

# WTI Brown Bag

## Seminar



### Title

Environmental Policy and Exporter Behaviour

### Speaker

Eva Wichmann

### When

Tuesday, 24 March 2020 (12.30-13.30)

### Where

Anna Nussbaum Auditorium, World Trade  
Institute, University of Bern  
Hallerstrasse 6, 3012 Bern, Switzerland

### Abstract

A too strict environmental regulation might hurt domestic firms as it imposes higher costs. However, firms may also benefit from strict environmental regulations that may protect them from foreign competition and encourage them to innovate and develop new products. Estimating a difference-in-difference model in a three-dimensional panel for the case of EU regulation on mercury, we show that stricter environmental regulation of the type that restricts input materials and not the production process can entail either an import promotion or an import protection effect - depending on whether foreign countries have a comparative advantage in the cleaner alternative of the product. We find no evidence that the import protection effect has so far led to innovation, and an increase of exports of new products.

### Biography of the speaker

Eva Wichmann is a PhD candidate in Economics at GSEM, University of Geneva/Switzerland. Prior to joining GSEM, she worked as a researcher in the Department of Environmental and Resource Economics at the Centre for European Economic Research (ZEW) in Mannheim/Germany and at the Fraunhofer Institute in Karlsruhe/Germany. Her research focuses on empirical international trade intersecting with industrial organisation and environmental and resource economics. Environmental Policy and Exporter Behaviour is the second paper of her dissertation. In the first paper of her dissertation, she explores how export restrictions in upstream inputs affect manufacturing exports downstream. She presented her research at several international conferences such as the 10th FIW Research Conference 'International Economics' on November 2017 and the 17th Annual GEP/CEPR Postgraduate Conference on April 2018 at the University of Nottingham.

**Participation is free of charge.**