link?” *American Economic Review (Papers and Proceedings)* 91: 371-375.

Kose, M. A., and K.-M. Yi (2006): “Can the Standard International Business Cycle Model Explain the Relation between Trade and Comovement?” *Journal of International Economics* 68: 267-295.

Obstfeld, M., and K. Rogoff (2001): “The Six Major Puzzles in International Macroeconomics: Is There a Common Cause?” in B. Bernanke and K. Rogoff (eds.), *NBER Macroeconomics Annual 2000*, pp. 339-390, Cambridge: MIT Press.

3. Comparative Advantage and Macroeconomic Interdependence

Barattieri, A. (2014): “Comparative Advantage, Service Trade, and Global Imbalances,” *Journal of International Economics* 92: 1-13.

Baxter, M. (1992): “Fiscal Policy, Specialization, and Trade in the Two-Sector Model: The Return of Ricardo?” *Journal of Political Economy* 100: 713-744.

Cuñat, A., and M. Maffezzoli (2004): “Heckscher-Ohlin Business Cycles,” *Review of Economic Dynamics* 7: 555-585.

di Giovanni, J., A. A. Levchenko, and J. Zhang (2014): “The Global Welfare Impact of China: Trade Integration and Technological Change,” *American Economic Journal: Macroeconomics* 6: 153-183.

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* 67: 823-839.

Juvenal, L., and P. S. Monteiro (2010): “Trade and Synchronization in a Multi-Country Economy,” Federal Reserve Bank of St. Louis Working Paper 2013-015A.

Naknoi, K. (2008): “Real Exchange Rate Fluctuations, Endogenous Tradability and Exchange Rate Regimes,” *Journal of Monetary Economics* 55: 645-663.

4. Trade, Granularity, and Business Cycles

di Giovanni, J., and A. A. Levchenko (2009): "Trade Openness and Volatility," *Review of Economics and Statistics* 91: 558-585.

di Giovanni, J., and A. A. Levchenko (2012): "Country Size, International Trade, and Aggregate Fluctuations in Granular Economies," *Journal of Political Economy* 120: 1083-1132.

di Giovanni, J., A. A. Levchenko, and I. Méjean (2014): "Firms, Destinations, and Aggregate Fluctuations," *Econometrica* 82: 1303-1340.

di Giovanni, J., A. A. Levchenko, and I. Méjean (2018): "The Micro Origins of International Business Cycle Comovement," *American Economic Review* 108: 82-108.

5. Trade, International Relative Prices, and the Exchange Rate

Atkeson, A., and A. T. Burstein (2008): "Pricing to Market, Trade Costs, and International Relative Prices," *American Economic Review* 98: 1998-2031.

Auer, R., and R. Schoenle (2016): "Market Structure and Exchange Rate Pass-Through," *Journal of International Economics* 98: 60-77.

de Blas, B., and K. N. Russ (2015): "Understanding Markups in the Open Economy," *American Economic Journal: Macroeconomics* 7: 157-180.

Johnson, R. C. (2012): "Trade and Prices with Heterogeneous Firms," *Journal of International Economics* 86: 43-56.

Rodriguez-Lopez, J. A. (2011): "Prices and Exchange Rates: A Theory of Disconnect," *Review of Economic Studies* 78: 1135-1177.

6. FDI, Vertical Linkages, and Global Value Chains

Auer, R. A., A. A. Levchenko, P. Sauré (2016): "International Inflation Spillovers through Input Linkages," *mimeo*, Bank for International Settlements, University of Michigan, and Swiss National Bank.

Bergin, P. R., R. Feenstra, and G. Hanson (2009): "Offshoring and Volatility: Evidence from Mexico's Maquiladora Industry," *American Economic Review* 99: 1664-1671.

Burstein, A., C. Kurz, and L. Tesar (2008): "Trade, Production Sharing, and the International Transmission of Business Cycles," *Journal of Monetary Economics* 55: 775-795.

Cavallari, L. (2007): "A Macroeconomic Model of Entry with Exporters and Multinationals," *The B.E. Journal of Macroeconomics (Contributions)* 7: Article 32.

Cavallari, L. (2008): "Macroeconomic Interdependence with Trade and Multinational Activities," *Review of International Economics* 16.

- Contessi, S. (2006): “International Macroeconomic Dynamics, Endogenous Tradedness and FDI with Heterogeneous Firms,” *mimeo*, Federal Reserve Bank of St. Louis.
- Contessi, S. (2015): “Multinational Firms’ Entry and Productivity: Some Aggregate Implications of Firm Level Heterogeneity,” *Journal of Economic Dynamics and Control* 61: 61-80.
- di Giovanni, J., and A. A. Levchenko (2010): “Putting the Parts Together: Trade, Vertical Linkages, and Business Cycle Comovement,” *American Economic Journal: Macroeconomics* 2: 95-124.
- di Giovanni, J., A. A. Levchenko, and I. Méjean (2016): “The Micro-Origins of International Business Cycle Comovement,” NBER WP 21885.
- Fillat, J. L., and S. Garetto (2015): “Risk, Returns, and Multinational Production,” *Quarterly Journal of Economics* 130: 2027-2073.
- Fillat, J. L., S. Garetto, and L. Oldenski (2015): “Diversification, Cost Structure, and the Risk Premium of Multinational Corporations,” *Journal of International Economics* 96: 37-54.
- Foley, C. F., and K. Manova (2015): “International Trade, Multinational Activity, and Corporate Finance,” *Annual Review of Economics* 7: 119-146.
- Irrazabal, A., A. Moxnes, and L. D. Opromolla (2013): “The Margins of Multinational Production and the Role of Intrafirm Trade,” *Journal of Political Economy* 121: 74-126.
- Johnson, R. C. (2014a): “Trade in Intermediate Inputs and Business Cycle Comovement,” *American Economic Journal: Macroeconomics* 6: 39-83.
- Johnson, R. C. (2014b): “Five Facts about Value Added-Exports and Implications for Macroeconomics and Trade Research,” *Journal of Economic Perspectives* 28: 119-142.
- Johnson, R. C., and G. Noguera (2012): “Accounting for Intermediates: Production Sharing and Trade in Value Added,” *Journal of International Economics* 86: 224-236.
- Liao, W., and A. M. Santacreu (2015): “The Trade Comovement Puzzle and the Margins of International Trade,” *Journal of International Economics* 96: 266-288.
- Ramondo, N., and V. Rappoport (2010): “The Role of Multinational Production in a Risky Environment,” *Journal of International Economics* 81: 240-252.
- Ramondo, N., V. Rappoport, and K. J. Ruhl (2013): “The Proximity-Concentration Tradeoff under Uncertainty,” *Review of Economic Studies* 80: 1582-1621.
- Rodriguez-Lopez, J. A. (2014): “What Drives Offshoring Decisions? Selection and Escape-Competition Mechanisms,” *mimeo*, University of California, Irvine.
- Wong, C.Y., and Y.-K. Eng (2013): “International Business Cycle Co-movement and Vertical Specialization Reconsidered in Multistage Bayesian DSGE Model,” *International Review of Economics & Finance* 26: 109-124.
- Zlate, A. (2016): “Offshore Production and Business Cycle Dynamics with Heterogeneous Firms,” *Journal of International Economics* 100: 34-49.

7. FDI and the Exchange Rate

Lubik, T. A., and K. N. Russ (2012): “Exchange Rate Volatility in a Simple Model of Firm Entry and FDI,” *Economic Quarterly* 98: 51-76.

Russ, K. N. (2007): “The Endogeneity of the Exchange Rate as a Determinant of FDI: A Model of Entry and Multinational Firms,” *Journal of International Economics* 71: 344-372.

Russ, K. N. (2012): “Exchange Rate Volatility and First-Time Entry by Multinational Firms,” *Review of World Economics* 148: 269-295.

8. Extensive-Margin Risk and International Portfolios

Hamano, M. (2015): “International Equity and Bond Positions in a DSGE Model with Variety Risk in Consumption,” *Journal of International Economics*: 96: 212-226.

9. International Trade and Labor Market Frictions

Cacciatore, M. (2014): “International Trade and Macroeconomic Dynamics with Labor Market Frictions,” *Journal of International Economics* 93: 17-30.

Coşar, A. K., N. Guner, and J. Tybout (2016): “Firm Dynamics, Job Turnover, and Wage Distributions in an Open Economy,” *American Economic Review* 106: 625-663.

Helpman, E., and O. Itskhoki (2010): “Labour Market Rigidities, Trade and Unemployment,” *Review of Economic Studies* 77: 1100-1137.

Helpman, E., O. Itskhoki, and S. Redding (2013): “Trade and Labor Market Outcomes” *Advances in Economics and Econometrics*, Tenth World Congress, Volume II, Applied Economics, pp. 459-504.

Mandelman, F. S. (2016): “Labor Market Polarization and International Macroeconomic Dynamics,” *Journal of Monetary Economics* 79: 1-16.

Mandelman, F. S., and A. Zlate (2013): “Offshoring, Low-Skilled Immigration and Labor Market Polarization,” *mimeo*, Federal Reserve Bank of Atlanta and Board of Governors of the Federal Reserve System.

10. Financial Frictions and Banks

Bonfiglioli, A., R. Crinò and G. A. Gancia (2016): “Trade, Finance and Endogenous Firm Heterogeneity,” CEPR DP 11175.

Bremus, F., C. M. Buch, K. N. Russ, and M. Schnitzer (2013): “Big Banks and Macroeconomic Outcomes: Theory and Cross-Country Evidence of Granularity,” NBER WP 19093.

Cacciatore, M., F. Ghironi, and V. Stebunovs (2015): “The Domestic and International Effects of Interstate U.S. Banking,” *Journal of International Economics* 95: 171-187.

de Blas, B., and K. N. Russ (2013) “All Banks Great, Small, and Global: Loan Pricing and Foreign Competition,” *International Review of Economics & Finance* 26: 4-24.

Manova, K. (2013): “Credit Constraints, Heterogeneous Firms, and International Trade,” *Review of Economic Studies* 80: 711-744.

Niepmann, F. (2012): “Banking across Borders,” Federal Reserve Bank of New York Staff Report 576.

Niepmann, F. (2013): “Banking across Borders with Heterogeneous Banks,” Federal Reserve Bank of New York Staff Report 609.

11. International Trade and Monetary Policy

Auray, S., and A. Eyquem (2011): “Do Changes in Product Variety Matter for Fluctuations and Monetary Policy in Open Economies?” *International Finance* 14: 507-539.

Auray, S., A. Eyquem, and J.-C. Poutineau (2012): “The Effect of a Common Currency on the Volatility of the Extensive Margin of Trade,” *Journal of International Money and Finance* 31: 1156-1179.

Bergin, P. R., and G. Corsetti (2014): “International Competitiveness and Monetary Policy,” *mimeo*, University of California, Davis, and University of Cambridge.

Bergin, P. R. and C.-Y. Lin (2009): “Exchange Rate Regimes and the Extensive Margin of Trade,” in Frankel, J., and C. Pissarides, eds., *NBER International Seminar on Macroeconomics 2008*, 201-227.

Cacciatore, M., and F. Ghironi (2012): “Trade, Unemployment, and Monetary Policy,” *mimeo*, HEC Montréal and University of Washington.

Cavallari, L. (2013): “Firms’ Entry, Monetary Policy and the International Business Cycle,” *Journal of International Economics* 91: 263-274.

Naknoi, K. (2015): “Exchange Rate Volatility and Fluctuations in the Extensive Margin of Trade,” *Journal of Economic Dynamics and Control* 52: 322-339.

Sbordone, A. M. (2010): “Globalization and Inflation Dynamics: The Impact of Increased Competition,” in J. Galí and M. J. Gertler (eds.), *International Dimensions of Monetary Policy*, Chicago: University of Chicago Press.

Shi, K., and J. Xu (2007): “Optimal Monetary Policy with Vertical Production and Trade,” *Review of International Economics* 15: 514-537.

Xu, J. (2011): “The Optimal Currency Basket under Vertical Trade,” *Journal of International Money and Finance* 30: 1323-1340.

12. Structural Reforms and Monetary Policy

Asturias, J., S. Hur, T. J. Kehoe, and K. J. Ruhl (2016): “The Interaction and Sequencing of Policy Reforms,” *Journal of Economic Dynamics and Control* 72: 45-66.

Cacciatore, M., R. Duval, G. Fiori, and F. Ghironi (2016): “Market Reforms in the Time of Imbalance,” *Journal of Economic Dynamics and Control* 72: 69-93.

Cacciatore, M., R. Duval, G. Fiori, and F. Ghironi (2017): “Market Reforms at the Zero Lower Bound,” NBER WP 23960.

Cacciatore, M., G. Fiori, and F. Ghironi (2016): “Market Deregulation and Optimal Monetary Policy in a Monetary Union,” *Journal of International Economics* 99: 120-137.

Finkelstein Shapiro, A., and B. Epstein (2017): “Banking and Financial Access Reforms, Labor Markets, and Financial Shocks,” *mimeo*, Tufts University and Board of Governors of the Federal Reserve System.

13. The Great Trade Collapse

Ahn, J. M. Amity, and D. E. Weinstein (2011): “Trade Finance and the Great Trade Collapse,” *American Economic Review (Papers and Proceedings)* 101: 298-302.

Alessandria, G., J. P. Kaboski, and V. Midrigan (2010): “The Great Trade Collapse of 2008-09: An Inventory Adjustment?” *IMF Economic Review* 58: 254-294.

Amity, M., and D. E. Weinstein (2011): “Exports and Financial Shocks,” *Quarterly Journal of Economics* 126: 1841-1877.

Bems, R., R. C. Johnson, and K.-M. Yi (2010): “Demand Spillovers and the Collapse of Trade in the Global Recession,” *IMF Economic Review* 58: 295-326.

Bems, R., R. C. Johnson, and K.-M. Yi (2011): “Vertical Linkages and the Collapse of Global Trade,” *American Economic Review (Papers and Proceedings)* 101: 308-312.

Bussière, M., G. Callegari, F. Ghironi, G. Sestieri, and N. Yamano (2013): “Estimating Trade Elasticities: Demand Composition and the Trade Collapse of 2008-09,” *American Economic Journal: Macroeconomics* 5: 118-151.

Chor, D., and K. Manova (2012): “Off the Cliff and Back: Credit Conditions and International Trade during the Global Financial Crisis,” *Journal of International Economics* 87: 117-133.

Coulibaly, B., H. Saprizza, and A. Zlate (2013): “Financial Frictions, Trade Credit, and the 2008-09 Global Financial Crisis,” *International Review of Economics & Finance* 26: 25-38.

Eaton, J., S. Kortum, B. Neiman, and J. Romalis (2011): “Trade and the Global Recession,” NBER Working Paper 16666.

Levchenko, A., L. Lewis, and L. Tesar (2010): “The Collapse of International Trade in 2008-9: In Search of the Missing Gun,” *IMF Economic Review* 58: 214-253.

Novy, D., and A. M. Taylor (2014): “Trade and Uncertainty,” NBER WP 19941.

Papers for Discussion

Alessandria, G., and H. Choi (2008): “The Role of Exporting and Trade for Entry over the Business Cycle,” *mimeo*, University of Rochester and Monash University.

Alessandria, G., and H. Choi (2015): “The Dynamics of the U.S. Trade Balance and Real Exchange Rate: The J Curve and Trade Costs?” *mimeo*, University of Rochester and Monash University.

Alessandria, G., H. Choi, and K. Ruhl (2014): “Trade Adjustment Dynamics and the Welfare Gains from Trade,” NBER WP 20663.

Alessandria, G., S. Pratap, and V. Yue (2014): “Export Dynamics in Large Devaluations,” *mimeo*, Federal Reserve Bank of Philadelphia, Hunter College, and Board of Governors of the Federal Reserve System.

Auer, R., A. Levchenko, and P. Sauré (2017): “International Inflation Spillovers through Input Linkages,” NBER WP 23246.

Auray, S., A. Eyquem, and X. Ma (2014): “Fiscal Devaluations in a Monetary Union and the Extensive Margin of Trade,” *mimeo*, CREST-Ensaï.

Barattieri, A., M. Cacciatore, and F. Ghironi (2018): “Protectionism and the Business Cycle,” NBER WP 24353.

Benigno, P., and E. Faia (2010): “Globalization, Pass-Through and Inflation Dynamics,” NBER WP 15842.

Boehm, C., A. Flaaen, and N. Pandalai Nayar (2014): “Input Linkages and the Transmission of Shocks: Firm-Level Evidence from the 2011 Tōhoku Earthquake,” *mimeo*, University of Michigan.

Bonfiglioli, A., R. Crinò and G. A. Gancia (2015): “Betting on Exports: Trade and Endogenous Heterogeneity,” CEPR DP 10938.

Brůha, J., and J. Podpiera (2006): “Transition Economy Convergence in a Two-Country Model: Implications for Monetary Integration,” *mimeo*, Czech National Bank.

Bussière, M., G. Gaulier, M. Obstfeld, and K. Russ (2015): “Ricardian Exchange Rate Redux,” *mimeo*, Banque de France, International Monetary Fund, and University of California, Davis.

Cacciatore, M., and N. Traum (2018): “Trade Flows and Fiscal Multipliers,” *mimeo*, HEC Montréal and North Carolina State University.

- Dekle, R., H. Jeong, and N. Kiyotaki (2013): “Dynamics of Firms and Trade in General Equilibrium,” *mimeo*, University of Southern California, KDI School of Public Policy and Management, and Princeton University.
- Dvir, E. (2007): “Globalization, Optimal Auctions, and Exchange Rate Pass-Through,” *mimeo*, Boston College.
- Eaton, J., S. S. Kortum, and B. Neiman (2015): “Obstfeld and Rogoff’s International Macro Puzzles: A Quantitative Assessment,” NBER WP 21774.
- Hamano, M., and P. M. Picard (2013): “Extensive and Intensive Margins and the Choice of Exchange Rate Regimes,” *mimeo*, Sophia University and University of Luxembourg.
- Juvenal, L., and P. S. Monteiro (2013): “Export Market Diversification and Productivity Improvements: Theory and Evidence from Argentinean Firms,” Federal Reserve Bank of St. Louis Working Paper 2010-038F.
- Krolikowski, P. W., and A. H. McCallum (2013): “Searching for Imports,” *mimeo*, University of Michigan and Board of Governors of the Federal Reserve System.
- Kucheryavyy, K. (2014): “Comparative Advantage and International Risk Sharing: Together at Last,” *mimeo*, Pennsylvania State University.
- Lechthaler, W., and M. Mileva (2014): “Smoothing the Adjustment to Trade Liberalization,” Kiel Institute for the World Economy WP 1948.
- Lincoln, W. F., and A. H. McCallum (2013): “Entry Costs and Increasing Trade,” *mimeo*, Johns Hopkins University and Board of Governors of the Federal Reserve System.
- McCallum, A. H. (2014): “The Structure of Export Entry Costs,” *mimeo*, Board of Governors of the Federal Reserve System.
- Ruhl, K. (2008): “The International Elasticity Puzzle,” *mimeo*, New York University.
- Sim, J. W. (2006): “Hysteresis and Trade Dynamics in a Two Country General Equilibrium with Incomplete Markets,” *mimeo*, Board of Governors of the Federal Reserve System.

For other interesting recent papers for possible discussion, see these conference programs (you should not choose papers in these programs if I listed them in sections of this syllabus other than “Papers for Discussion”):

CEBRA-CEPR-Bank of Lithuania-National Bank of Poland Conference on “International Trade and Macroeconomic Interdependence in the Age of Global Value Chains,” Bank of Lithuania, Vilnius, September 15-16, 2016: <https://www.lb.lt/en/events/international-trade-and-macroeconomic-interdependence-in-the-age-of-global-value-chains>

CEBRA-CEPR-Bank of Italy Conference on “Rethinking Competitiveness, Structural Reforms, and Macro Policy,” Bank of Italy, Rome, October 5-6, 2017: <http://cebra.org/2017/09/program-2017-itm-conference-rethinking-competitiveness-structural-reforms-and-macro-policy-bank-of-italy-rome-5-6-october/>

Bank Negara Malaysia-IMF Conference on “Globalization in the Aftermath of the Crisis,” Bank Negara Malaysia, Kuala Lumpur, July 25-26, 2017:
<http://www.imf.org/en/News/Seminars/Conferences/2017/06/21/globalization-in-the-aftermath-of-the-crisis-Kuala-Lumpur>

NBER Summer Institute Workshop on “International Trade and Macroeconomics,” Cambridge, MA:

July 2016: <http://conference.nber.org/confer/2016/SI2016/ITM/ITMprg.html>

July 2017: <http://papers.nber.org/sched/SI17ITM>