Villages as Small Open Economies*

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Abstract
We propose a framework to generate village economic accounts and village balance of payments accounts from a micro-level household survey. Using the Townsend-Thai data, we create the village economic and balance of payments accounts of rural villages in Thailand. We then study village economics through the lens of international economics, both real and financial. These include the Feldstein-Horioka puzzle; openness and growth; across countries risk sharing; the factor-price equalization; trade, capital flows, and financial frictions; trade and productivity.