

Topics in International and Environmental Economics - MIEPP Seminar - Johannes Gutenberg University Mainz

Winter 2025/26

Chair of International Finance, Prof. Philip Sauré

Preliminary version - subject to changes

Seminar Description

The seminar focusses on the academic literature related to environmental questions in the context of international economics. Most of the papers covered are empirical in nature and relate to the larger topic economic of climate and decarbonization. Examples are carbon leakage through international specialization and trade flows, border adjustment tax and implicit carbon subsidies in trade policy. Most papers also make methodological contributions. Many of the papers rely on the conceptual framework of the concept of the gravity equation, to which extra attention will be given.

Each seminar participant will hand in a term paper and give a presentation. The term paper is handed in prior to the presentation, which takes place towards the end of the term. Both, paper and presentation, give an in-depth summary and a critical assessment of the same paper.

Prerequisites

No single course from the master program is required. However, sound knowledge of basic trade theory as well as standard econometric tools (panel estimations, instrumental variable estimations) are prerequisites for attending the seminar.

Organization

All meetings of the seminar are currently scheduled to take place in person. In the introductory meeting, we will discuss further organizational issues.

Important Dates

Introductory meeting: Friday, November 7, 2025, 8:15 am to 11:45 am

Hand-in List of preferences for Term Paper: Friday, November 14, 2025, noon

Assignments: Monday, November 17, 2025, noon

Hand-in Term Paper: Thursday, January 29, 2026

Presentations: Thursday, February 5 2026, 8.30 am - 5 pm

Background literature:

- Head, Keith, and Thierry Mayer. "Gravity equations: Workhorse, toolkit, and cookbook." *Handbook of international economics*. Vol. 4. Elsevier, 2014. 131-195.
- Cherniwchan, Jevan, Brian R. Copeland, and M. Scott Taylor. "Trade and the environment: New methods, measurements, and results." *Annual Review of Economics* 9 (2017): 59-85.
- Anderson, James E., and Eric Van Wincoop (2003) "Gravity with gravitas: a solution to the border puzzle." *American economic review* 93.1, 170-192.
- Silva, JMC Santos, and Silvana Tenreyro (2006) "The log of gravity." *The Review of Economics and statistics* 88.4, 641-658

Papers to be presented:

1. Levinson, A. (2009). Technology, international trade, and pollution from US manufacturing. *American Economic Review*, 99(5), 2177-92.
2. Forslid, R., Okubo, T., and Ulltveit-Moe, KH. (2018). Why are firms that export cleaner? International trade, abatement and environmental emissions. *Journal of Environmental Economics and Management*, 91: 166-183
3. Aichele, R., and Felbermayr, G. (2015). Kyoto and carbon leakage: An empirical analysis of the carbon content of bilateral trade. *Review of Economics and Statistics*, 97(1), 104-115.
[See also: Aichele, R., and Felbermayr, G. (2012). Kyoto and the carbon footprint of nations. *Journal of Environmental Economics and Management*, 63(3), 336-354.]
4. Aghion, P., Benabou, R., Martin, R., and Roulet, A. (2023). Environmental Preferences and Technological Choices: Is Market Competition Clean or Dirty?. *American Economic Review: Insights*, 5(1), 1-20.
5. Hawkins-Pierot, J. T., and Wagner, K. R. (2025). Technology lock-in and costs of delayed climate policy. Working Paper.
6. Caron, J., and Fally, T. (2020). Per capita income, consumption patterns, and CO2 emissions. Working Paper.
7. Dean, J. M., Lovely, M. E., and Wang, H. (2009). Are foreign investors attracted to weak environmental regulations? Evaluating the evidence from China. *Journal of Development Economics*, 90(1), 1-13.
8. Martin, R., Muûls, M., De Preux, L. B., and Wagner, U. J. (2014). Industry compensation under relocation risk: A firm-level analysis of the EU emissions trading scheme. *American Economic Review*, 104(8), 2482-2508.
9. Shapiro, JS. and Walker, R. (2018). Why is Pollution from US Manufacturing Declining? The Roles of Environmental Regulation, Productivity, and Trade. *American Economic Review*, 108(12): 3814–3854
10. Najjar, N., and Cherniwchan, J. (2021). Environmental Regulations and the Clean-Up of Manufacturing: Plant-Level Evidence. *Review of Economics and Statistics*, 103(3): 476-491.
11. Shapiro, Joseph S. (2021). The environmental bias of trade policy. *The Quarterly Journal of Economics*, 136(2) : 831-886.
12. Shapiro, J. S. (2025). Institutions, Comparative Advantage, and the Environment. *Review of Economic Studies*, 00: 1–42