

# WTI Brown Bag Seminar



1st of November 2022, 12:30 - 13:30pm (Hybrid event)

Venue: Anna Nussbaum Auditorium, World Trade Institute, University of Bern Hallerstrasse 6, 3012 Bern  
To join virtually via Zoom, please use this [link](#) or with Meeting ID: 835 6026 5310 (Passcode: 033784)

## Backward versus Forward Integration of Firms in Global Value Chains

### Abstract:

The international division of production along with firm boundaries that reach beyond national borders has important implications for the geography of asset ownership. This paper seeks to understand the forces that determine the geography of asset ownership in global value chains. We augment a standard model of vertical integration rooted in the property-rights theory and derive four channels of influence for the international geography of asset ownership: the relative investment intensity of sectors and countries; the relative density of markets; the relative reliance on and importance of supplying and producing country-sectors; and the relative importance of fixed integration costs. We confirm the relevance of these determinants for the observed geography of asset ownership in a large panel of worldwide directed ownership linkages.



### Biography of the speaker:

Katharina is a professor of economics at Heinrich Heine University Düsseldorf and the Düsseldorf Institute for Competition Economics (DICE). She is also a research affiliate at CESifo.

Her research focuses on international economics, trade, and trade policy. She is particularly interested in understanding firm-level heterogeneity as a driver of international trade and firm behavior in the context of international trade.

**Katharina\_Erhardt**

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