

ECON 444 Research in Globalization

Spring 2021

Instructor:

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Office hours: Tues 2-3 pm (via Zoom)

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Course delivery

- Delivery mode: 100% Online = 50% synchronous via Zoom + 50% asynchronous lectures
- Class time (synchronous): Tue 9:30-10:45am Eastern Time

Synchronous class meetings on Tuesdays will focus on discussion, practice problems, group discussions, and student presentations. Students are required to attend all synchronous class meetings. See the attendance policy below for the detailed rules. Additional lecture video clips will be uploaded every Thursday. Students are required to watch the lecture clip before coming to the class meeting on Tuesday.

Overview

This course focuses on learning various research methods and doing independent research in globalization. Globalization has become one of the most important economic issues in recent years. As countries get connected to one another, individual countries are dealing with various economic issues driven by globalization - e.g., inequality, competition, intellectual property rights, poverty, climate change, etc. It is not so surprising that there is a lot of debate on the pros and cons of globalization in the real world.

In this course, students will first learn how to look at those issues through the lens of economics. Various economic models (especially international trade models) will be covered in class, and students will learn how to use those models to answer underlying questions of globalization. Using economic models involve both analytic approaches and numerical approaches. This course covers how to numerically simulate simple economic models using programming languages such as Matlab. Students will also learn how recent academic articles approach many issues about globalization.

Students will also develop their analytic and empirical skills to perform independent research in globalization. This course will discuss how to use real-world data with econometric tools and statistical software (e.g., STATA). The final goal of this course is to write a solid research proposal by the end of the semester.

Textbooks and Class Materials

Although there is no official textbook for this class, students may benefit from the following textbooks throughout the semester:

P. Krugman, M. Obstfeld, and M. Melitz, *International Trade: Theory and Policy* (any edition is fine)

R. Feenstra and A. Taylor, *International Economics* (any edition is fine)

Lecture notes will be posted on ELMS. Lecture notes are copyright-protected. Redistribution of the lecture notes is strictly prohibited.

Prerequisites

Econ 326. This course is designed for the students in the BS Econ program. Since this course is an advanced research-oriented course, the instructor would assume that students are all familiar with calculus, basic concepts of economics and statistics in addition to the materials covered in Econ 326.

Course Requirements and Grades

- Part I – Independent research (35%)
- Part II – Group research project (25%)
- Part III – Problem sets and podcast memos (35%)
- Part IV – Peer feedback (5%)

Part I – Individual research project (35%)

The main goal of this course is to learn how to do independent research in globalization. Research is a cumulative process. First, students will present their own idea in class and write a short midterm report. The mid-term assignments will give students a good chance to get feedback from the instructor and classmates. Based on the feedback, students will further develop their ideas for the final presentation and the final research proposal. A successful proposal will be a good start for the Honors program (396 and 397) in the following year.

1) Mid-term report (5%) and presentation (5%)

Mid-term report and presentation should include the following elements:

- Research topic
- Motivation and background
- Why the chosen topic is interesting and relevant
- A short summary of supporting evidence from data, news articles, existing academic research, etc.

Each student will be given approximately 10 minutes for the presentation. Presentations will be during synchronous class meetings.

- The due date for the mid-term report: Tue, Mar 30 (9:30am)
- Mid-term presentation (in-class): Tuesdays, Mar 30 and Apr 1
- Format requirement for the mid-term report: 12pt font size, 1.5 spacing, no longer than 5 pages

2) Final presentation (10%) and final proposal (15%)

The last two synchronous class meetings of the semester will be reserved for each student's final presentation. The final presentation is the last chance to get feedback on your research. The final proposal is due on the final exam date. (Note that there is no written final exam for this course.) The final presentation and the final proposal should include the following elements:

- All elements that were included in the mid-term report
- Literature review
- How to apply economic models to answer your research question
- Plan for empirical work: relevant data, empirical specification

For the final presentation, each student will be given approximately 12-15 minutes. Due date and detailed requirements are as follows:

- The due date for the final proposal: Fri, May 14 (10am)
- Presentations will be scheduled on Tuesdays, May 4 and May 11
- Format requirement for the final proposal: 12pt font size, 1.5 spacing, no longer than 10 pages

Part II - Group research project (25%)

Students will form small groups to prepare an in-class presentation and a short essay on the assigned news article together. The size of each group and the length of the presentation will depend on the final class size. The instructor will suggest several news articles on recent issues of globalization, and each group will pick one article to discuss in their presentation and essay.

It is important that everyone contributes to the project. Both presentations and essays should be from a team effort. In the presentation, it is encouraged (but not required) for each group member to take turns.

1) Group presentation (10%)

In the presentation, students are expected to discuss the chosen news article in detail and to provide economic perspectives. The presentation should highlight how to apply economic models to understand the article. Highly recommended to bring additional data evidence. A good visualization of data will be appreciated.

- The group presentation will be about 20-25 minutes
- All group presentations will be scheduled on Tue, Apr 27

2) Group essay (15%)

The essay should summarize the presentation well and provide more details of the group's project. An independent research effort for this group project will be a plus. For example, students can include their own economic modeling and/or data analysis in the project.

- Due date: Sun, May 2 (11:59pm)
- Format requirement: 12pt font size, 1.5 spacing, no longer than 10 pages

Part III - Problem sets and podcast memos (35%)

1) Problem sets (25%)

Six problem sets will be assigned throughout the semester. The first three will be mainly about solving trade models analytically and numerically. They will also require applying trade models to various real-world problems related to globalization. The fourth one will be about using statistical software to answer empirical questions. The last two problem sets will be about the academic papers discussed in class. Students can work in groups, but each student has to submit his/her own answer. Simply copying your group's answers with different names will not be allowed. Due dates are marked on the class schedule.

2) Podcast memos (10%)

There is a great podcast series "Trade Talks" that cover the latest developments in international trade every week. Dr. Chad Bown, a senior fellow of the Peterson Institute for International Economics, and Soumaya Keynes, the economics and trade correspondent at The Economist, post free podcasts of economic analysis of various trade policies. Students can subscribe for free in [iTunes](#), [Google Play](#), [Stitcher](#), [TuneIn](#), or anywhere they usually get podcasts.

In every synchronous class meeting on Tuesday, we will discuss the podcast clip of the previous week or the clip that the instructor picks a week ahead in small groups. Before the discussion, students are required to hand in a short memo (12 pt font size, 1.5 spacing, 1 page) on the podcast clip to be discussed in class. The memo is due every Tuesday (9:30am). Each memo should include the following:

- Summary of the talk
- Issues and controversies (if any) discussed during the talk
- More details from other related news articles (cite and summarize properly)
- A brief summary of your perspective based on economic theory

Part IV - Peer feedback (5%)

Getting feedback from peers is essential in academic research. After each individual and group presentation, all students except the presenter have to submit short feedback on the presentation. Feedback should focus on the substance of the presentation.

- Due dates: by 9:30am the day after each presentation (also marked in the schedule below)
- Format requirement: less than 1 page for each presentation, 12 pt font size, 1.5 spacing

Approximate grade breakdown

A,A-	B+,B,B-	C+,C,C-	D+,D,D-	F
90%+	80-89.99%	70-79.99%	60-69.99%	Below 59.99%

Cutoffs for + and - grades will be determined at the end of the semester. I may give a curve depending on the overall performance of the class, so this breakdown is only approximate and not final.

Class attendance policy

Attendance is not mandatory but strongly encouraged. In-class discussions during synchronous class meetings will be an integral part of the course. Students are not allowed to miss too many synchronous meetings. If a student misses three or more synchronous meetings, I will take off 5 points (out of the total 100 points) from the final grade for the student. If a student has to miss a synchronous class meeting more than three times due to a justifiable reason, s/he must notify the instructor in advance.

Assignment submission and makeup policy

- All assignments and the final exam must be submitted via ELMS. A scanned copy of hand-written answers is permitted only for problem sets and

- exams. Research papers and podcast memos must be typed. In-class midterm exams will use software.
- Due dates and times are firm and clearly marked on this syllabus.
 - **Makeup policy**
An extension of the due date of the final exam, the individual research project, the group research project, or problem sets are granted without penalty only to the students who submit acceptable written documentation of justifiable reasons as specified by the [University policy](#). Students are required to notify the instructor in a timely manner. Students must send the instructor written documentation at least 48 hours before the due date/time of the assignment.
 - **Late submission / missing exam policy**
If a student misses an assignment without providing written documentation as specified above, the instructor will follow this rule:
 - Independent/group research projects (including the midterm report for the independent project) and problem sets
You will lose 20% of total points earned for up to 24 hours past due; 50% for 24-48 hours past due; no credit for a submission more than 48 hours late.
 - Presentation of the individual research project, group presentation, and podcast memos
No late submission or missing presentation will be accepted.

Academic Integrity

Students should take academic integrity very seriously. The University of Maryland has made a code of academic integrity available online (click [here](#) for the document.) Students are responsible for upholding these standards as they are completing any course requirements. More resources on academic integrity are also available from the [Student Honor Council](#).

It is also important to understand what it means to conduct research in a responsible manner. The CITI program has an [online course](#) on Responsible Conduct on Research. The National Science Foundation (NSF) also provides [RCR information](#).

Resources

1) "Trade Talks" podcast series

As described in the course requirement, students are required to follow this weekly podcast series, write a memo on them, and discuss them

in every Wed class. You can subscribe for free on [iTunes](#), [Google Play](#), [Stitcher](#), [TuneIn](#), or from almost any usual sources of podcasts.

2) News articles, policy briefs, research articles, and blogs

Here are the places where you can get the latest news on globalization issues and learn economists' perspectives on those issues.

- Economics sections of major news outlets: [NYT](#), [The Economist](#), [FT](#), [WSJ](#)
- [World Trade Organization](#)
- [World Bank, Trade and International Integration unit](#)
- Peterson Institute for International Economics: [research](#), [blogs](#)
- [The Brookings Institution](#)
- These websites provide recent economic research works (across all fields) for a more general audience, but you would be surprised how many of them are on globalization.
 - <http://economistsview.typepad.com/>
 - <http://voxeu.org/>
- Blogs: [Dani Rodrik](#) (Harvard Kennedy), [Jonathan Dingel](#) (U Chicago Booth), [Chris Blattman](#) (U Chicago Harris)

3) Writing

Students are strongly encouraged to get help on their writing from the [University Writing Center](#). The center provides online tutoring, in-person writing consultations, workshops, and many other resources.

Course Outline and Readings (subject to change)

Week 1 (synchronous meeting on 1/26)

- Course overview
- What is "academic research?"
- Why "globalization?"
- Using Matlab to simulate economic models and Stata for empirical research
- Discussion on
 - "[Accounting for the new gains from trade liberalization](#)," by Hsieh et al. on VoxEU in 2017
 - "[The rise of China and the future of US manufacturing](#)," by Acemoglu et al. on VoxEU in 2017
- Patterns of trade, gravity model
- U.S.-China trade war

Week 2 (synchronous meeting on 2/2)

- Ricardian model: traditional and recent approaches

- Discussion on
 - Eaton, Jonathan, and Samuel Kortum. "[Technology, Geography, and Trade](#)." *Econometrica* 70, no. 5 (September 2002): 1741–1779.

Week 3 (synchronous meeting on 2/9)

- *During the synchronous meeting on Tuesday*
 - Applications of the Ricardian model
 - Practice problems on the Ricardian model
 - Basics of Matlab: how to numerically simulate economic models
 - Numerical exercises with the Ricardian model
- *A lecture clip will be posted on Thursday about:*
 - The Heckscher-Ohlin model
- Problem set I will be assigned

Week 4 (synchronous meeting on 2/16)

- Tue, Feb 16 (9:30am) - Problem set I is due
- *During the synchronous meeting on Tuesday*
 - Group discussion on the Ricardian model
 - Group discussion on a podcast clip
- *A lecture clip will be posted on Thursday about:*
 - The Heckscher-Ohlin model (continued)
 - A graphical approach: Lerner's diagram

Week 5 (synchronous meeting on 2/23)

- *During the synchronous meeting on Tuesday*
 - Applications of the Heckscher-Ohlin model
 - Practice problems on the Heckscher-Ohlin model
 - Numerical exercises with the Heckscher-Ohlin model
 - Group discussion on a podcast clip
- *A lecture clip will be posted on Thursday about:*
 - Generalized Heckscher-Ohlin model
 - Specific factors model
- Problem set II will be assigned

Week 6 (synchronous meeting on 3/2)

- *During the synchronous meeting on Tuesday*
 - Applications of the Heckscher-Ohlin model and the specific factors model
 - Group discussion on a podcast clip
- *A lecture clip will be posted on Thursday about:*
 - New trade models with heterogeneous firms

Week 7 (synchronous meeting on 3/9)

- Tue, Mar 9 (9:30am) - Problem set II is due
- *During the synchronous meeting on Tuesday*
 - Where to get data for your research
 - Group discussion on a podcast clip
- *A lecture clip will be posted on Thursday about:*
 - Basic econometric tools to do empirical research
- Problem set III will be assigned

(Spring break)

Week 8 (synchronous meeting on 3/23)

- Tue, Mar 23 (9:30am) - Problem set III is due
- *During the synchronous meeting on Tuesday*
 - Learning how to use STATA for your research
- *A lecture clip will be posted on Thursday about:*
 - Examples of empirical research using STATA

Week 9 (synchronous meeting on 3/30)

- Tue, Mar 30 (9:30am) - Mid-term report for the individual research project is due
- Wed, Mar 31 (9:30am) - Peer feedback (I) is due
- *During the synchronous meeting on Tuesday*
 - Tue, Mar 30 - Mid-term presentation on the individual research project (I)
- No additional lecture clip will be posted this week, but students who present this week are required to have a 1-1 meeting with the instructor to discuss the research project. Meetings will be scheduled during regular office hours, and sign-up link will be provided. If there is any schedule conflict, students must email the instructor in advance to schedule the meeting at another time. It still has to be in this week.
- Problem set IV will be assigned

Week 10 (synchronous meeting on 4/6)

- Tue, Apr 6 (9:30am) - Problem set IV is due
- Wed, Apr 7 (9:30am) - Peer feedback (II) is due
- *During the synchronous meeting on Tuesday*
 - Tue, Apr 6 - Mid-term presentation on the individual research project (II)
- No additional lecture clip will be posted this week, but students who present this week are required to have a 1-1 meeting with the instructor to discuss the research project. Meetings will be scheduled during regular office hours, and sign-up link will be provided. If there is any schedule

conflict, students must email the instructor in advance to schedule the meeting at another time. It still has to be in this week.

Week 11 (synchronous meeting on 4/13)

- *During the synchronous meeting on Tuesday*
 - Group discussion on a podcast clip
 - Group discussion on the following article: Goldberg, Pinelopi Koujianou, and Nina Pavcnik. "Distributional Effects of Globalization in Developing Countries." *Journal of Economic Literature* 45, no. 1 (March 2007): 39–82.
- *A lecture clip will be posted on Thursday about:*
 - Trade and inequality: winners and losers from globalization?
 - Autor, David H., David Dorn, and Gordon H. Hanson. "The China Syndrome: Local Labor Market Effects of Import Competition in the United States." *American Economic Review* 103, no. 6 (2013): 2121–68.
 - Autor, David H., David Dorn, and Gordon H. Hanson. "The china shock: Learning from labor-market adjustment to large changes in trade." *Annual Review of Economics* 8 (2016): 205–240.

Week 12 (synchronous meeting on 4/20)

- *During the synchronous meeting on Tuesday*
 - Group discussion on a podcast clip
 - Group discussion on the following article: Amity, Mary, Stephen J. Redding, and David E. Weinstein. "The Impact of the 2018 Tariffs on Prices and Welfare." *Journal of Economic Perspectives* 33, no. 4 (2019): 187–210.
- *A lecture clip will be posted on Thursday about:*
 - Instruments of trade policy
- Problem set V will be assigned

Week 13 (synchronous meeting on 4/27)

- Tue, Apr 27 – Group research presentation
- Tue, Apr 27 (9:30am) – Problem set V is due
- Sun, May 2 (11:59pm) – Group essay is due
- *A lecture clip will be posted on Thursday about:*
 - Political economy of trade policy
 - Controversies in trade policy

Week 14 (synchronous meeting on 5/4)

- Tue, May 4 – Final presentation on the individual research project (I)
- *During the synchronous meeting on Tuesday*

- Final presentations on the independent research project (I)
- *A lecture clip will be posted on Thursday about:*
 - Career path as a trade economist
- Problem set VI will be assigned

Week 15 (synchronous meeting on 5/11)

- Tue, May 11 - Final presentation on the individual research project (II)
- Tue, May 11 (9:30am) - Problem set VI is due