



## NEWSLETTER 2016-4

### CALENDAR:

#### **Brown Bag Seminar**

Felix Peterhammer (University of Regensburg):  
*Heuristic Thinking - How Salient Wages affect Employees' Satisfaction*

Monday, February 1  
 12:00–12:30  
 VG 2.35

Johannes Moser (University of Regensburg):  
*Disentangling the Winners's Curse - An experimental investigation*

Monday, February 1  
 12:30–13:00  
 VG 2.35

#### **Departmental Seminar**

Armin Schmutzler (University of Zürich):  
*Hunting Unicorns? Experimental evidence for Predatory Pricing*

Monday, February 1  
 16:30–18:00  
 H26

#### **Lunch Seminar**

Ben Lochner (FAU Erlangen-Nürnberg):  
*Labor Market Sorting in Germany*

Wednesday, February 3  
 12:00–13:00  
 VG 2.35

#### **Economic and Social History Seminar**

Uwe Balder (University of Regensburg):  
*Entwicklungslinien des deutschen Textileinzelhandels in der Weimarer Republik*

Wednesday, February 3  
 18:00–20:15  
 VG 1.30

**ABSTRACTS:****Departmental Seminar**

Armin Schmutzler:

*Hunting Unicorns? Experimental evidence for Predatory Pricing.*

(joint work with Aaron Edlin, Catherine Roux and Christian Thöni)

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*Abstract:* Should price cutting by a monopoly in response to entry be regulated, and if so how? Theorists have debated the point. Some argue that predatory pricing is rarely if ever a problem (the unicorn hypothesis), others that only below-cost price cuts are predatory, and still others that above-cost price cuts are the most problematic and should be regulated when a monopoly has cost or other advantages. Empirical work has difficulty contributing to these debates because there is limited policy variation. Here, we take an experimental approach, comparing several proposed predatory pricing policies. We consider a setting of Bertrand-style price competition repeated over four periods. An incumbent monopoly has a cost advantage over a potential entrant. We consider four policy treatments: 1. Laissez Faire; 2. A ban on below-cost pricing à la Brooke Group 1992); 3. A ban on certain post-entry price cuts à la Edlin 2002; and 4. Permanence of post-entry price cuts à la Baumol 1978. These policies affect entry; pre- and post-entry pricing; post-entry exit; and consumer and total welfare.

**Lunch Seminar**

Ben Lochner:

*Labor Market Sorting in Germany*

(joint work with Bastian Schulz)

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*Abstract:* This paper analyzes how workers are allocated to jobs in Germany. We argue that interactions between worker and firm heterogeneity are an important contributor to wage dispersion. Our main contribution is to show how labor market sorting has evolved over time and which types of matches are responsible for this development. Crucially, two-way fixed-effect models (Abowd et al., 1999), e.g. in Card et al., 2013, do not capture match-specific effects, what has been shown theoretically (Eeckhout and Kircher, 2011). We use a structural search model and the identification procedure proposed by Hagedorn et al. (2014) and empirically identify the bivariate density of matches in Germany. Low-type workers are increasingly sorted into low-type firms. In line with the theory of labor market sorting, this allocation appears to maximize their wages. Sorting of high-type workers into high-type firms has, if anything, slightly decreased during our period of observation, 1998-2008.

**Economic and Social History Seminar**

Uwe Balder:

*Entwicklungslinien des deutschen Textileinzelhandels in der Weimarer Republik*

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*Abstract:* Der Vortrag stellt zentrale Ergebnisse des eigenen Promotionsprojektes für die Zeit der Weimarer Republik vor. Zwischen 1918 und 1932 wirkten einerseits die Konsequenzen des Ersten Weltkrieges – Warenmangel, Regulierung und inflationäre Tendenzen – nach; andererseits schufen die demokratischen Strukturen Raum für neue Formen des Wettbewerbs und der Transparenz. Wie reagierte der Textileinzelhandel auf die Herausforderungen des „textilen Notstands“ in der unmittelbaren Nachkriegszeit? Wie wirkten sich die wirtschaftlichen Krisen auf die Handelsstrukturen aus? Wie reagierte der etablierte Handel auf sich ausdehnende Großkonzerne und wie auf „irreguläre Elemente“ des Straßen- und Hausierhandels? Zur Beantwortung dieser Fragen analysiert der Vortrag die Eigenwahrnehmung des Einzelhandels in Fachzeitschriften, rekonstruiert die Verbandsarbeit, interpretiert statistisches Material öffentlicher Stellen und wertet konkrete Unternehmensbestände aus.

**TALKS UND PRESENTATIONS:**

On January 20, **Andreas Roider** presented his paper *Whistle-Blower Protection: Theory and Experimental Evidence* (joint with Lydia Mechtenberg and Gerd Mühlheusser) at the University of Passau.

**NEW PUBLICATIONS:**

**Jenny Körner** (2015): *Monetary Transmission in the Czech Republic after the Transformation*, Eastern European Business and Economics Journal, 1(3): 19-47.

**MISCELLANEOUS:**

The next issue of RegensburgEconNews will be published at the beginning of the summer term; editorial deadline: April 6, 2016.

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**RegensburgEconNews**

Newsletter of the Institute of Economics and Econometrics, University of Regensburg

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Editorial deadline for Newsletter No. 2016-5:  
Wednesday, April 6– 11 pm

**FAKULTÄT FÜR WIRTSCHAFTSWISSENSCHAFTEN**

INSTITUT FÜR VOLKSWIRTSCHAFTSLEHRE  
EINSCHLIEßLICH ÖKONOMETRIE

Universitätsstraße 31 ■ 93040 Regensburg

Newsletter-Redaktion: [Martina Kraus-Pietsch](mailto:Martina.Kraus-Pietsch@ur.de)

Telefon: +49 941 943-2710

Fax: +49 941 943-2734

E-Mail: [econ.news@ur.de](mailto:econ.news@ur.de)

Internet: [www-wiwi.ur.de/Fakultät/VWL/](http://www-wiwi.ur.de/Fakultät/VWL/)

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