

The Trade Jamboree's theme this year was around trade policy, an increasingly important topic in today's economy.

Amit Khandelwal (Columbia Business School) kicked off the day with an analysis of the recent tariffs imposed on China. He showed that the cost of the tariffs is predominantly born by American consumers, and that Chinese countervailing tariffs largely targeted Republican leaning districts---providing direct evidence on the political dimension of recent trade tensions.

Cecile Gaubert (Berkeley) then presented her work on spatial sorting and inequality. This work introduced a rich model to estimate how much people sorting across neighborhoods, because of rents, amenities, and commuting costs, has contributed to the rise of inequality---a crucial ingredient to policy reforms oriented towards urban planning and zoning.

Joseph Steinberg (Toronto) presented a dynamic model of trade between Mexico and the United States in order to understand the implications of repealing NAFTA fully, and of the recently proposed USMCA. His research highlights the important connections between investment and trade, arising from the tradability of investment and capital goods.

The second half of the day took us from concrete empirics to more theoretical discussions about globalization today, as opposed to the past.

Robert Staiger (Dartmouth) presented work on Dispute Resolution at the WTO, pointing out the difference between investment agreements and trade agreements. Aside from providing a framework for modeling both trade and investment disputes at the WTO, they highlight the features of trade and investment that make them different: assessing the value of a trade agreement is hard, while assessing the value of an investment is trivial; free trade is likely best for both parties, while expropriation is often the best for one party in investment; and, the direct harm from investment breaking down is typically larger than trade.

Ralph Ossa (Zurich) presented an ambitious new framework for modeling trade agreements, and deciding whether they are beneficial for the population. His key insight is that modern trade agreements have gone far beyond tariffs, to include product specifications and other novel instruments. Moreover, many industries disagree with each other on the extent of protection. He introduces these new instruments and disagreements in a model where industries use lobbying to influence government policy, and from there he determines the conditions in which trade agreements will ultimately benefit and work against consumers.

Finally, Gene Grossman (Princeton) closed the day with a provocative paper aimed at understanding how identity politics and social concerns can shape trade policy. His model is a novel bridging between political science and economics. It builds in the idea that people may vote against their economic interests in order to feel like part of a group, but that groups can also partition when economic interests change.

In addition to the first day, featuring many eminent scholars in the field, the second day of the Trade Jamboree continued a tradition started in 2018 of featuring many of the youngest stars in the field presenting their work in short “blitz” style 20 minute sessions. The topics covered supply chains, multinationals, geography, migration, development and labor. There were also methodological papers, concerned with doing statistics when entities (e.g., countries or states) may face shocks correlated across space.

The curated papers in the first day, and the excitement of the second day, led to an excellent conference with high attendance. It draw many NYU Econ and NYU Stern faculty. The conference was also cohosted with Columbia, and so their faculty and graduate students also contributed to an exciting and educational day.