



## **Seminar on "Multinational Firms and Wage Premia" (LV-Nr: 533543)**

The aim of this seminar is to discuss literature on multinational firms, especially relating to foreign and multinational wage premia.

A wide range of studies address foreign ownership of domestic firms in various ways. Many find foreign-owned or multinational firms to be paying higher wages as compared to domestic firms. This is what is often called a multinational or foreign ownership wage premium. However, when controlling for observed heterogeneity between domestic and multinational firms, such wage premia often decrease or even vanish completely. Therefore, in this seminar, we will try to get a glimpse at possible determinants of and explanations for this stylised fact which are prevalent in this specific literature. For that purpose we cover various studies for different countries. Most of the papers we discuss are empirically oriented. However, some also present theoretical models. By discussing various findings in the literature, we will also be able to debate about the role of foreign ownership for an economy, for firms as well as for individual workers in general.

### **Lecturer**

Stefan Kornitzky

### **Requirements, target group and credit points**

- The seminar is suited for and restricted to Bachelor students.
- Active participation in the seminar and the introductory lecture is required.
- You have to hand in written work of up to ten pages (main text).
- You have to present your topic in the seminar session (approximately 30 minutes including questions)
- Economics students: Seminar SPEZ (5 CP)
- IWE students: Seminar zur Internationalen Wirtschaft (5CP)

- P&E students: E6 (5 CP)

### Organization

There will be an introductory lecture in the second week of the semester: 22<sup>nd</sup> October 2018, 10-12 am, room S64. In this session, I will give an introduction into the topic. The main part of presentation and discussion will take place on 13<sup>th</sup> and 14<sup>th</sup> December 2018 (rooms S59 and S66). All course-related questions should be sent to [stefan.kornitzky@uni-bayreuth.de](mailto:stefan.kornitzky@uni-bayreuth.de). The language of the seminar is English.

### Application, deadlines and grading

- The seminar is limited to 20 students (first come, first serve). If there is no more capacity left, you have the possibility to enroll for the waiting list.
- Applicants interested in taking part in this seminar have to apply by stating their preferred topic until 18<sup>th</sup> October 2018, 12:00 am, using the following link: **here**  
You have to indicate **exactly one topic** you would like to choose in this application form. Each topic is assigned only once. Once a topic is chosen, it is not possible for later applicants to choose this topic.
- Students whose application was successful will be notified no later than 19<sup>th</sup> October via their indicated e-mail-address. Therefore, make sure that you give your correct e-mail-address in the application form. After receiving notification of acceptance, taking part in the introductory lecture is mandatory. In the interest of fairness, please withdraw your application before the deadline in case you do not want to participate. Otherwise students who would like to participate possibly cannot take part.
- After the introductory session each student has to enroll for the seminar in CAMPUS-Online until Monday, 22<sup>nd</sup> October 2018, 12:00 pm. If, after being enrolled, you do not participate during the rest of the seminar, you will be graded with 5.0.

- Deadline for handing in your written work: 10<sup>th</sup> December 2018, 12 am, Building RW I, Room 1.0 02 109. In case you use slides for your presentation, you have to send them in until 10<sup>th</sup> December 2018, 12:00 am, as well.
- In order to pass the seminar, it is mandatory to write a seminar paper, present your results and answer questions in a short discussion after your presentation. Your final grade will be determined by your written work, presentation and discussion.

### Literature

Each student will be assigned to one specific paper addressing specific issues of the seminar topic. In case you want to look up details about e.g. empirical methods used in your paper, you can use:

- **Wooldridge, Jeffrey M.** 2016. "Introductory Econometrics: A Modern Approach". 6<sup>th</sup> ed. Cengage Learning.
- **Wooldridge, Jeffrey M.** 2010. "Econometric Analysis Of Cross Section and Panel Data". 2<sup>nd</sup> ed. MIT Press.

### Topics

1. **Hijzen, Alexander, Pedro S. Martins, Thorsten Schank, and Richard Upward.** 2013. "Foreign-owned firms around the world: A comparative analysis of wages and employment at the micro-level". *European Economic Review* 60: 170-188.
2. **Egger, Hartmut, and Udo Kreickemeier.** 2013. "Why Foreign Ownership May Be Good For You". *International Economic Review* 54(2): 693-716.
3. **Earle, John S., Álmos Telegdy, and Gábor Antal.** 2018. "Foreign Ownership And Wages: Evidence From Hungary, 1986-2008". *ILR Review* 71(2): 458-491.
4. **Greaney, Theresa M., and Yao Li.** 2017. "Examining Determinants of Foreign Wage Premiums in China". *The World Economy* 40(10): 2056-2077.

5. **Lipsey, Robert E., and Fredrik Sjöholm.** 2004. "Foreign direct investment, education and wages in Indonesian manufacturing". *Journal of Development Economics* 73(1): 415-422.
6. **Martins, Pedro S.** 2011. "Paying More To Hire The Best? Foreign Firms, Wages And Worker Mobility". *Economic Inquiry* 49(2): 349-363.
7. **Huttunen, Kristiina.** 2007. "The Effect Of Foreign Acquisition On Employment And Wages: Evidence From Finnish Establishments". *The Review Of Economics and Statistics* 89(3): 497-509.
8. **Girma, Sourafel, and Holger Görg.** 2007. "Evaluating the foreign ownership wage premium using a difference-in-difference matching approach". *Journal of International Economics* 72(1): 97-112.
9. **Budd, John W., Jozef Konings and Matthew J. Slaughter** 2005. "Wages and International Rent Sharing in Multinational Firms". *The Review Of Economics and Statistics* 87(1): 73-84.
10. **Görg, Holger, Eric Strobl, and Frank Walsh.** 2007. "Why Do Foreign-Owned Firms Pay More? The Role of On-the-Job-Training". *Review of World Economics* 143(3): 464-482.
11. **Görg, Holger, and Eric Strobl.** 2005. "Spillovers from Foreign Firms through Worker Mobility: An Empirical Investigation". *The Scandinavian Journal of Economics* 107(4): 693-709.
12. **Balsvik, Ragnhild, and Stefanie A. Haller.** 2010. "Picking "Lemons" or Picking "Cherries"? Domestic and Foreign Acquisitions in Norwegian Manufacturing". *The Scandinavian Journal of Economics* 112(2): 361-387.
13. **te Velde, Dirk Willem, and Oliver Morrissey.** 2003. "Do Workers in Africa Get a Wage Premium if Employed in Firms Owned by Foreigners?". *Journal of African Economies* 12(1): 41-73.
14. **Wagner, Joachim, and John P. Weche Gelübcke.** 2015. "Access to finance, foreign ownership and foreign takeovers in Germany". *Applied Economics* 47(29): 3092-3112.

15. **Malchow-Møller, Nikolaj, James R. Markusen, and Bertel Schjerning.** 2013. "Foreign Firms, Domestic Wages". *The Scandinavian Journal of Economics* 115(2): 292-325.
16. **Markusen, James R., and Natalia Trofimenko.** 2009. "Teaching locals new tricks: Foreign experts as a channel of knowledge transfers". *Journal of Development Economics* 88(1): 120-131.
17. **Bandick, Roger, and Holger Görg.** 2010. "Foreign acquisition, plant survival, and employment growth". *Canadian Journal of Economics* 43(2): 547-573.
18. **Eriksson, Tor, and Mariola Pytlikova.** 2011. "Foreign ownership wage premia in emerging economies. Evidence from the Czech Republic". *Economics of Transition* 19(2): 371-395.
19. **Pesola, Hanna.** 2011. "Labour Mobility and Returns to Experience in Foreign Firms". *The Scandinavian Journal of Economics* 113(3): 637-664.
20. **Liu, Qing, Ruosi Lu, and Larry D. Qiu.** 2017. "Foreign Acquisitions and Target Firms' Performance in China". *The World Economy* 40(1): 2-20.