Seminari di Economia

Prossima iniziativa:

Venerdì 11 luglio 2014

Workshop on International Trade

Luca De Benedictis, Università di Macerata
The Cobden-Chevalier effect: Evaluating the causal effect of the Most Favoured Nation clause in presence of Network interferences

Mauro Caselli, Università Parthenope
Multi-product exporters, variable markups and exchange rate fluctuations

Il workshop si svolgerà nell'aula magna della ex-Facoltà di Economia alle ore 11:00 del giorno indicato. Ogni intervento durerà circa un'ora.

La serie di seminari è coordinata dal Dott. Fabio Cerina (fcerina@unica.it) e dal Dott. Alessio Moro (amoro@unica.it), Dipartimento di Scienze Economiche e Aziendali e CRENos Università degli Studi di Cagliari.
Seminario finanziato in parte con il contributo della Facoltà di Scienze economiche giuridiche e politiche, Fondi ex Art. 5 legge 537/93 2008.
The Cobden-Chevalier effect: Evaluating the causal effect of the Most Favoured Nation clause in presence of Network interferences

Abstract

The purpose of this work is to evaluate the causal effect of the Network of the Cobden-Chevalier Treaties including the Most Favoured Nation (MFN) clause on trade flows of countries in the second half of the 19th century. This paper contributes to the literature on the topic in several ways. First, it applies up-to-date quantitative methods (i.e., nonparametric estimations technique) to study historical phenomena. These methods permit to estimate the MFN effect on trade flows rebalancing the control group without imposing any functional relationship between covariates and propensity score. Second, it describes Preferential Trade Agreements (PTAs) and their evolution through the lens of Network Analysis. Third, it addresses selection bias on unobservables by including fixed effects. Lastly, it controls for Network interferences due to trade agreements in order to account for trade interdependence. The outcomes of our preliminary estimates show that the Network of the Cobden-Chevalier Treaties with MFN clause had an impact on trade flows of countries in the second half of the 19th century. The effect of MFN on trade flows is positive when all observations are taking into account (27 per cent more than the average trade flows of 1865, on average). Last but not least, the empirical results show network structure of PTAs matters and should be taken into consideration in evaluation exercises.

Multi-product exporters, variable markups and exchange rate fluctuations

Abstract

In this paper we investigate how firms adjust markups across products in response to fluctuations in the real exchange rate. In a theoretical framework, we show that firms increase their markup and producer prices following a real depreciation and that this increase is greater for products with higher productivity, a consequence of local distribution costs. We estimate markups at the market-product-plant level using detailed panel production and cost data from Mexican manufacturing between 1994 and 2007. Exploiting variation in the real exchange rate in the aftermath of the peso crisis in December 1994, we provide robust empirical evidence that plants increase their markups and producer prices in response to a real depreciation and that within-firm heterogeneity is a key determinant of plants' response to exchange rate shocks. We also provide some evidence in favour of a local distribution cost channel of incomplete exchange rate pass-through.

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¹Coautorato da Silvia Nenci.
²Coautorato da Arpita Chatterjee e Alan D. Woodland.