

Syllabus, Luca d'Agliano Summer School on Outsourcing and Migration, Summer 2009

OUTSOURCING LECTURES

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My plan is to cover two of the major topics in international outsourcing: outsourcing and the boundary of the multinational firm and outsourcing and labor markets. If there is time I will also discuss recent research that relates outsourcing to spinoff entrepreneurship. I will cover the readings marked with an asterisk; the other readings are for background.

I. Outsourcing and the Boundary of the Multinational Firm

A. Outsourcing, relationship-specific investment, and the product cycle

*Antras, Pol. 2005. "[Incomplete contracts and the product cycle.](#)" *American Economic Review* 95 (September): 1054-1073.

Grossman, Sanford J. and Hart, Oliver D. 1986. "[The costs and benefits of ownership: A theory of vertical and lateral integration.](#)" *Journal of Political Economy* 94(4): 691-719.

Hart, Oliver D. and Moore, John. 1990. "[Property rights and the nature of the firm.](#)" *Journal of Political Economy* 98(6): 1119-1158.

Vernon, Raymond. 1966. "[International investment and international trade in the product cycle.](#)" *Quarterly Journal of Economics* 80(2): 190-207.

B. Outsourcing, routineness, and adaptation

Autor, David H.; Levy, Frank; and Murnane, Richard J. 2003. "[The skill content of recent technological change: An empirical exploration.](#)" *Quarterly Journal of Economics* 118(4): 1279-1333.

*Costinot, Arnaud; Oldenski, Lindsay; and Rauch, James E. 2009. "[Adaptation and the boundary of multinational firms.](#)" National Bureau of Economic Research Working Paper No. 14668 (January).

Nunn, Nathan and Trefler, Daniel. 2008. "The boundaries of the multinational firm: An empirical analysis." Forthcoming in E. Helpman, D. Marin, and T. Verdier (eds.), *The Organization of Firms in a Global Economy*, Harvard University Press.

II. Outsourcing and Labor Markets

A. Outsourcing and vertical disintegration

Berman, Eli; Bound, John; and Griliches, Zvi. 1994. "[Changes in the demand for skilled labor within U.S. manufacturing: Evidence from the Annual Survey of Manufactures.](#)" *Quarterly Journal of Economics* 104: 367-398.

Berman, Eli; Bound, John; and Machin, Stephen. 1998. "[Implications of skill-biased technological change: International evidence.](#)" *Quarterly Journal of Economics* 113: 1245-1280.

*Crinò, Rosario. 2007. "[Service offshoring and white collar employment.](#)" CESifo Working Paper No. 2040 (July).

*Feenstra, Robert C. 2008. "[Offshoring in the global economy: Microeconomic structure.](#)" *The Ohlin Lectures* (September).

Feenstra, Robert C. and Hanson, Gordon H. 1996. "Foreign investment, outsourcing and relative wages." In R.C. Feenstra, G.M. Grossman and D.A. Irwin, eds., *The Political Economy of Trade Policy: Papers in Honor of Jagdish Bhagwati*, MIT Press: 89-127.

Feenstra, Robert C. and Hanson, Gordon H. 1999. "[The impact of outsourcing and high-technology capital on wages: Estimates for the U.S., 1979-1990.](#)" *Quarterly Journal of Economics* 114(3): 907-940.

B. Outsourcing, matching and networks

Freeman, Richard. 1995. "[Are your wages set in Beijing?](#)" *Journal of Economic Perspectives* 9 (Summer): 15-32.

*Rauch, James E. and Casella, Alessandra. 2003. "[Overcoming informational barriers to international resource allocation: Prices and ties.](#)" *Economic Journal* 113 (January): 21-42.

*Rauch, James E. and Trindade, Vitor. 2003. "[Information, international substitutability, and globalization.](#)" *American Economic Review* 93 (June): 775-791.

III. Outsourcing and Entrepreneurship

Hirakawa, Oana; Muendler, Marc; and Rauch, James E. 2009. “[Employee spinoffs and other entrants: Stylized facts from Brazil.](#)” University of California, San Diego Working Paper (April).

Hortaçsu, Ali and Syverson, Chad. 2007. “[Vertical integration and production: Some plant-level evidence.](#)” University of Chicago Working Paper (July).

*Rauch, James E. 2008. “[Spinout entrepreneurship, crony capitalism, and development.](#)” University of California, San Diego Working Paper (May).