

Winter 2015

Globalization and Labor-market Outcomes

January 5, 2015

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Class Times: Thu, Jan 8, 1:45p-5:00p and Fri, Jan 16, 1:45p-5:00p
Class Web Page: econ.ucsd.edu/muendler/teach/15w/globallabor

1 Course Objectives

This course examines theories of international trade in goods and services and analyzes the consequences for labor markets. The course contrasts the theoretical insights with recent empirical evidence.

2 Prerequisites

Students enrolled in the course are expected to have some knowledge of classic trade theory and basic econometric methods.

3 Course Schedule

I. Industry-level Explanations

- 1. Thu, January 8:** Offshoring and Foreign Direct Investment
Theoretical foundation: Grossman and Rossi-Hansberg (2008)
Related evidence: Muendler and Becker (2010)
- 2. Thu, January 8:** Trade in Tasks
Theoretical foundations: Feenstra and Hanson (1996); Feenstra (2004)/Ch. 4
Related evidence: Becker and Muendler (2014)

II. Firm-level Explanations

- 3. Thu, January 16:** Global Firms and Employment
Theoretical foundation: Melitz (2003)
Related evidence: Bazzi, Menezes-Filho, and Muendler (2014)
- 4. Thu, January 16:** Global Firms and Wages
Theoretical foundation: Helpman, Itskhoki, and Redding (2010)
Related evidence: Helpman, Itskhoki, Muendler, and Redding (2012)

References

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- BECKER, S. O., AND M.-A. MUENDLER (2014): "Trade and Tasks: An Exploration over Three Decades in Germany," University of California, San Diego, unpublished manuscript (earlier version *EFIGE Working Paper*, 45).
- FEENSTRA, R. C. (2004): *Advanced international trade: Theory and evidence*. Princeton University, Princeton, New Jersey.
- FEENSTRA, R. C., AND G. H. HANSON (1996): "Foreign Investment, Outsourcing, and Relative Wages," in *The political economy of trade policy: Papers in honor of Jagdish Bhagwati*, ed. by R. C. Feenstra, G. M. Grossman, and D. A. Irwin, pp. 89–127. MIT Press, Cambridge and London.
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- HELPMAN, E., O. ITSKHOKI, M.-A. MUENDLER, AND S. REDDING (2012): "Trade and Inequality: From Theory to Estimation," *NBER Working Paper*, 17991.
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- MELITZ, M. J. (2003): "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity," *Econometrica*, 71(6), 1695–1725.
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