ELHANAN HELPMAN AEA Distinguished Fellow 2010

Elhanan Helpman has left his mark on every corner of modern trade theory. Uncertainty, increasing returns to scale, monopolistic competition, multinational corporations, endogenous growth, political economy, outsourcing, and labor-market frictions are just a few of the topics that we now understand better thanks to his unrelenting curiosity and unrivaled clarity of thought. Helpman's research on any topic begins with a thorough investigation of the facts, followed by a careful review of the literature. Then, inspiration and perspiration are combined in just the right proportions to reveal the mysteries of the subject. Helpman's models draw on the literature, but they always introduce new features. And when others would throw in the towel, Helpman soldiers on. His refusal to be discouraged has awed an army of coauthors, and his perseverance has been rewarded time and again.

With Assaf Razin, he combined Diamond's model of real equities with the Heckscher-Ohlin trade model to formulate an elegant theory of trade and uncertainty. With Paul Krugman, he integrated the new trade theory based on increasing returns and differentiated products with the older theory based on comparative advantage, to develop a model combining intra-industry and inter-industry trade. With Gene Grossman, he endogenized technological innovation to study the interrelated dynamics of trade and growth. Grossman and Helpman also applied Bernheim and Whinston's analysis of "menu auctions" to produce a workhorse model of the political economy of trade protection. Helpman's sole-authored "simple theory" of multinational corporations which emphasizes joint inputs and vertical integration also belongs on this list of greatest hits.

But Helpman has not been satisfied with mere theorizing. He was one of the -rst to test the predictions of a model of imperfect competition and intraindustry trade. With David Coe, he measured the international spillovers from research and development. With Marc Melitz and Stephen Yeaple, he examined the choice between exporting and direct foreign investment in a world of heterogeneous -rms. And with Melitz and Yona Rubinstein, he developed a method to account for the many zeroes in the matrix of bilateral trade .ows. Generations of students at Tel Aviv University and Harvard University have bene-ted from Elhanan's patience and wisdom. His lectures are always organized and detailed, but it is in one-to-one interactions where his mentoring skills take full form. He has even written some popular books—*The Mystery of Economic Growth* and *Understanding Global Trade*—as his thirst to share his love of research leads him to wider audiences.

Pablo Picasso is renowned for exploring almost every idea in modern art. Elhanan Helpman deserves to be regarded as the Picasso of modern trade theory.