We introduce firm and worker heterogeneity into a model of innovation–driven endogenous growth. Individuals who differ in ability sort into either a research activity or a manufacturing sector. Research projects generate new varieties of a differentiated product. Projects differ in quality and the resulting technologies differ in productivity. In both sectors, there is a complementarity between firm quality and worker ability. We study the co-determination of growth and income inequality in both the closed and open economy, as well as the spillover effects of policy in one country to outcomes in others.

Gene Grossman is visiting the Department of Economics, NUS, as a member of the Visiting Committee from 3–7 April 2017.

**SPEAKER:**

Professor Gene Grossman  
Jacob Viner Professor of International Economics  
Department of Economics  
Princeton University, USA

**CHAIR:**

Associate Professor Davin Chor  
Department of Economics  
Associate Director, GPN@NUS  
National University of Singapore

**DATE:**

Monday, 03 April 2017

**TIME:**

2.30pm – 4pm

**VENUE:**

Seminar Room 06–42  
The Shaw Foundation Building, Block AS7, Level 6,  
5 Arts Link  
Singapore 117570
Gene M. Grossman is the Jacob Viner Professor of International Economics in the Department of Economics and the Woodrow Wilson School of Public and International Affairs at Princeton University. Professor Grossman received his B.A. from Yale University and his Ph.D. in Economics from the Massachusetts Institute of Technology, and joined the Princeton faculty immediately thereafter in 1980. He has served as Director of Princeton’s International Economics Section since 1999 and completed his second term as Chair of Princeton’s economics department in 2014.

Professor Grossman has received numerous professional honors and awards including the Onassis Prize in International Trade from the Onassis Foundation, the Cass Business School and the City of London, the Harry G. Johnson Prize from the Canadian Economics Association, the Bernard-Harms Prize from the Kiel Institute for the World Economy and fellowships from the Alfred P. Sloan Foundation and the John Simon Guggenheim Memorial Foundation. He was elected a Fellow of the Econometric Society in 1992, a Fellow of the American Academy of Arts and Sciences in 1997, and a Life Member of the Council on Foreign Relations in 2008, and he holds Honorary Doctorates from the University of St. Gallen and the University of Minho. Professor Grossman served a three-year term on the Executive Committee of the American Economic Association. He is a research associate of the National Bureau of Economic Research and of the Center for Economic Policy Research, and serves on the editorial boards of the Journal of Economic Growth, the Review of International Economics, the German Economic Review, and several other professional journals.
Professor Grossman has written extensively on international trade. He is well known for his work on the relationship between trade and growth, and in particular for his book with Elhanan Helpman entitled Innovation and Growth in the Global Economy.

He has also written (with colleague Alan Krueger) a pair of widely-cited papers on the likely environmental impacts of the North American Free Trade Agreement and on the relationship between economic growth and the environment, which initiated a voluminous literature on the so-called “Environmental Kuznets Curve.” Another branch of Professor Grossman’s research focuses on the political forces that shape modern trade policy. He and Elhanan Helpman collaborated on “Protection for Sale” and on two books, Special Interest Politics and Interest Groups and Trade Policy, published by the MIT Press and Princeton University Press, respectively. With colleague Esteban Rossi-Hansberg, he wrote “Trade in Tasks: A Simple Theory of Offshoring,” which explores the wage effects of the globalization of production. Professor Grossman’s most recent research focuses on the effects of trade and growth on the wage distribution.