

VITA

Carl Davidson

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Department of Economics
Michigan State University
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Educational Background: B.A. (Economics) Emory University, June 1978
M.S. (Economics) University of Wisconsin-Madison, Dec. 1981
Ph.D. (Economics) University of Wisconsin-Madison, August 1982

Current Positions: University Distinguished Professor, Michigan State University, 2019-
Professor of Economics, Michigan State University 1982-
Chair, Department of Economics, Michigan State University, 2006-2015
External Research Fellow, Leverhulme Centre for Research on Globalization
and Economic Policy, University of Nottingham
External Research Fellow, University of Loughborough

Editorial Positions: Co-Editor, *World Economy (Americas Edition)* 2005-09
Associate Editor, *European Economic Review* 2011-13

Fields: Microeconomics, International Trade, Industrial Organization.

Articles:

Global engagement and the occupational structure of firms, *European Economic Review* 100, Nov. 2017: 273-92 (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)

Global engagement, complex tasks, and the distribution of occupational employment, *Review of International Economics* 24(4), Sept. 2016: 717-36 (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)

A simple model of globalization, schooling and skill acquisition, *European Economic Review* 71, October 2014: 209-27 (with Nick Sly)

Globalization and imperfect labor market sorting, *Journal of International Economics* 94(2), Nov. 2014: 177-94 (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm, and Susan Zhu)

A behavioral model of unemployment, sociotropic concerns and the political economy of trade policy, *Economics and Politics* 24(1), March 2012: 72-94 (with Steven Matusz and Doug Nelson)

- A model of globalization and firm-worker matching: How good is good enough? *International Review of Economics and Finance* 12, June 2012: 5-15 (with Steven Matusz)
- Liberalized trade and worker-firm matching, *American Economic Review Papers & Proceedings* 102(3), May 2012: 429-34 (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)
- The trade-offs from pattern bargaining with uncertain production costs, *European Economic Review* 55(2), 2011: 246-62 (with Anthony Creane).
- Information sharing in union-firm relationships, *International Economic Review* 49(4), November 2008: 1331-63 (with Anthony Creane).
- Outsourcing Peter to pay Paul: high-skill expectations and low-skill wages with imperfect labor markets, *Macroeconomic Dynamics* 12(4), September 2008: 463-79 (with Steven Matusz and Andrei Shevchenko).
- Globalization and firm level adjustment with imperfect labor markets, *Journal of International Economics* 75(2), July 2008: 295-309 (with Steven Matusz and Andrei Shevchenko)
- Mergers with multidimensional competition, *Economica* 74, November 2007: 695-712 (with Ben Ferrett).
- Efficient black markets? *Journal of Public Economics* 9(7-8), August 2007: 1575-90 (with Lawrence Martin and John D. Wilson)
- Can compensation save free trade? *Journal of International Economics* 71(1), March 2007: 167-86 (with Steven Matusz and Douglas Nelson).
- Horizontal mergers with free entry, *International Journal of Industrial Organization* 25(1), February 2007: 157-72 (with Arijit Mukherjee).
- Trade liberalization and compensation, *International Economic Review* 47(3), August 2006: 723-48 (with Steven Matusz).
- Long-run lunacy, short-run sanity: A simple model of trade with labor market turnover, *Review of International Economics* 14(2), May 2006: 261-76 (with Steven Matusz).
- Trade and turnover: Theory and evidence, *Review of International Economics*, 13(5), November 2005: 861-80 (with Steven Matusz).
- Trade, turnover and tithing, *Journal of International Economics*, 66(1), May 2005: 157-76 (with Christopher Magee and Steven Matusz).
- Tax evasion as an optimal tax device, *Economics Letters*, 86(2), February 2005: 285-90 (with Lawrence Martin and John D. Wilson).

Multidivisional firms, internal competition and the merger paradox, *Canadian Journal of Economics*, 37(4), November 2004: 951-77 (with Anthony Creane).

An overlapping generations model of escape clause protection, *Review of International Economics*, 12(5), November 2004: 749-68 (with Steven Matusz). Reprinted in *Adjusting to Globalization* D. Greenaway (ed.), Blackwell Publishing, 2005 and *The WTO, Safeguards, and Temporary Protection from Imports*, Chad Brown (ed.), Edward Elgar Publishing.

Strategic second sourcing by multinationals, *International Economic Review*, 45(2), May 2004: 579-600 (with Jay Pil Choi).

Globalization and labor market adjustment: How fast and at what cost? *Oxford Review of Economic Policy*, 16(3), Autumn 2000: 42-56 (with Steven Matusz)

Trade and search generated unemployment, *Journal of International Economics*, August 1999: 271-99 (with Lawrence Martin and Steven Matusz). Reprinted in *Recent Developments in International Trade Theory*, R. Falvey and U. Kreickemeier (eds.), Edward Elgar, 2005.

R&D subsidies and economic growth, *Rand Journal of Economics*, 29, Autumn 1998: 548-77 (with Paul Segerstrom).

Optimal unemployment insurance, *Journal of Public Economics*, 64, 1997: 359-87 (with Stephen Woodbury).

Exchange rate swings and international competition, *Canadian Journal of Economics*, May 1996: 436-56 (with Corinne Krupp).

Transaction costs, frictional unemployment and technical change in the market technology," *International Economic Review*, August 1995: 769-94 (with Lawrence Martin).

Jobs and chocolate: Samuelsonian surpluses in dynamic models of unemployment, *Review of Economic Studies*, April 1994: 173-92 (with Lawrence Martin and Steven Matusz).

The displacement effect of reemployment bonus programs, *Journal of Labor Economics*, October 1993: 575-605 (with Stephen Woodbury).

Tax incidence in a simple general equilibrium model with collusion and entry, *Journal of Public Economics*, July 1991: 161-90 (with Lawrence Martin).

Multiple free trade equilibria in micro models of unemployment, *Journal of International Economics*, August 1991: 157-69 (with Lawrence Martin and Steven Matusz).

Bargaining structure and strike activity, *Canadian Journal of Economics*, May 1991: 345-71 (with Frances Chung).

Excess capacity and collusion, *International Economic Review*, August 1990: 521-542 (with Raymond Deneckere). Reprinted in *Cartels*, S. Salant and M. Levenstein (eds.), Edward Elgar, 2007.

The structure of simple general equilibrium models with frictional unemployment, *Journal of Political Economy*, December 1988: 1267-93 (with Lawrence Martin and Steven Matusz). Reprinted in *Globalization and Labor Markets*, D. Greenaway and D. Nelson (eds.), Edward Elgar 2001).

Multi-unit bargaining in oligopolistic industries, *Journal of Labor Economics*, July 1988, 397-422.

Equilibrium in servicing industries: An economic application of queuing theory, *Journal of Business*, July 1988, 347-67.

Search, unemployment, and the production of jobs, *Economic Journal*, December 1987: 857-76 (with Lawrence Martin and Steven Matusz).

Long-run competition in capacity, short-run competition in price, and the Cournot model, *Rand Journal of Economics*, Autumn 1986: 404-15 (with Raymond Deneckere).

The incentive to form coalitions with Bertrand competition, *Rand Journal of Economics*, Winter 1985: 473-86 (with Raymond Deneckere).

General equilibrium tax incidence under imperfect competition: A quantity-setting supergame analysis, *Journal of Political Economy*, December 1985: 1212-23 (with Lawrence Martin).

Analysis of performance standards for direct foreign investments, *Canadian Journal of Economics*, November 1985: 876-90 (with Steven Matusz and Mordechai Kreinin).

Cartel stability and tariff policy, *Journal of International Economics*, November 1984, 219-37.

Horizontal mergers and collusive behavior, *International Journal of Industrial Organization*, June 1984: 117-32 (with Raymond Deneckere).

Monographs, Books, Book Chapters and Book Reviews:

Globalization and the market for high-ability managers. *International Journal of Economic Theory*, March 2014, p. 107–24 (with Steve Matusz).

Trade and labor: Recent developments and new directions, in *Oxford Handbook on International Commercial Policy* (M. Kreinin and M. Plummer, eds), Oxford University Press, 2012, p. 75-96 (with Nicholas Sly).

Trade and the labour market, in the *Palgrave Handbook of International Trade* (D. Bernhofen, R. Falvey, D. Greenaway and U. Kreckemeier, eds), MacMillan, 2011, p. 391-422 (with Steven Matusz).

Modeling, measuring and compensating the adjustment costs associated with trade reforms, in *Trade Adjustment Costs in Developing Countries: Impacts, Determinants and Policy Responses* (B. Hoekman and G. Porto, eds), World Bank/CEPR, 2010, p. 25-37 (with Steven Matusz).

- International Trade and Equilibrium Unemployment*, Princeton University Press, 2010 (with Steven Matusz).
- Globalization and turnover, in *Globalisation and Labour Market Adjustment*, (D. Greenaway, R. Upward and P. Wright, eds.), Palgrave MacMillan, 2008, p. 6-30 (with Steven Matusz).
- Fairness and the political economy of trade, *World Economy*, 29(8), August 2006: 989-1004 (with Steven Matusz and Douglas Nelson).
- Review of *Trade and Industrial Policy under International Oligopoly* by S. Lahiri and Y. Ono (Cambridge Univ. Press), *Review of International Economics*, 14(1), Feb. 2006: 169-72.
- Should policy makers be concerned about adjustments costs? in *The Political Economy of Trade, Aid and Foreign Investment Policies* (D. Mitra and A. Panagariya, eds), Elsevier, Springer-Verlag and Edward Elgar, 2004, p. 31-68 (with Steven Matusz).
- Labor market structure and its influence on trade related outcomes: Some initial findings, in *Empirical Methods in International Trade: Essays in Honor of Mordechai Kreinin* (M. Plummer, ed.), 2004 (with Steven Matusz).
- International Trade and the Labor Market: Theory, Evidence, and Policy Implications*, W.E. Upjohn Press, 2004 (with Steven Matusz).
- Globalization, employment and income: Analyzing the adjustment process, in *Trade, Investment, Migration and Labour Market Adjustment* (edited by David Greenaway, Richard Upward and Katherine Wakeline), IEA Conference Volume No. 135; Palgrave Macmillan, 2002: 66-92 (with Steven Matusz).
- Search Theory and Unemployment*, Kluwer Academic Publishers, 2002 (edited jointly with Stephen Woodbury).
- The optimal dole with risk aversion and job destruction,” in *Search Theory and Unemployment*, Kluwer Academic Publishers, 2002: 177-213 (with Stephen Woodbury).
- From experiment to program, in *Incentives for Reemployment: Results of Three Bonus Experiments in Unemployment Insurance* (edited by Phillip Robins and Robert Spiegelman), W.E. Upjohn Institute, 2001 (with Stephen Woodbury).
- Wage rate subsidies for dislocated workers, in *Research in Employment Policy* (edited by Laurie Bassi), JAI Press 2(2000): 141-84, (with Stephen Woodbury).
- Administrative funding of unemployment insurance as a principal-agent Problem, in *Research in Employment Policy* (Laurie Bassi, ed), JAI Press, 1(1999): 219-42 (with Lawrence Martin).
- Recent Developments in the Theory of Unemployment*, W. E. Upjohn Institute for Employment Research, 1990.

Current Working Papers:

Networks, ladder and education: Labor market strategies in the presence of globalization (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)

Globalization and the jobs ladder (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)

Labor market structure and offshoring (with Sangwha Shin)

Labor market flows and global engagement (with Fredrik Heyman, Steven Matusz, Fredrik Sjöholm and Susan Zhu)

Pigou, Becker and the regulation of punishment-proof firms (with Lawrence Martin and John Wilson)

Other Working Papers

Effects of a reemployment bonus under differing benefit entitlements, or, Why the Illinois experiment worked (with Stephen Woodbury)

Unemployment insurance and unemployment: implications of the reemployment bonus experiments (with Stephen Woodbury)

The bargaining economy (with Carsten Kowalczyk)

Job matching and the probability of reemployment: Empirical tests using experimental data (with Stephen Woodbury)

The black, the white, and the gray: or, the optimal enforcement of minimum quality standards (with Lawrence Martin and John Wilson)

Awards and Honors

Lewis Greenhut Award, Emory University, 1978
(awarded to the outstanding graduating economics major)

Summer Research Award, Department of Economics, 1986

Broad College Summer Research Award, 1998-2001

Distinguished Faculty Award, Michigan State University, 2003/04
(now known as the William J. Bael Outstanding Faculty Award)

Outstanding MBA Teaching Award 2004

Presented the *Nottingham Lectures in International Economics*, Leverhulme Centre for Research on Globalization and Economic Policy, University of Nottingham, 2006

Presented in the *Visiting Scholar Seminar Series*, Brigham Young University, 2008

Presented the *World Economy Annual Lecture*, Leverhulme Centre for Research on Globalization and Economic Policy, University of Nottingham, 2010

University Distinguished Professor, Michigan State University, 2019-

Grants and Contracts

W.E. Upjohn Institute for Employment Research (Total Funding, \$61,000):

“Recent Developments in the Theory of Involuntary Unemployment.” 1988-90

“International Trade, Labor Markets and the Poor.” 1998-2002

United States Department of Labor, Advisory Council on Unemployment Compensation (Total Funding, \$85,000):

“Administrative Funding of Unemployment Insurance as a Principal-Agent Problem.” 1994

“Wage Rate Subsidies for Dislocated Workers.” 1995

“Unemployment Insurance and Unemployment: Implications of the Reemployment Bonus Experiments.” 1996

“Optimal Unemployment Insurance.” 1996

Washington State Employment Security Department, Labor Market and Economic Analysis Branch (Total Funding, \$20,000):

“Crowding-Out Effects of the Public Labor Exchange in Washington State.” 1999-2000.

The World Bank (Total Funding, \$3,000)

“Modeling, Measuring and Compensating the Adjustment Costs Associated with Trade Reform.” 2008-2009.

Dissertation Supervision:

Served as Major Professor for

Tzong Rong Tsai (PhD 1987)

Francis Cheung (PhD 1989)

Nils Bjorksten (PhD 1993)

Leslie Schenk (PhD 1995)

Julie DeCourcy (PhD 2001)

Vinit Jagdish (PhD 2005)

Nicholas Sly (PhD 2009)

Sangwha Shin (PhD 2014)

Jun-Tae Park (PhD in process)

Initial Placement

Institute of Economics (Academia Sinica, Taiwan)

University of Missouri -- Columbia

OECD

Christensen and Associates (Madison, WI)

Trinity University

Western Washington University

University of Oregon

Korea Institute of Public Finance

Served on Dissertation Committee: Laura Hayes, Florence Shu, Jorge Gonzalez, Vibhas Madan, Seung Ahn, Donna Anderson, David Schimmelpfennig, Patricia Pollard, Ed van Wesep, Suyeol Ryu, Sang-Hoo Bae, Hilda Patron, Yongjae Choi, Bong Geul Chun, John Francis, Saharat Pongsree, Kyonghwa Jeong, Rajalaxmi Kamath, Joon Lim, Nanyun Zhang, Byungcheol Kim, Na Yang, Jaesoo Kim, Kyu Yub Lee, Po-Chun Huang.

Served as External Examiner: Piercarlo Zanchettin (Ph.D., University of Nottingham 2004); Joana Silva (Ph.D., University of Nottingham 2007); Maria Tito (Ph.D., University of British Columbia 2015).

College Committees and Service:

Broad College of Business

Dean Search Committee, 2000/01

College of Social Science

Faculty Advisory Council, 2005, 2018

Chair, Department of Economics, 2006-2015

Search Committee for Director of School of Human Resources and Labor Relations,
2007

Dean's Ad Hoc Budget Committee 2008/09

Search Committee for Chair of Sociology 2009

Search Committee for Associate Dean for Undergraduate Programs, 2010

Search Committee for Director of the Social Science Scholars Program, 2014

Chair of Search Committee for Associate Dean for Research, 2014

Chair of Search Committee for Director of IPPSR, 2015

Chair of Search Committee for Dean of the College, 2015/16

Strategic Planning Committee 2016/17

Sample of Accomplishments as Department Chair

Established Department Advisory Board

Established Econ Scholars Program

Increased Revenue from online instruction from \$170,000 (2005) to \$1,600,000 (2015)

Increased faculty size by approximately 20%

Department was awarded a \$5,000,000 Training Grant for its PhD Program from the
Department of Education

Increased the stipend to PhD students by approximately 50%

Helped launch ESTIMATE (Early Summer Tutorial in Modern Applied Tools of
Econometrics) to raise funds for our PhD program

Expanded Help Rooms in Economics to cover EC 201, 202, 301, 302; led College Initiative
to launch Help Rooms in Political Science, Psychology and History

Department was selected to host the American Economic Association Summer Training
Program for 5 years (this program is designed to train minority students interested in
graduate work in economics, the program is funded by NSF and the AEA)