

– Research Portfolio –

Essays

in international trade

and industrial organization

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About

Current:

- ▶ Doctoral candidate (3rd year) at University of Munich
- ▶ Egon Sohmen Fellow
- ▶ Affiliate DFG Graduiertenkolleg "Microeconomic Determinants of Labour Productivity"

Supervisor:

- ▶ Carsten Eckel (LMU, CEPR)

Education:

- ▶ BA (Hons) Economics in Cambridge, UK (incl. exchange year at MIT, USA)
- ▶ MPhil Economics in Oxford, UK



Research Summary

- ▶ **Interest:** Policy-relevant questions in international trade and industrial organization.
- ▶ **Common theme:**
 - ▶ Utilize novel datasets and apply new empirical methods in applied microeconomics.
 - ▶ How much do different trade costs affect economic activity?
- 1. Effect of culture:
 - ▶ Can cultural effects on trade survive decades separation such as the Iron Curtain? ▶ Ch. 1
- 2. Effect of regulations:
 - ▶ Does the threat of border rejections prohibit exports from developing economies? ▶ Ch. 2
- 3. Chapter 3: Effect of information:
 - ▶ Can a temporary supply shock such as a strike have lasting effects on your competitors' demand? ▶ Ch. 3

Chapter 1:

A Dissection of Trading Capital: Trade in the Aftermath of the Fall of the Iron Curtain

Joint work with Ferdinand Rauch (Oxford)

Project status: revise and resubmit at the Journal of Economic History.
Munich Discussion Paper No. 2014-46.

Abstract:

We study trade in Europe after the fall of the Iron Curtain, and show that the countries of the former Austro-Hungarian monarchy trade significantly more with one another after 1989 than predicted by a standard gravity model. This trade surplus declines linearly and monotonically over time. We argue that the most likely explanation is that these forces relate to historical legacies and cultural memory. Trading capital, established under Habsburg rule, seems to have survived over four decades of separation and gives an initial boost to trade. This surplus trade disappeared rapidly as countries rearranged themselves with the new geopolitical circumstances. We document the rate of decay of these forces.

Keywords: Trade, Gravity, Habsburg Empire

JEL-Classification: F14, F15, N33, N34, N94

Chapter 2:

Impact of European Food Safety Border Inspections on Agri-Food Exports: Evidence from Chinese Firms

Joint work with Anne-Célia Disdier and Lionel Fontagné (both Paris)

Project status: Working paper

Abstract:

Does the threat of border rejections prohibit exports from developing economies? We address the microeconomic impact of the risk of rejection for safety reasons at the European border for Chinese agri-food exporters. We combine information from the European Rapid Alert System for Food and Feed with firm level export data from China by product-destination over the period 2000-2011. We show that border rejections significantly amplify the turnover among firms at the extensive margin of trade. Rejections increase the exit of Chinese exporters and at the same time enhance the entry of new ones. Furthermore, this effect is stronger for small firms. Our results at the intensive margin highlight some concentration of Chinese exports among big and productive exporters.

Keywords: Food Safety, Border inspections, Import refusals, Uncertainty

JEL-Classification: F14, L25, Q17, Q18

Chapter 3:

Striking Evidence! Permanent Effect of German Railway Strikes on Interurban Buses

Project status: Preliminary Analysis

Abstract:

Can a temporary supply shock such as a strike have lasting effects on your competitors' demand? Using a novel dataset of bus capacity utilization, I investigate the effect of the largest rail strike in German history. The strike forced travellers to use alternative transport modes such as interurban buses - a newly liberalized market. Given the history of DB, a significant fraction of western German train conductors are civil servants and were prohibited from striking. I exploit this regional variation in the strike intensity in a diff-in-diff identification strategy. I investigate whether the strike brought about changes to the buses even after German rail returned to normal operations. I find that the strike increased MFB bus capacity by 7 seats per bus route and day. *Keywords: Transportation,*

Long-Run Demand Effects, Inter-modal Substitution, Strike

JEL-Classification: L92, R41, C81

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