
Seminario de Microeconomía Aplicada - Mergers, Foreign Competition, and Jobs: Evidence from the U.S. Appliance Industry

Seminarios y talleres

El seminario de Microeconomía Aplicada del Banco de la República es un espacio para discutir trabajos en progreso en las diferentes áreas de la microeconomía aplicada como economía laboral, organización industrial, economía de la salud, economía agrícola, economía de la educación, desarrollo económico, crimen, economía pública, medio ambiente, economía regional y urbana, entre otras.

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Resumen del documento: Policy choices often entail trade-offs between workers and consumers. I assess how foreign competition changes the consumer welfare and domestic employment effects of a merger. I construct a model accounting for demand responses, endogenous product portfolios, and employment. I apply this model to the acquisition of Maytag by Whirlpool in the household appliance industry. I compare the observed acquisition to one with a foreign buyer. While a Whirlpool acquisition decreased consumer welfare by \$250 million, it led to 1,300 fewer domestic jobs lost. Jobs need to be worth above \$220,000 annually for domestic employment effects to offset consumer harm.

Tiempo de exposición: 1:30 p. m. a 2:30 p. m.

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