



GESY

Governance and The Efficiency of Economic Systems

Newsletter

Sonderforschungsbereich Transregio 15 • A cooperation of: FU Berlin • HU Berlin • Universität Bonn • Universität Mannheim • ZEW Mannheim • LMU München

Newsletter No. 5

May 2012

SFB/TR 15 Seminars

Berlin		
Date	Speaker (Institution)	Title
April 23	Stefano Lovo (HEC Paris)	Natural Barrier to Entry in the Credit Rating Industry
April 30	Carlo Scarpa (University of Brescia)	Liberalizing the Gas Industry: Take-or-Pay Contracts, Retail Competition and Wholesale Trade (with Michele Polo, Bocconi University)
München		
Date	Speaker (Institution)	Title
May 7	Philipp Weinschenk (MPI Bonn)	Moral Hazard and Discrimination
May 8	Tim Adam (HU Berlin)	The Use of Credit Default Swaps in Fund Tournaments
May 14	John Morgan (Haas Business School - Berkeley)	tba
May 15	Rachel Griffith (U Manchester / IFS)	Government tax setting for mobile corporate income
May 21	Michèle Belot (Nuffield College at Oxford)	Counterproductive Behaviour : An Experimental Study
May 22	Peter Neary (U Oxford)	Selection Effects with Heterogeneous Firms
Mannheim		
Date	Speaker (Institution)	Title
April 24	Marcus Asplund (Royal Institute of Technology, Stockholm)	Did the Swedish Tobacco Monopoly Set Monopoly Prices?
May 8	Monika Schnitzer (LMU München)	The use of tax havens in exemption regimes
May 15	Tim Adam (HU Berlin)	Fund Tournaments and CDS
May 22	Uwe Dulleck (Queensland University of Technology)	Good, the Bad, and the Naive - Do fair prices signal good types or do they induce good behaviour
May 29	Catherine Bobtcheff (TSE)	Researcher's Dilemma

External Research Visits, Lectures and Seminars of SFB/TR 15 Members

A2 (Konrad)		
Name	Topic	Dates
Changxia Ke	Fight Alone or Together: the Need to Belong, Workshop on "Contests, Mechanisms & Experiments Conference", University of Exeter Business School, Exeter	April 27
Kai A. Konrad	Unilateral action and negotiations about climate policy, New Directions in the voluntary provision of international public goods, Centre for European Economic Research (ZEW), Mannheim	April 17 – 18
A4 (Schmidt)		
Name	Topic	Dates
Joachim Winter	The effects of World War II on economic and health outcomes across Europe, Koc University, Istanbul	May 16
A7 (Strausz/Wolfstetter)		
Name	Topic	Dates
Elmar Wolfstetter	Hitotsubashi University, Tokyo (talk: "Security bid auctions for agency contracts")	March 24 – 30
Elmar Wolfstetter	Korea University, Seoul, South Korea (talk: "Security bid auctions for agency contracts")	March 31 – May 6
A8 (Rady)		
Name	Topic	Dates
Sven Rady	Strongly Symmetric Equilibria in Bandit Games, Université de Toulouse, France	April 24
A9 (Corneo)		
Giacomo Corneo	Social insurance, work norms, and the allocation of talent, The Brookings Institution, USA	April 3
B5 (Schnitzer/Eckel)		
Name	Topic	Dates
Monika Schnitzer	How Trade Credits Foster International Trade" at the IHRES Research Seminar, Université catholique de Louvain, Belgium	April 19
Iris Kesternich	The Effects of WWII on Economic and Health Outcomes across Europe" (joint with Bettina Siflinger, James Smith, Joachim Winter) at the RAND Corporation, Santa Monica, USA	April 27

C2 (Peitz/Harhoff)		
Name	Topic	Dates
Dietmar Harhoff / Georg von Graevenitz/Stefan Wagner	"Conflict Resolution, Public Goods and Patent Thickets" Conference on Patents, Entrepreneurship and Innovation (organized by the Kaufman Foundation and the US Patent and Trademark Office)	May 3. / 4.
C8 (Falk)		
Name	Topic	Dates
Hannah Schildberg-Hörisch	Nominal or real? The impact of regional price levels on life satisfaction, SFB meeting, Mannheim	April 20
Hannah Schildberg-Hörisch	Nominal or real? The impact of regional price levels on life satisfaction, University of Mannheim, Applied Economics and Econometrics Seminar	May 2

New Discussion Papers

B5 (Schnitzer/Eckel)		
Name	Title	Number
Monika Schnitzer Katharina Eck Martina Engemann	<p>How Trade Credits Foster International Trade</p> <p>Abstract: Internationally active firms rely intensively on trade credits even though they are considered particularly expensive. This phenomenon has been little explored so far. Our theoretical analysis shows that trade credits can alleviate financial constraints arising from asymmetric information because they serve as a quality signal and reduce the uncertainty related to international transactions. We use unique survey data on German enterprises to test the effect of the use of trade credits on firms' exporting and importing behavior, both at the extensive and intensive margins. Our results support the assertion that trade credits have a positive impact on firms' exporting and importing activities.</p> <p><i>Keywords:</i> trade credits, international trade, financial constraints, export, import, BEEPS JEL classification: F10, G30</p>	379

B5 (Schnitzer/Eckel)		
Name	Title	Number
Monika Schnitzer Katrin Peters	<p>Trade liberalization and credit constraints: Why opening up may fail to promote convergence</p> <p>Abstract: Recent evidence suggests that despite opening up a country for trade, the productivity gap between developed and emerging economies often does not close. This paper examines credit constraints as one channel held responsible for hampering convergence. Specifically, we extend a Melitz and Ottaviano (2008) type trade model with variable mark-ups to allow for endogenous technology adoption. We consider a framework with two countries that potentially differ with respect to credit market development. Firms have the option to adopt a more efficient technology by paying some fixed cost. A fraction of the fixed technology adoption cost has to be financed externally: in a less developed credit market, the costs of external finance and thus the total costs of technology adoption are higher. A reduction in trade costs raises demand abroad (pro technology-adoption effect) but reduces demand at home because of import competition (anti technology-adoption effect). We find that trade liberalization increases economic performance, that is average productivity and technology adoption, in both countries but that the productivity gap widens. Simulations show that the welfare gap widens too. Opening up without sufficient access to external funding thus fails to promote convergence. <i>Keywords:</i> Trade liberalization, Technology adoption, Financial constraints, Convergence, Productivity gap. JEL classification: F1, O33, O16</p>	380
B5 (Schnitzer/Eckel)		
Name	Title	Number
Monika Schnitzer Anna Gumpert James R. Hines Jr.	<p>The use of tax havens in exemption regimes</p> <p>Abstract: This paper analyzes the tax haven investment behavior of multinational firms from a country that exempts foreign income from taxation. High foreign tax rates generally encourage firms to invest in tax havens, though significant costs of reallocating taxable income dampen these incentives. The behavior of German manufacturing firms from 2002-2008 is consistent with this prediction: at the mean, one percentage point higher foreign tax rates are associated with three percentage point greater likelihoods of owning tax haven affiliates. This contrasts with earlier evidence for U.S. firms subject to home country taxation, which are more likely to invest in tax havens if they face lower foreign tax rates. Foreign tax rates appear to be unrelated to tax haven investments of German firms in service industries, possibly reflecting the difficulty they face in reallocating taxable income. <i>Keywords:</i> Tax Havens, Multinational Firms, Tax Avoidance, Profit Shifting, Manufacturing FDI, Service FDI JEL: H87, F23</p>	381

Publications

A2 (Konrad)		
Name	Topic	Dates
Kai A. Konrad and Florian Morath	Evolutionarily stable in-group favoritism and out-group spite in intergroup conflict, Journal of Theoretical Biology	forthcoming
A4 (Schmidt)		
Name	Topic	Dates
Klaus Schmidt	Screening, Competition, and Job Design: Economic Origins of Good Jobs „" (with Björn Bartling and Ernst Fehr), American Economic Review 2012, 102(2), 834-864	
C2 (Peitz/Harhoff)		
Name	Topic	Dates
Bronwyn Hall/Dietmar Harhoff	"Recent Research on the Economics of Patents" in: Annual Review of Economics (forthcoming)	

Miscellaneous

C8 (Falk)		
Name	Topic	Dates
Matthias Wibral	IZA Young Labor Economist Award (joint with Johannes Abeler, Steffen Altmann and Sebastian Kube)	January 6

New/Leaving Staff

A4 (Schmidt)		
Name	Topic	Dates
Gregor Zöttl	Gregor Zöttl has been coopted and joins Teilprojekt A4	April 20
Tina Brinkmann, Alexandra Frank	Tina Brinkmann is going on maternity leave and leaves Teilprojekt Z. She is replaced by Alexandra Frank who is now administrating the SFB. The email address of the SFB office is unchanged: sfb-tr15@vwl.uni-muenchen.de	April 30
B3 (Hellwig)		
Name	Topic	Dates
Hendrik Hakenes	Hendrik Hakenes has been coopted and joins Teilprojekt B3	April 20
B5 (Schnitzer/Eckel)		
Name	Topic	Dates
Martin Watzinger	Martin Watzinger has been coopted and joins Teilprojekt B5	April 20

C5 (Nocke)		
Name	Topic	Dates
Nicolos Schutz	Nicolas Schutz has been coopted and joins Teilprojekt C5	April 20

SFB/TR 15 Newsletter speaker: Prof. Dr. Klaus M. Schmidt. Editorial: Alexandra Frank, Ludwigstr. 28 RG, 80539 München. URL: <http://www.sfbtr15.de>, phone 089/2180-3405, fax 089/2180-3510, e-mail: sfb-tr15@vwl.lmu.de, editorial deadline for SFB/TR 15 newsletter No. 6: Wednesday, May 30th, 2012