1. Overview

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Tuesday and Thursday, 10:30am-11:45am
Office hours: Tuesday, 1:00-3:00pm

EC871 aims to provide basic training and knowledge to students who consider international trade as one of their research fields. I attempt to strike a balance between the “extensive” and the “intensive” margins of course materials: extensive margin refers to an overview of various topics in this field, while intensive margin means technical training on selected topics. By the end of the semester, students are expected to know both common techniques and the big picture of related literature when starting their own projects or reading papers written by others. This course does not include policy-related topics, which will be covered in EC876.

2. Grading

Paper summaries (20%)*
One referee report (30%)
Cumulative Final (50%): date TBD (by our department).

* Students are required to prepare a half-page summary for each required paper. This requirement provides incentives to read papers before class meetings. At the end of each class meeting, papers required for the next class will be announced.

Students are assumed to know BC’s policies on academic integrity: www.bc.edu/integrity.

3. Reading list

The main textbook is *Advanced International Trade: Theory and Evidence* (R.C. Feenstra, Princeton University Press, 2003), which will be used along with papers in the reading list. The following two textbooks are also useful for some topics:


This list includes more papers than we cover in detail during class meetings. I suggest reading those not covered in detail, and highly recommend so if a student wants to take a comprehensive exam that includes international trade.

This list may be updated as the course progresses.

Common abbreviations for journals:

- AER=American Economic Review
- AERPP= American Economic Review Papers and Proceedings
- ECA=Econometrica
- QJE=Quarterly Journal of Economics
(1) The Ricardian model


(2) The Heckscher-Ohlin model and the Ricardo-Viner model


Mayda, A. M. and D. Rodrik (2005), “Why are some people (and countries) more protectionist than others?” European Economic Review 49(6), pages 1393-1430.


(3) Monopolistic competition, increasing return and varieties


(4) Gravity equation, trade cost and geography


(5) Trade models with firm heterogeneity


(6) Global production and multinational enterprises

(6.1) Horizontal production


(6.2) Vertical production


(6.3) Incomplete contract


(7) Other topics in trade

(7.1) Growth and technology


(7.2) Finance and Crisis


Manova, K. (2007), "Credit Constraints, Heterogeneous Firms and International Trade."

(7.3) Institutions


