



## Upcoming Seminars

### Monday, 11.7.2016

#### Departmental Seminar

17.15-18.15

AWI 00.010

Christine Zulehner, Goethe University Frankfurt

(invited by Christina Gathmann)

"Analysis of Mergers in First-Price Auctions"

### Tuesday, 12.7.2016

#### Economics and Politics Seminar

13.45-14.45

AWI 01.030

Julia Bader, University of Amsterdam

"Peacekeepers Made in China. China's Contribution to UN  
Peacekeeping 1990-2011"

### Tuesday, 12.7.2016

#### Special Lecture

18.15-19.15

Hörsaal

Campus Bergheim

Fabian Schupp, Deutsche Bundesbank

(invited by Zeno Enders and Sandra Schmidt)

"Die unkonventionelle Geldpolitik der EZB"

### Wednesday, 13.7.2016

#### Internal Seminar

12.15-13.15

AWI 00.010

Melanie Arntz

"Heterogeneous Labour Market Adjustments to  
Offshoring in European Regions"

### Wednesday, 13.7.2016

#### Macro & Econometrics Seminar

17.00-18.00

AWI 01.030

Inga Heiland, Ifo Institut and LMU München

"Going Deep: The Trade and Welfare Effects of TTIP"

### Departmental Seminar

Christine Zulehner

"Analysis of Mergers in First-Price Auctions"

In this paper, we analyze mergers in bidding markets. We utilize data from procurement auctions in the Austrian construction sector and estimate models of first-price sealed-bid auctions. Based on estimated cost and markups, we run merger simulations and disentangle the market power effects from potential cost efficiencies. We analyze static and dynamic models of first price auctions, and compare the outcomes of the merger simulations with the actual effects of observed mergers. Our results show that market power and efficiency effects are present post merger, leading to increased markups, but leaving the winning bid essentially unaffected by the merger. We find some correspondence of predicted and actual effects for full mergers, but not for majority acquisitions.

\*with Klaus Gugler and Michael Weichselbaumer

### Economics and Politics Seminar

Julia Bader

"Peacekeepers Made in China. China's Contribution to UN Peacekeeping 1990-2011"

China, between 1990 and 2000, contributed with troopers only to 1% of the United Nations Peacekeeping (UN-PK) years-missions, however after 2000 on average China sent troopers to more than 20% of the missions-years. Nowadays, China is in the top-15th contributors to UN missions out of 140 countries. Compared to the other four UN Security Council permanent members, China's peacekeepers contribution is exceptional. What are the causes of this change in Chinese involvement in UN peacekeeping? This paper provides a first (and preliminary) empirically investigation on whether China's emerging and relevant contribution to UN missions is related to Chinese strategic or material interests. The paper tests a battery of hypotheses on Chinese trade, aid, and UN voting using new data on China mission-year contribution. Our preliminary results show some possible correlations between material interests of China (in terms of oil import and foreign aid disbursement) and geopolitical interests: consistent higher odds of deployment in countries that tend to vote differently from China in the UN assembly.

### Internal Seminar

Melanie Arntz

"Heterogeneous Labour Market Adjustments to Offshoring in European Regions"\*

The effect of offshoring on labor demand is ambiguous, since workers may be displaced while at the same time they may benefit from productivity effects of offshoring that raise output and hence labour demand. Moreover, whether offshoring affects wages or (un-)employment depends on the flexibility of the labor market. Inflexible wages in European labor markets could induce adjustments along the

employment margin. We investigate the effects of offshoring to Eastern Europe and China on Western European regional labor markets. We define offshoring as trade in intermediates and estimate both the displacement effect as well as the output effect of offshoring on manufacturing employment after instrumenting for the endogeneity of offshoring. We find evidence for a significant displacement effect and a small positive output effect. We also analyze the heterogeneity of these effects across Europe and discuss potential mechanisms.

\*with Jan Hogrefe and Ulrich Zierahn

## **Macro & Econometrics Seminar**

Inga Heiland

"Going Deep: The Trade and Welfare Effects of TTIP"

Abstract: Since July 2013, the EU and the US have been negotiating a preferential trade agreement (PTA), the Transatlantic Trade and Investment Partnership (TTIP). We use a multi-country, multi-industry Ricardian trade model with national and international input-output linkages to quantify its potential economic consequences. We structurally estimate the sectoral trade flow elasticities of trade costs and of existing PTAs. We simulate the trade, value added, and welfare effects of the TTIP, assuming that the agreement would eliminate all transatlantic tariffs and reduce non-tariff barriers as other deep PTAs have. The long-run level of real per capita income would change by 2.12% in the EU, by 2.68% in the US, and by -0.03% in the rest of the world relative to the status quo. However, there is substantial heterogeneity across the 134 geographical entities that we investigate. Gross value of EU-US trade could triple, but its value added would grow by substantially less. Moreover, trade diversion effects are more pronounced in value added trade than in gross trade. This signals a deepening of the transatlantic value chain.

## **Talks and Research Visits**

**Vera Eichenauer** presented her paper "Neither Use It nor Lose It? The Impact of National Budget Cycles on Donor Support to Trust Funds" at the Workshop "Resourcing International Organizations", LMU Munich, June 24.

## **Visitors**

Adam Dominiak, Virginia Polytechnic Institute & State University, will stay at the AWI for research with Jürgen Eichberger, July 15-30 (room 01.025).

## **New Working Papers**

Tamila Levoshko: "Interregionale Effekte des Wirtschaftswachstums in der Ukraine und Polen", AWI Discussion Paper Series, [No. 616](#), July 2016.

## **Miscellaneous**

Nicolas Keller, Ph. D. student at the chair of Cristina Gathmann, has successfully defended his doctoral thesis on "Essays on Immigration Policies", July 5.

**Editorial deadline for issue 18/2016 of the newsletter:  
Wednesday, July 13, 2016, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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please contact the address above.