

MARTIN WATZINGER
CV

CONTACT INFORMATION

Address: Department of Economics
University of Munich
Akademiestraße 1 / 3
80799 Munich
Germany
Phone: +49(0)89 2180 3953
Email: Martin.Watzinger@lrz.uni-muenchen.de
Web: <http://www.martin-watzinger.com/>

RESEARCH FOCUS

Innovation Economics and Applied Econometrics

CURRENT & PAST POSITIONS

2012- present **Assistant Professor** in Economics (Akademischer Rat), Department of Economics, **LMU Munich**, Germany
Winter 2014 **Interim Professor** (Lehrstuhlvertretung) in Economics, Department of Economics, **LMU Munich**, Germany

EDUCATION

2007-2012 **PhD in Economics** at the LMU Munich (summa cum laude)
Supervisor: Monika Schnitzer
2002- 2007 **Diploma in Business Administration** (excellent) at the University of Tübingen

RESEARCH VISITS

Boston University School of Management
(Host: Jeffrey Furman), May 2015
Harvard Business School and **NBER**
(Host: Josh Lerner), Spring 2014
Stanford University, Economics Department
(Host: Martin Schneider), Fall 2011

REFERENCES

Prof. Dr. Monika Schnitzer Ludwig-Maximilians-Universität München Akademiestr. 1 80799 Munich phone: +49 89 2180 2217 email: schnitzer@econ.lmu.de	Prof. Jeffrey L. Furman, Ph.D. Boston University – School of Management 595 Commonwealth Ave. #653a Boston, MA 02215 phone: +001 617 353 4656 email: furman@bu.edu
Prof. Dietmar Harhoff, Ph.D. Max Planck Institute for Innovation and Competition Marstallplatz 1 80539 Munich phone: +49 89 24246-550 email: dietmar.harhoff@ip.mpg.de	

The Allocation of Talent over the Business Cycle and its Long-Term Effect on Sectoral Productivity (joint with Michael Böhm, University of Bonn) - accepted for publication in *Economica*.

It is well documented that graduates enter different occupations in recessions than in booms. In our article, we examine the impact of the resulting change in the allocation of talent for long-term productivity and output in a sector. In a setting where output can be quantitatively and qualitatively measured, we find evidence that talent flows to stable sectors in recessions and to cyclical sectors in booms: economists starting or graduating from their PhD in a recession are significantly more productive in academia over the long term than economists starting or graduating in a boom.

RESEARCH PAPERS

Antitrust, Patents, and Cumulative Innovation: Evidence from Bell Labs (joint with Thomas Fackler, Markus Nagler and Monika Schnitzer, LMU)

How large is the impact of intellectual property on cumulative innovation in electronics, computers and communications? Following an antitrust lawsuit against Western Electric and AT&T, Bell Labs had to license all patents published by 1956 for free. We find that this removal of patent rights increased subsequent citations to Bell's patents by 7%. Patenting in affected patent subclasses increased by 23%. The effect comes from young and small firms in fields in which Bell did not remain commercially active. Placebo regressions support the identification assumption of parallel trends in citations.

Knowledge Spillovers from Academic Research: Evidence from Germany (joint with Lukas Treber, Markus Nagler and Monika Schnitzer, LMU)

How important are local knowledge spillovers from university researchers to the private sector and to colleagues in academia? We use the movements of scientists to one university in Germany and information on their runners-up to provide novel evidence on this question. Our results show that knowledge spillovers are large: Citations from local industry patents to pre-move articles of movers double three years after the move and citations from academic articles increase by around 50%. Spillovers to the private sector are driven by the hard sciences and academic superstars. Within academia, the effects are homogeneous across fields and quality of researchers. Placebo regressions support the validity of the control group

Measuring Spillovers of Venture Capital (joint with Monika Schnitzer, LMU)

We provide the first measurement of knowledge spillovers from venture capital financed companies on the patenting activities of other companies, using panel data of U.S. firms. These spillovers are eight times larger than those generated by corporate R&D of established companies. We document that spillovers arise mainly from technology oriented start-ups that already have a patent at the time of the first investment, suggesting that start-ups act as a translator of academic knowledge. A methodological contribution of our paper is to develop a new measure for the spillover pool, combining elements of citation based and technology proximity based approaches.

Employment Effects of Stimulus Investments (joint with Lukas Buchheim, LMU)

We estimate the causal impact of countercyclical infrastructure investments on employment and unemployment from local level data. To this end, we exploit a particular feature of the sizable German infrastructure investment program enacted during the Great Recession. By law, 65 % of all stimulus funds were earmarked for investment in educational infrastructure with a special focus on the renovations of existing school buildings. The scope for stimulus investment within counties was thus to a large part predetermined by the number of schools, opening up the possibility to use schools as an instrument for local investments. Our 2SLS estimates suggest costs for one job-year between 18'500 Euro and 35'500 Euro. The first jobs were created one year after the stimulus program was enacted.

Contract Enforcement and R&D Investment (joint with Michael Seitz, Boston Consulting Group and LMU)

Motivated by the differences in innovation intensity across countries, this paper evaluates the role of contract enforcement for R&D investments. If contracts for inputs are incomplete and contract enforcement is weak, innovative companies can be exploited by their suppliers. This reduces the incentive to invest in R&D. We find evidence supporting this prediction in the data: R&D investment increases with the quality of the judicial system and this effect is particularly strong in industries that depend more on bilateral contracts to acquire inputs and in which vertical integration is not a viable option.

The Capital Gains Tax: A Curse but Also a Blessing for Venture Capital Investment (joint with Carolin Bock, TU München)

Our study shows a negative association between the number and success of venture capital investments and the capital gains tax rate. This analysis uses the investment and tax data of 32 countries from 2000 to 2012. Our results support the theoretical predictions that higher capital gains tax rates are associated with fewer start-ups financed and a lower probability of receiving follow-up funding. However, if a company receives its initial funding despite a higher tax burden, its probability of success increases. Therefore, our findings are in line with a selection effect of taxes.

The Effect of a Credit Crunch on Equilibrium Market Structure

This article examines the impact of a credit crunch on market structure. We construct and simulate a dynamic model of a duopolistic industry in which firms' investments in capacity are constrained by the availability of credit. In such an industry, the dynamic interaction of credit limits and the competitive responses of firms turn out to be a powerful transmission mechanism by which the effects of shocks persist and are amplified. We show that a small, temporary shock to one firm's capacity can lead to its market exit, even if it is equally productive as the remaining incumbent. Consequently, if a recession is accompanied by a credit crunch, its cleansing effect might lead to monopolization of markets.

CONFERENCE PRESENTATIONS OF MY RESEARCH (BOLD BY ME)

2015	Boston University Questrom School of Business, Druid (Rome), NBER Summer Institute, Massachusetts Institute of Technology Sloan School of Management
2014	Verein für Socialpolitik (Hamburg), GEABA (Regensburg), University of Bayreuth, MPI for Innovation and Competition, Massachusetts Institute of Technology - Economics, Industrieökonomischer Ausschuss, Munich-Sydney Conference of the MPI, University of Hannover, Boston University
2013	ZEW Economics of Innovation and Patenting (Mannheim), DFG-SFB Conference (Bonn), European Economic Association (Gothenburg), Verein für Socialpolitik (Düsseldorf), NBER Productivity Lunch, Boston University School of Management, University of Nuremberg, Spring Meeting of Young Economists
2012	European Economic Association (Malaga), DFG-SFB Conference (Mannheim) Ifo Institute, University of Regensburg
2010	CEPR Conference in Industrial Organization (Toulouse), TUM Munich

PROFESSIONAL RESPONSIBILITIES

2015	Organizer Innovation Reading Group
2014	Post-Doctoral Mentor in the International Doctoral Program „Evidence-Based Economics“ (Elite Network of Bavaria)
2012-2015	Organizer of the Young Researcher Workshop of the SFB TR 15 jointly with Assistant Professors of the University of Bonn, Mannheim and Berlin
2012	Member of SFB TR 15 of the German Science Foundation
2010, 2012	Coordinator Microeconomics I (Course with 1100 students, 11 Tutorials and 7 Student Tutorials),

REFEREE EXPERIENCE

Journal of Labor Economics, Economics of Education Review

TEACHING EXPERIENCE

Term	Title	Type	Level	Evaluation¹
Summer 15	Economics of Science and Innovation	Seminar	Master in Economics	n/a
Winter 14/15	Managerial Economics	Lecture	Master in Business	1.80
Winter 14/15	Managerial Economics	Tutorial	Master in Business	1.70
Summer 14	Reading Course in the Economics of Science and Innovation	Lecture	PhD in Economics	1.00
Winter 13/14	Managerial Economics	Lecture	Master in Business	1.55
Winter 13/14	Managerial Economics	Tutorial	Master in Business	1.41
Winter 13/14	Managerial Economics	Tutorial	Master in Business	1.80
Winter 13/14	Analyse von Regulierungs- und Wettbewerbspolitik	Seminar	Bachelor in Economics	1.88
Summer 2012	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.50
Summer 2011	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.56
Summer 2011	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.56
Winter 10/11	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.75
Winter 09/10	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.10
Summer 2008	Mikroökonomie I	Tutorial	Bachelor in Business and Economics	1.40

Courses I contributed to and organized

Winter 09/10	Fallstudien im Wettbewerbsrecht	Seminar	Bachelor in Economics	1.50
Winter 08/09	Die Ökonomie von Energiemärkten	Seminar	Bachelor in Economics	1.90
Summer 2008	Aktuelle Fragen der Organisationssökonomik	Seminar	Bachelor in Economics	n/a

In 2010 I received the Best Teacher Award of the Alumni Association of the University of Munich.

¹ The grade is for lectures and tutorials for the teacher and for seminars for the course.