

CURRICULUM VITAE

CONTACT INFORMATION

Address: Ludwig-Maximilians-Universität München
Department of Economics
Akademiestraße 1 / III
80799 Munich

Phone: +49(0)89 2180 3953
Email: Martin.Watzinger@econ.lmu.de
Web: <http://www.martin-watzinger.com>

CURRENT POSITIONS

2012- present **Assistant Professor** of Economics (Akademischer Rat auf Zeit),
Department of Economics, LMU Munich

2018-present **Affiliate, CESifo Research Network**

EDUCATION

2007 – 2012 **Ph.D. in Economics** (summa cum laude), LMU Munich
2002 – 2007 **Diploma in Business Administration** (excellent), University of Tübingen

RESEARCH VISITS

Boston University Questrom School of Business
(Host: Jeffrey Furman), May 2015 & July 2017
Harvard Business School and NBER
(Host: Josh Lerner), Spring 2014
Stanford University, Economics Department
(Host: Martin Schneider), Fall 2011

LANGUAGES:

German and English

REFERENCES

Prof. Dr. Monika Schnitzer
Ludwig-Maximilians-University Munich
Akademiestr. 1
80799 Munich
email: schnitzer@econ.lmu.de

Prof. Jeffrey L. Furman, Ph.D.
Boston University
595 Commonwealth Ave. #653a
Boston, MA 02215
email: furman@bu.edu

Prof. Dietmar Harhoff, Ph.D.
Max Planck Institute for Innovation and Competition
Marshallplatz 1
80539 Munich
email: dietmar.harhoff@ip.mpg.de

PUBLICATIONS

- [5] **Job Creation in Tight and Slack Labor Markets** (with Lukas Buchheim and Matthias Wilhelm, LMU), *Journal of Monetary Economics*, forthcoming
- [4] **Contract Enforcement and R&D Investment** (with Michael Seitz, LMU), *Research Policy*, Vol 46.1 (2017): 182-195
- [3] **The Capital Gains Tax: A Curse but Also a Blessing for Venture Capital Investment** (with Carolin Bock, TU Darmstadt), *Journal of Small Business Management*, 2017
- [2] **The Effect of a Credit Crunch on Equilibrium Market Structure**, *Computational Economics*, Vol 48.1 (2016): 105-130.
- [1] **The Allocation of Talent over the Business Cycle and its Long-Term Effect on Sectoral Productivity** (with Michael Böhm, LSE), *Economica* Vol. 82.328 (2015): 892-911.

WORKING PAPERS

Standing on the shoulders of science (with Monika Schnitzer, LMU)

The goal of science is to advance knowledge, yet little is known about its value for marketplace inventions. While important breakthrough technologies could not have been developed without scientific background, skeptics argue that this is the exception rather than the rule, questioning the usefulness of basic research for private sector innovations and the effectiveness of the knowledge transfer from university to industry. We analyze the universe of U.S. patents to establish three new facts about the relationship between science and the value of inventions. First, we show that a patent that directly builds on science is on average 2.9 million U.S. dollars more valuable than a patent in the same technology that is unrelated to science. Based on the analysis of the patent text, we show second that the novelty of patents predicts their value, and third that science-intensive patents are more novel. This documents that science introduces new concepts that are valuable for marketplace inventions. Our study informs the debate on the merits of science for corporate innovation and the origins of breakthrough inventions.

How Antitrust Can Spur Innovation: Bell Labs and the 1956 Consent Decree (with Thomas Fackler, Markus Nagler, and Monika Schnitzer, LMU) - *Revise & Resubmit AEJ:Policy*

Is compulsory licensing an effective antitrust remedy to increase innovation? To answer this question, we analyze the 1956 consent decree which settled an antitrust lawsuit against Bell, a vertically integrated monopolist charged with foreclosing the telecommunications equipment market. Bell was forced to license all its existing patents royalty-free, including those not related to telecommunications. We show that this led to a long-lasting increase in innovation, but only in markets outside the telecommunications industry. Within telecommunications, where Bell continued to exclude competitors, we find no effect. Compulsory licensing is an effective antitrust remedy only if incumbents cannot foreclose the product markets.

Measuring Spillovers of Venture Capital (with Monika Schnitzer)

Revise & Resubmit Review of Economics and Statistics

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.

Disclosure and Cumulative Innovation: Evidence from the Patent Depository Library Program

(with Markus Nagler and Jeff Furman, Boston University Questrom School of Business)

Revise & Resubmit AEJ:Policy

How important is information disclosure through patents for subsequent innovation? To investigate this question, we examine the expansion of the USPTO Patent and Trademark Depository Library system from 1975 to 1997. While the exclusion rights associated with patents are national in scope, the opening of these patent libraries in a period before the internet yielded regional variation in the costs to access the technical information (prior art) disclosed in patent documents. We find that after a patent library opens, local patenting increases by 17% relative to control regions that have Federal Depository Libraries. The facts that the response to patent libraries is greatest among young companies, that library opening induces local inventors to cite more geographically distant and more technologically diverse prior art, and that the effect vanishes after the internet is introduced are consistent with the prospect that information disclosed in the patent documents is driving the paper's core findings. In additional analyses, we find that library opening is associated with an increase in local business formation and job creation. Taken together, our analyses provide evidence that the information disclosed in patent prior art plays an important role in supporting cumulative innovation.

The Employment Effects of Countercyclical Infrastructure Investments (with Lukas Buchheim, LMU)

Revise & Resubmit AEJ:Policy

We estimate the causal impact of the sizable German infrastructure investment program of 2009 on employment at the county level. The program had a particular focus on improving the energy efficiency of existing school buildings so that the persistent number of schools constitutes an ideal instrument for local investments. The investment program was effective, creating one job-year for about € 25'000. The employment gains reached their peak nine months after program implementation and quickly dropped to zero after the program's completion. Reductions in unemployment amounted to 2/3 of job creation, and employment grew exclusively in the construction and non-tradable sectors.

RESEARCH PRESENTATIONS (ONLY CURRENT PROJECTS)

Disclosure and Cumulative Innovation: Evidence from the Patent Depository Library Program

- University of Crete, May 2018
- University of Paderborn, May 2018 (presented by co-author)
- NBER Productivity, Innovation and Entrepreneurship Meeting, Boston, March 2018
- NBER Productivity Lunch, Boston, March 2018
- SMYA Conference, Mallorca, May 2018 (presented by co-author)
- CRC Meeting, Berlin, March 2018 (presented by co-author)
- University of Southern California, Los Angeles, March 2018 2018 (presented by co-author)
- Empirical Patent Law Conference, Texas Austin, May 2018 (presented by co-author)
- Berkeley, Haas School, San Francisco, March 2018 (presented by co-author)
- Industry Study Conference, Washington DC, May 2017 2018 (presented by co-author)

How Antitrust Can Spur Innovation: Bell Labs and the 1956 Consent Decree

- Academy of Management, Atlanta, August 2017
- University of Augsburg, Augsburg, July 2017
- BEWIP Seminar TUM, Munich, June 2017
- UCLA, Los Angeles, May 2017 2018 (presented by co-author)
- ZEW Innopat Conference, Mannheim, May 2017
- IIOC Conference, Boston, April 2017 (presented by co-author)
- Harvard University, Boston, April 2017 (presented by co-author)
- Yale University, New Haven, February 2017 (presented by co-author)
- University of Tübingen, Tübingen, February 2017 (presented by co-author)
- GEABA, Basel, September 2016
- Verein für Socialpolitik, Augsburg, August 2016 (presented by co-author)
- EEA, Geneva, August 2016 (presented by co-author)
- CEPR Conference on Entrepreneurship, June 2016
- Frankfurt School of Finance & Management, May 2016 (presented by co-author)
- CEPR/JIE Conference on Applied IO London, May 2016
- Druid, Copenhagen, June 2016 (presented by co-author)
- Ifo Institute, Munich, May 2016
- Leuven University, Leuven, March 2016 (presented by co-author)
- Christmas Meeting Economists Abroad, Munich, December 2015
- MIT, Boston, November 2015
- Boston University, June 2015

Measuring Spillovers of Venture Capital

- NBER Summer Institute: Entrepreneurship, Boston, July 2015
- GEABA, Basel, September 2015
- Druid, Rome, June 2015
- SFB Conference, Bonn, April 2015
- Verein für Socialpolitik – IO, February, 2014
- University of Hannover, Hannover, January 2014 (presented by co-author)
- University of Dresden, Dresden, December 2013 (presented by co-author)
- NBER Productivity Lunch, Boston October 2013 (presented by coauthor)
- MPI Munich – Sydney Conference, Munich, August, 2013 (presented by coauthor)
- ZEW Conference on the Economics of Innovation and Patenting, Mannheim, June 2013
- Max Planck Institute for Innovation and Competition, Munich, May 2013

- Boston University, Boston November 2012 (presented by co-author)
- Verein für Socialpolitik, Hamburg, September 2012

The Employment Effects of Countercyclical Infrastructure Investments

- Erasmus University Rotterdam, Rotterdam, November 2017
- NBER Summer Institute: Public Economics: July 2017 (presented by co-author)
- University of Düsseldorf, Düsseldorf, June 2017 (presented by co-author)
- University of Bayreuth, Bayreuth, September 2015
- Society of Economic Dynamics, June 2015 (presented by co-author)
- University of Nürnberg, Nürnberg, September 2014 (presented by co-author)
- MIT Labor Lunch, Boston, September 2014 (presented by co-author)
- Ohlstadt Workshop, Holzhausen, July 2013 (presented by co-author)
- Verein für Socialpolitik, Düsseldorf, September 2013 (presented by co-author)
- Spring Meeting of Young Economists, Basel, May 2013 (presented by co-author)
- Lech Conference of University St. Gallen, Graseck, January 2013 (presented by co-author)
- EEA, August 2013

Job Creation in Tight and Slack Labor Markets

- IZA World Labor Conference, Berlin, June 2018 (presented by co-author)
- University of Linz, Linz, March 2018 (presented by co-author)
- EALE Annual Conference, Ghent September 2016 (presented by co-author)
- Verein für Socialpolitik, September 2016 (presented by co-author)
- EEA, September 2016 (presented by co-author)
- Spring Meeting of Young Economists (presented by co-author)

MEDIA

- *FAZ*: Schnitzer and Watzinger „Künstliche Intelligenz – und wie sie unser Leben verändern wird“ Opinion Editorial, September 3, 2018
- *FAZ*: “Fluch und Segen für Wagniskapital“, January 4, 2018
- *Guardian*: “Universities benefit from recessions by recruiting more talented researchers,” March 7, 2014
- *Times Higher Education*: “Starting out in a recession ‘boost productivity’,” February 15, 2014
- *Brookings Institute*: “Increased Access to Information in Patent Disclosure Boosts Innovation, June 7, 2018
- *VoxEU*: Watzinger, Fackler, Nagler, and Schnitzer „How antitrust enforcement can spur innovation: Bell Labs and the 1956 Consent Decree”, February 19, 2018
- *VoxEU*: Schnitzer and Watzinger: “Spillovers from venture capital investment,” October 31, 2017
- *Ökonomenstimme*: Buchheim and Watzinger „Sollten Infrastrukturinvestitionen Teil eines Konjunkturprogramms sein?“, March 8, 2017

PROFESSIONAL RESPONSIBILITIES

- 2017 – Organizer, Munich Innovation Seminar (<http://munich-innovation-seminar.weebly.com/>)
- 2014 – Post-Doctoral Mentor in the International Doctoral Program „Evidence-Based Economics“ (Elite Network of Bavaria)
- 2012 – 2015 Organizer of the Young Researchers Workshop of the SFB TR 15 jointly with Assistant Professors of the University of Bonn, Mannheim, and Berlin
- 2012- Member of SFB TR 15 and CRC 190 of the German Science Foundation
- 2010, 2012 Coordinator Microeconomics I (Course with 1100 students, 11 Tutorials, and 7 Student Tutorials)

REFEREE EXPERIENCE

Econometrica, Review of Economic Studies, Journal of Labor Economics, Research Policy, Economics of Education Review