

# ECON 245

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# Introductions

## ▶ Myself:

- born and raised in Frankfurt, Germany
- studied economics in London and Princeton, spent a year at the European central bank before grad school
- research interests: international trade + macro
- Topics: consequences of market power, innovation

## ▶ You?

- What did you do before coming to San Diego?
- What research topics are you interested in?
- How are you feeling going towards the end of 2nd year?

# Logistics

- ▶ We meet Tuesdays and Thursdays 930-1050am
- ▶ Expectations
  - Imperative to attend class and do the readings
  - 2 problem sets (weeks 3 and 5)
  - written research proposal
    - necessarily preliminary, but should outline a research question and how you intend to answer it
    - will arrange meetings in week 5 to discuss your thoughts on topics
    - presentations in the last week of instruction
    - Written proposal is due at the end of finals week
- ▶ contact: [ftrottner@ucsd.edu](mailto:ftrottner@ucsd.edu)
- ▶ Materials + readings: <http://www.trottner.me/teaching>

# Unsolicited advice

- ▶ There is a crucial distinction between a topic and a question
- ▶ Topic: A general area of interest that is defined narrowly enough to imagine becoming a local expert in
  - Trade and wage inequality
- ▶ Question: A problem that we do not know or understand, which puts some intellectual capital at stake, has a well-defined answer, and where we have a research design to answer it
  - Can search and matching models account quantitatively for observed levels of wage inequality?
- ▶ Writing papers is about identifying research questions and answering them in a compelling way

# More advice

- ▶ There is little job market payoff to applying outstanding technical skills to problems that nobody cares about
- ▶ Build the simplest model possible (if you must) to capture the phenomenon you are interested in. Abstract from the inessential to let the essential speak.
- ▶ Do not underestimate the „So what?“ question
- ▶ Doing research is hard
  - Do not give up too easily. Persistence is hugely important
- ▶ Do not be afraid to get feedback
  - Present your work, get feedback, listen to advisors and colleagues

# Overview of Class Topics

- ▶ Gravity and workhorse models in trade, urban and macro
  - Ricardian (DFS, Eaton-Kortum 02), new trade theory (Krugman), heterogeneous firms (Melitz)
- ▶ Market power
  - Measurement and theory of rising market power of firms
- ▶ Local labor markets
  - Bartik instruments, using cross-sectional estimates to inform GE models
- ▶ Production Networks and aggregate fluctuations
  - Domestic and global value chains, offshoring, macro effects of micro shocks
- ▶ Dynamics in international trade
  - growth, innovation, migration