

20

German Institute for Economic Research | Annual Report

08



MaxMara

30
ZONE

! Straßenschärfung

Stam...
m...te

DIW Berlin Annual Report 2008



The President's Preface

| | |
|---|---|
| DIW Berlin 2008: Research and Policy Advice in Times of the Economic Crisis | 4 |
|---|---|

Research, Advice, Service: Milestones in 2008

| | |
|---|----|
| 25 Years of the German Socio-Economic Panel – 25 Years of Life in Germany | 9 |
| A New Year, a New Style: Relaunch of the Wochenbericht | 12 |
| The DIW Berlin Graduate Center of Economic and Social Research: Promoting Young Academics | 15 |
| DIW econ – Economic Analysis and Consulting from a Single Source | 17 |

The Research Departments: Activities in 2008

| | |
|--|----|
| Macro Analysis and Forecasting | 20 |
| International Economics | 23 |
| Public Economics | 26 |
| Information Society and Competition | 29 |
| Innovation, Manufacturing, Service | 32 |
| Energy, Transportation, Environment | 36 |
| German Socio-Economic Panel Study (SOEP) | 40 |

Service Departments

| | |
|------------------------|----|
| Communications | 46 |
| Management Services | 51 |
| Information Technology | 54 |

Institutional Bodies of DIW Berlin

| | |
|--|----|
| Members' Meeting | 57 |
| Board of Trustees | 58 |
| Scientific Advisory Board | 59 |
| Society of Friends of DIW Berlin (VdF) | 60 |

Cooperation partners of DIW Berlin

| | |
|--|----|
| Research Professors and Research Affiliates | 64 |
| Cooperation with National and International Universities and Research Institutes | 68 |

The President's Preface

DIW Berlin 2008: Research and Policy Advice in Times of the Economic Crisis

After a strong period of economic prosperity, 2008 marked the beginning of a sharp economic downturn. During this contraction, there is a genuine interest among politicians, economists and the broader public in reliable economic analysis and forecasting. As the largest German research institute dedicated to research and policy advice, DIW Berlin's services are in high demand. Policy advice from independent economists is needed to assure effective guidance in economic policy decisions.

The strength of the Institute is based on its active engagement in both research and policy advice and its independent status as a non-partisan and non-profit organization. The Institute's two main interlinked and equally important tasks are:

- » To scientifically examine economic processes in Germany and abroad.
- » To provide timely policy-oriented contributions to the public.

In line with this commitment, DIW Berlin has established work areas with a highly refined focus and worldwide coverage, contributing to Germany's international renown as an important location for competitive, policy-relevant academic research.

As pressing as the need for reliable forecasting in the current situation may be, economic predictions during this unique moment in history are invariably subject to extraordinary uncertainty. The widely divergent forecasts made at the end of 2008, as well as the unusually frequent, often significant revisions that were later necessary are evidence of this fact. DIW Berlin is in a position of special responsibility as a prominent and respected economic forecaster. No one is well-served by the competing predictions of worst-case scenarios generated by panic or media pressure.

The strong economic growth of recent years was not confined to the US and Europe. The populations of many emerging and developing nations – including China, India, and Russia – also claimed a growing stake in prosperity. However, the contraction of global economic activity was already predicted at the end of 2007. The global slowdown is now threatening employment and prosperity in many nations on a scale never observed previously.

The uniqueness of this downturn lies first and foremost in the rapidity with which economic problems have spread across the globe. This is partially a product of globalization and the interconnectedness of the world's economies and media systems. Sentiments and expectations of consumers and investors in different geographical locations can now adjust to one another almost immediately. While mutual trust is at the core of every economy, the market system reacts with extreme sensitivity to shifts in confidence.

The current downturn is also unique in that three crises, all originating in the United States, have manifested themselves simultaneously. The interaction between these separate crises has generated enormous downward pressure, and existing forecasting instruments have proven inadequate to the task of providing reliable economic predictions. Weakening consumption signaled a crisis in demand, and on top of this, two structural crises supervened in sectors that are highly integrated at the international level: the financial and automobile sectors. The interaction of these crises has led to a constant flood of new, ever more alarming statistics, the consequences of which have not been possible to assess adequately. The financial crisis was triggered by a three-fold failure of US government policy: first, the Federal Reserve's



Above: Nobel Prize winning economist Prof. Reinhard Selten at DIW Berlin's Lunchtime Meeting.

Below: Prof. Jagdish Bhagwati with Prof. Klaus F. Zimmermann



Prof. Dr. Klaus F. Zimmermann
Photo: Michael Reitz

long-standing low-interest policy, which at times had resulted in a negative real interest rate, thus fueling the housing market bubble; second, the failure to effectively regulate financial markets; and third, the government's decision to allow the failure of Lehman Brothers, a bank with systemic significance.

What are the possible effects of the financial crisis on the business cycle, economy and labor market? For analysis and prediction, one would hope for macro-economic models that are suited to the question. The truth is, however, that financial markets are inadequately represented by macro-economic models. In normal times, this is enough to produce uncertainty if there are disturbances in financial markets. It is all the more unsettling when an entire sector becomes dysfunctional. The consequences of large transformations in a system are always unpredictable. All economic forecasts therefore take on a highly speculative character in great crises such as the current one. This is also true for indicator systems, which at best help to highlight problem areas but not to produce quantitative projections.

Policy advice from independent economists is needed to assure effective guidance in economic policy decisions. PROF. DR. KLAUS F. ZIMMERMANN

Economic forecasts are always subject to uncertainty. They are made in order to provide a sense of direction and to summarize available economic indicators. The often-criticized multiplicity of forecasts is therefore useful, as it demonstrates the current level of uncertainty among economists. It is less important whether a forecast proves to be accurate than whether it leads to a positive change in behavior. In the current crisis, however, the methodological foundation for making forecasts is weak. Not much can be learned from measuring uncertainty at this time. By contrast, the visible competition among forecasters to make the direst predictions carries a great risk of intensifying the severity and duration of the economic crisis. In this situation, one must ask whether it might be wiser to forego the publication of new forecasts for a period of time.

Economic forecasts are always subject to uncertainty. They are made in order to provide a sense of direction and to summarize available economic indicators. The often-criticized multiplicity of forecasts is therefore useful, as it demonstrates the current level of uncertainty among economists. PROF. DR. KLAUS F. ZIMMERMANN

In order to provide the soundest possible policy advice, DIW Berlin has improved its academic performance over the past few years, since high-quality research is required as the foundation for effective policy advice. The institute's dedicated academic experts and researchers maintain and deliver high-caliber, competitive output. DIW Berlin has undertaken successful efforts to increase its research output. This in turn has allowed DIW Berlin to satisfy the key expectation held by the Leibniz Association (WGL) – namely, that sound economic policy advice requires a rigorous academic foundation. Since 2000, the trend in the number of peer-reviewed journal publications produced by DIW Berlin has been extremely positive, both in absolute and relative terms. In 2008, DIW Berlin led all other German economic research institutes in terms of the total number of SSCI (Social Science Citation Index) publications. All in all, researchers at the institute published 58 articles in journals listed in the SSCI (Figure 1).

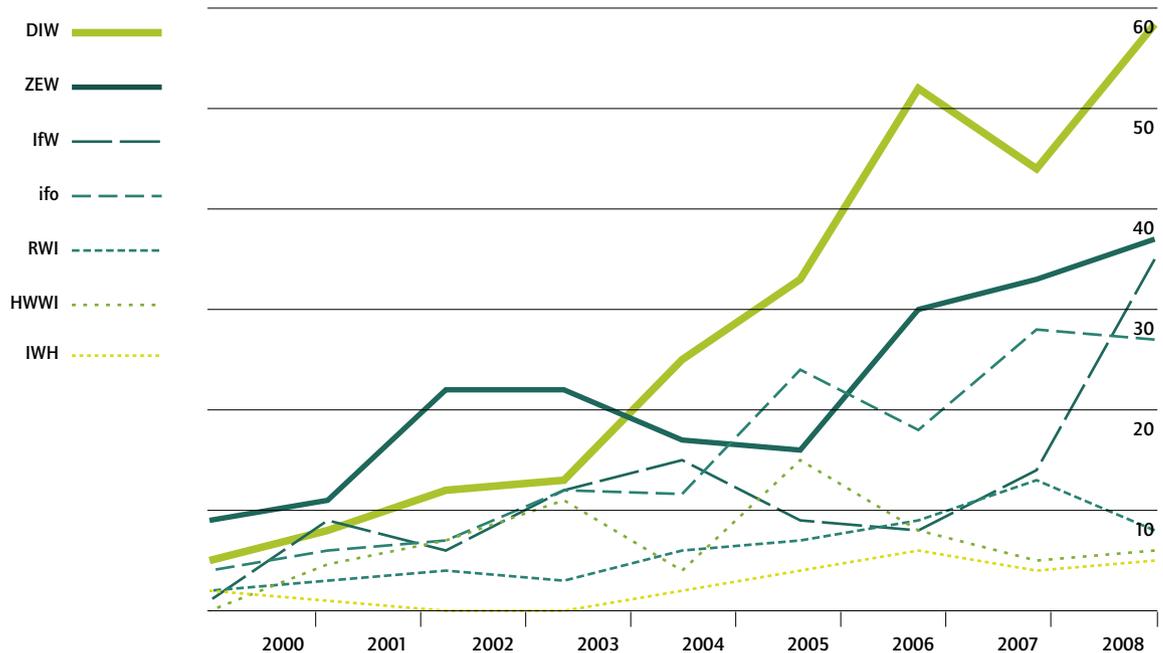


Figure 1: Total Number of SSCI publications
Source: Annual reports of the research institutes and library of DIW Berlin

The highly motivated doctoral students at DIW Berlin, who are trained at the Graduate Center of Economic and Social Research to become outstanding researchers and unbiased, highly regarded policy advisers, ensure that this high level of performance will be maintained. The Institute is firmly committed to strengthening its reputation as one of the leading institutes worldwide for applied economic research and policy advice. A number of strategic efforts have been undertaken to this end. These are reflected in the continued expansion of international networking activities and the development of the doctoral program. International networking is of key importance for improving the quality of research and policy advice. DIW Berlin has established a privileged partnership with DIW DC, an independent, non-profit and nonpartisan US organization located in Washington D.C. This cooperation provides DIW Berlin access to the many international organizations, think-tanks and first-class universities in the American capital.

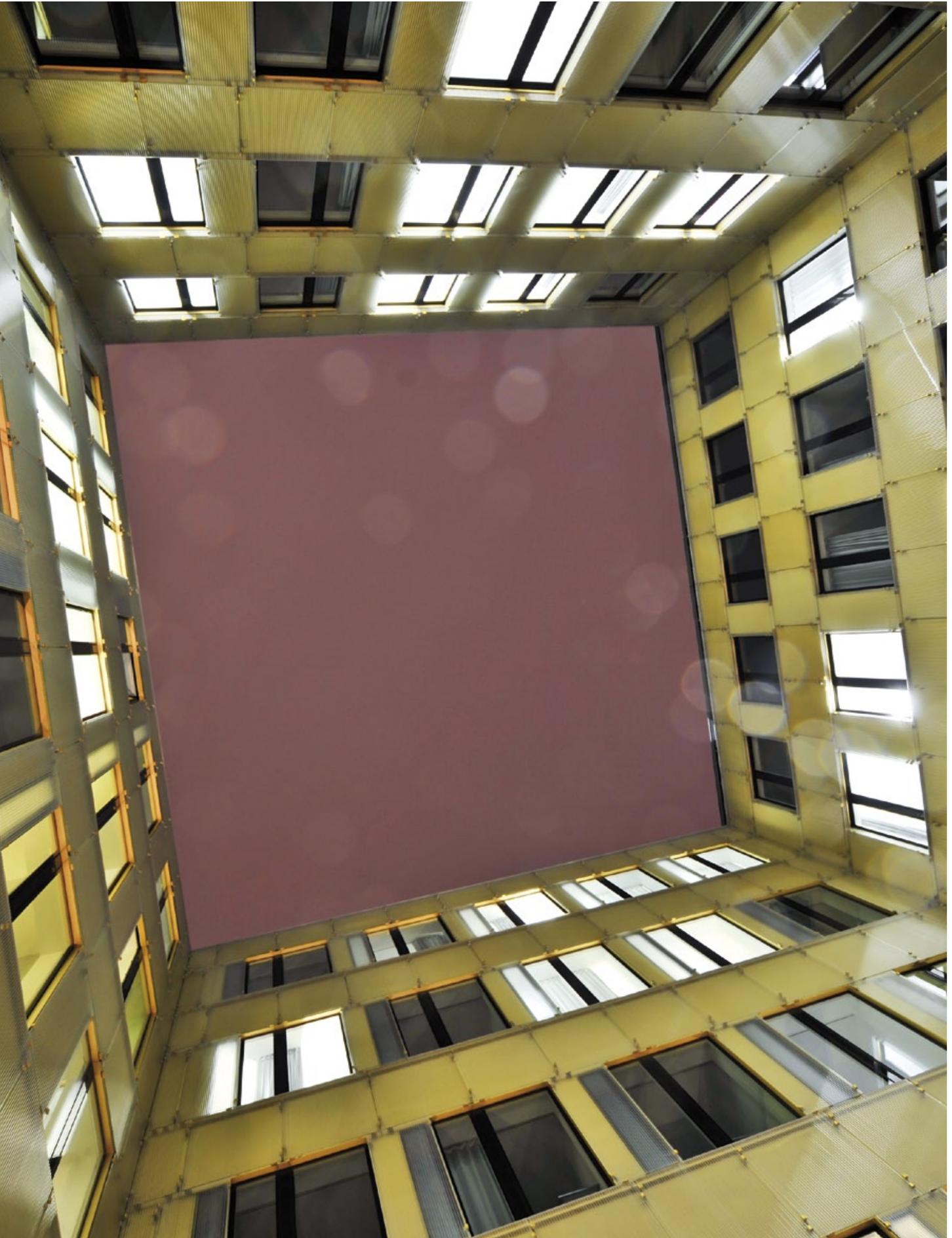
In view of the critical economic situation, DIW Berlin has committed itself in 2009 to an even stronger engagement in doctoral education. Furthermore, the institute will seek to attract additional highly qualified researchers. With new researchers and doctoral candidates, DIW Berlin aims to expand its existing areas of expertise and strengthen the human resources in its research departments in order to expand and consolidate its position as a leading and internationally competitive economic research institute.

Klaus F. Zimmermann, President



The visit of World Bank chief economist Prof. Justin Yifu Lin attracted a huge amount of interest.

Research, Advice, Service: Milestones in 2008



25 Years of the German Socio-Economic Panel – 25 Years of Life in Germany

Recent studies have shown that nothing affects people with such lasting and profound consequences as unemployment; that overweight children – especially boys – have problems in school; and that children who started preschool at the age of three are more likely to attend academically oriented secondary schools in Germany.

What do these diverse findings have in common? They are the results of studies based on data from the German Socio-Economic Panel Study (SOEP). For twenty-five years, data from the SOEP has provided the basis for academic research in disciplines ranging from sociology and economics to psychology and health studies. Initially used only by researchers in Germany, scientists worldwide now take advantage of SOEP data. Outside of academia, the data serves as a supplement to official statistics, and is regularly cited in news stories and government reports on poverty and wealth. International comparative studies, as well, make use of the data. UNESCO and the OECD regularly rely on the SOEP in their studies.

The success of the SOEP is underscored by impressive numbers: the 5000th publication based on SOEP data was recently released. Over 2,000 data-usage contracts have been signed with other research institutions, and more than a quarter of these institutes are active users. Annually some 500 new SOEP-based publications are added to our library tool SOEPlit.

What is the SOEP? – A Brief History

Twenty-five years ago, 12,245 people from 5,921 randomly selected households in the Federal Republic of Germany answered a comprehensive questionnaire from the Socio-Economic Panel. In doing so, they provided detailed responses to questions about their life and work situation

How content are you overall with your current situation?
Are you concerned about your personal economic situation?
What is your monthly net income?

The SOEP has sought to continually survey the same individuals over the years and decades. The SOEP questionnaire currently comprises over 150 individual questions to be answered by all adult household members. The questions cover various topics, including health, living, employment, leisure time, and subjective well-being. The answers provided are used to generate personal profiles: which factors determine success and failure; which values are important to the interviewees; does poverty represent an enduring problem or only a temporary life phase?

The SOEP helps us to recognize the extent to which assumptions regarding homo oeconomicus differ from reality. In short, the SOEP helps to improve economic theory. PROF. DR. GERT G. WAGNER



Prof. E. Jürgen Zöllner, Senator for Education, Science and Research in Berlin, delivers the commemorative address at the 25th anniversary celebration of the SOEP, which took place at the historic Postfuhramt (former imperial post office).

The number of annual survey respondents has nearly doubled over the past 25 years. The questionnaires sent out for the 25th survey wave were answered by more than 20,000 individuals from some 11,000 households. Of those, approximately 3,000 respondents had participated in the survey at its inception in 1984; some of them were just children at the time. German

*The SOEP is our most important internationally visible instrument
for key social questions.*

PROF. ANNETTE SCHAVAN, FEDERAL MINISTER OF EDUCATION AND RESEARCH



Prof. Annette Schavan, Federal Minister of Education and Research, congratulates the SOEP on its 25th anniversary.
Photo: BMBF

reunification, migration from Russia and other Eastern European countries, but also new research approaches and methodical considerations have necessitated supplementary surveys over the years. Today, the SOEP represents the most important source of data for many social questions of profound importance.

Distribution of Wealth

Who owns how much? How has the distribution of wealth changed over the years in Germany? Answers to these questions can be found with the assistance of SOEP data. The SOEP survey concept enables the correct attribution and analysis of private wealth at the individual level, thus differentiating between married partners and between women and men. This is not possible with data from other surveys, which only count total household assets.

Life in Germany – Without a German Passport

SOEP data provide information crucial to the formulation of integration and migration policy, because immigrants have been asked a specific set of questions since the very first survey. The SOEP data show, for instance, that non-German pensioners are affected particularly severely by old-age poverty, and that poverty among non-Germans is rising. The data also provides good news: second-generation immigrants speak better German. They are more motivated in acquiring language skills, and face lower social and cultural barriers. This is also true for Turkish immigrants, who are often accused of being unwilling to integrate. In order to avoid misunderstandings, the SOEP provides survey participants who belong to ethnic minorities with questionnaires in their own language. Naturally, these questionnaires also address specific life circumstances and ask immigrants about their experiences with social integration, xenophobia, and whether they provide financial support to relatives in their country of origin.

Reunification as a Transformation Process

Changing Values: Germans Becoming More Post-Materialist – Even in East Germany, despite High Unemployment

Reunification posed a serious challenge to the work of the Socio-Economic Panel, as it suddenly rendered the SOEP data unrepresentative of the nation as a whole. What was to be done? How should the questionnaires for East Germany be designed? The former GDR was a foreign world for SOEP researchers. Employment, training, leisure time – everything was different. The SOEP received invaluable assistance from sociologists at the Academy of Sciences of the German Democratic Republic, located in East Berlin. With their help, the questionnaire was adapted to effectively address the East German population. Instead of “volunteer work” the survey now asked about “social engagement.” The categories for school and vocational training also underwent a radical overhaul. In the end, 4,453 people in 2,179 households in East Germany were surveyed by Infratest Sozialforschung, the organization in charge of carrying out the SOEP survey since 1984. Thanks to rapid action after the fall of the Berlin Wall, SOEP is now in possession of a unique database that enables the progressive analysis of East Germany’s transformation process.

Growing Analytical Strength

The analytical significance of household surveys such as the SOEP increases over time, as the quantity of analyzable events – such as the number of marriages, unemployment rates, births and deaths – is constantly on the rise. An ever greater number of “SOEP children” are reaching the survey age of 17; children born between 1984-1991 in survey households are now 17 years of age or older. There are now over 1,000 “SOEP grandchildren,” i.e., children whose parents and grandparents have actively participated in the survey. One hundred of these “grandchildren” have already reached adulthood now themselves. This makes it possible to investigate how parents and grandparents pass on their own education and life opportunities to their children and grandchildren. Accordingly, the significance of the SOEP for the analysis of inter-generational relationships increases with each year and survey period, in turn augmenting the possibilities for scientific study.



Prof. Hans-Jürgen Krupp, founding father of the SOEP and former President of DIW Berlin, at the 8th International German Socio-Economic Panel User Conference.
Photo: Stephan Röhl

Theoretical considerations concerning income distribution and access to the latest data processing technologies made me realize that improved methods of analysis have rendered a micro-longitudinal data basis indispensable for addressing many questions of contemporary social development.

PROF. HANS-JÜRGEN KRUPP, FOUNDER OF THE SOEP AND FORMER PRESIDENT OF DIW BERLIN (1979 – 1988)

And in the Future ...

The value of the SOEP for academic research increases each year, as new survey waves produce new data. In addition, the survey concept is subjected each year to systematic revision with a view to Germany’s changing social landscape – 25 years ago, for example, “mini-jobs” and university tuition fees did not yet exist in Germany. On numerous occasions in the past, the questionnaire has been successfully adapted to new social circumstances. Adult subjects, for instance, have been questioned for some time now regarding their personality and willingness to assume risk.

I am someone who treats people with respect and in a friendly manner.

I have little control over the developments in my life ...

The SOEP staff is also conducting intensive research into the further development of the panel. Current research subjects of particular interest include infancy and early childhood, the quest for better indicators of consumption, saving patterns, and health, as well as ways to improve the measurement of cognitive and non-cognitive skills (such as risk aversion, time preferences, and reciprocity).

A New Year, a New Style: Relaunch of the Wochenbericht

To celebrate the 80th anniversary of its first edition, DIW's flagship publication "Wochenbericht" (Weekly Report) was relaunched with a new layout and style in April of 2008. New categories and an improved front page make the publication easier to navigate while providing a more compelling forum for the presentation of research findings.

Thanks to the expertise of our researchers, the Wochenbericht delivers an independent picture of economic trends in Germany and the rest of the world. KURT GEPPERT, EDITOR-IN-CHIEF

From the very beginning DIW Berlin has sought to make findings from applied economic research available for economic policy debate. The Wochenbericht plays a central role in this mission and, indeed, has done so since the founding of the Institute in the 1920s.

"Economic activity has remained (...) below the peak reached in October and November." Thus began the first issue of the Wochenbericht, published on April 4, 1928. Today, it may come as surprising that this dry style was characteristic of one of the most successful publications on economic affairs in the Weimar Republic. And yet the 1928 Wochenbericht was, to some extent, a media response to the powerful public interest that the newly founded Institute for Business-Cycle Research (IfK, later renamed DIW Berlin) had already triggered with its publications. Within a short time, the Wochenbericht had become such an important medium of economic reporting that, in 1932, a manager of a company based in the Ruhr region told the local Chamber of Commerce, "the daily newspapers don't just print the Institute's reports – in one form or another, their opinions are also swayed by them. In this way, if one only reads daily newspapers, the viewpoint one adopts is invariably based on the work of the Institute."

During the Great Depression, the Wochenbericht continued to play a decisive role in the formation of opinion – so much so, in fact, that the government under Chancellor Heinrich Brüning felt that its hand was forced by the economic statistics and unemployment figures publicized in the Wochenbericht's pages. With the rise of National Socialism, the IfK and the Wochenbericht lost a great deal of political autonomy and significance, yet without sacrificing a commitment to accuracy. On February 27, 1943, for example – just three weeks after the Battle of Stalingrad – the last Wochenbericht to appear during the war years was published. In an article on the "rise of German cinema," the precise number of German versus Soviet films shown in Romania in 1941 was noted: 114 to 0.

After the war, publication of the Wochenbericht first resumed in 1950, but without much alteration in its appearance or composition. In the following decades, however, the environment for economic policy discussion underwent a fundamental change. The number of media voices multiplied, and the German economy became interconnected on a global scale. The arrival of the Internet revolutionized access to information. Amidst an ocean of available news sources, there was a growing need for sound analysis rather than mere news bites.

In-depth analysis, economic-policy guidance, and a sound foundation in research – eighty years after the first issue of the Wochenbericht, the cornerstones of our mission remain the same. The 2008 relaunch will help us to better fulfill this mission. CAREL MOHN, EDITOR-IN-CHIEF

In the future, the Wochenbericht’s two-part format – a lead article, followed by an additional report – will be preserved. Since the relaunch, an interview with the author has also accompanied the lead piece. The interview explores the policy implications of the presented research, and, alongside its publication in the Wochenbericht, is also made available at DIW Berlin’s website in both text and audio formats. In this way, the Institute aims to better meet the needs of many Internet users and journalists with regard to new forms of media communication. On the last page of the Wochenbericht a commentary piece takes a position on current debates in economic policy. Here, as well, the hope is to make a contribution to the economic understanding of political events, and to help build bridges between research and policy.



Faces of the Wochenbericht: 2008, 1981, 1968, 1943 and 1928

The Wochenbericht in Numbers

Editorial staff: 2 editors-in-chief, 4 editors (including one still to be appointed)

Average number of downloads per issue: 1,343

Number of issues with unusually high demand: 54 out of 194

Number of downloads in 2008: 265,000 reports

(this corresponds to 103 gigabytes of data)

Top Five Issues of Recent Years

First Place: No. 10/2008 „Schrumpfende Mittelschicht – Anzeichen einer Polarisierung der verfügbaren Einkommen?“ (The Shrinking German Middle Class: Signs of Long-Term Polarization in Disposable Income?) by Joachim R. Frick & Markus M. Grabka

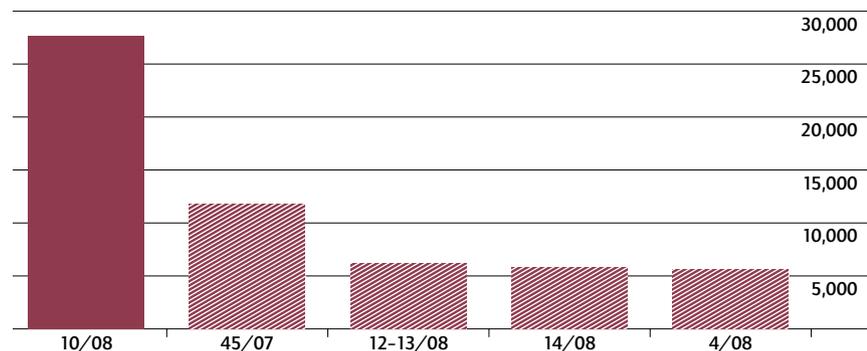
Second Place: No. 45/2007 „Vermögen in Deutschland wesentlich ungleicher verteilt als Einkommen“ (Asset Distribution is Significantly Less Egalitarian than Income Distribution in Germany) by Joachim R. Frick & Markus M. Grabka

Third Place: „Kosten des Klimawandels ungleich verteilt: wirtschaftsschwache Bundesländer trifft es am härtesten“ (Costs of Climate Change Are Unequally Distributed: German States with the Weakest Economies Are Hit the Hardest), by Claudia Kemfert and „Sauberes Wasser: Milleniumsziel kaum zu schaffen: Privatisierungsdebatte entspannt sich“ (Clean Water: A Scarcely Attainable Millennial Goal – The Privatization Debate is Winding Down), by Georg Meran

Fourth Place: No. 14/2008 Relaunch issue

Fifth Place: No. 4/2008 „Hilfebedürftig trotz Arbeit?: Kein Massenphänomen in Deutschland“ (In Need of Government Assistance Despite Having a Job? Not a Mass Phenomenon in Germany) by Karl Brenke & Johannes Ziemendorff and „Standort Berlin-Adlershof: kräftige Impulse für die Stadt“ (The Berlin-Adlershof Business Park: A Powerful Economic Boost for the City) by DIW econ

Top 5 Downloads



The DIW Berlin Graduate Center of Economic and Social Research: Promoting Young Academics

DIW Berlin has restructured and expanded its doctoral education program since the fall of 2006. The Graduate Center of Economic and Social Research provides a multidisciplinary framework for graduate studies. In 2008 the Graduate Center once again enrolled twelve new students from Germany and abroad.

The Graduate Center is a permanent institution for the training and mentoring of graduate students at DIW Berlin, run in cooperation with the Free University of Berlin (FU), Humboldt University of Berlin (HU), Technical University of Berlin, Viadrina European University of Frankfurt (Oder), and the University of Potsdam. Under the guidance of its dean, Prof. Georg Meran, the Graduate Center offers high-level core and field courses to graduate students in the fields of economics and the social sciences, industrial engineering, and statistics with a social-science orientation. The program trains students to become outstanding scientific researchers with an international perspective, and leads to a doctoral degree. Graduates of the Center are equipped to successfully communicate the results of their research to the international research community as well as to provide effective policy and economics consulting on socio-political and economic issues. The ability of graduates to master both spheres of activity is based on the program's targeted cultivation of various skill sets. Students learn how to gather and analyze scientific data and are also trained in public communication for the effective presentation of findings in international professional circles. Furthermore, the program facilitates the acquisition of specific managerial skills to qualify graduates for leadership positions at various organizations.

The doctoral candidates complete a two-part educational program over a three-year period, consisting of one year of full-time education followed by a more in-depth two-year research phase. The full-time educational program is comprised of advanced classes in scientific theory and empirical methods, in-depth seminars and classes, a course in research management, an internship at an economic policy institution in Berlin (at federal and state ministries, associations, or non-governmental organizations) and a research internship at a leading American research institute (in Washington D.C.). DIW Berlin's close cooperation with DIW DC – a think-tank based in the US capital – and the economics faculty at Georgetown University provides students with on-site mentorship for their graduate training. A hallmark of the Center is its interdisciplinary orientation. The Graduate Center accepts students from a number of disciplines and offers doctoral degrees in economics and sociology. The integration of students with a strong social science background is fostered by the Socio-Economic Panel (SOEP), a department of DIW Berlin, and the Institute's collaboration with the social science faculties of the Free University of Berlin and Humboldt University of Berlin. Students of sociology and economics complete a specific part of the joint curriculum, fostering the development of joint fields of interdisciplinary research. In this way, the Center's interdisciplinary approach follows a bottom-up strategy.

In 2008, the doctoral candidates once again spent time in winter in Washington D.C. They had an extensive workload to manage – two advanced courses in “Economic Policy” and “Advanced Macroeconomics,” as well as a diverse set of lectures, which were held at DIW DC. In addition, they were expected to successfully complete a research internship at a renowned research institution, such as the World Bank, Urban Institute, Migration Policy Institute, or the Federal Energy Regulatory Commission.



Above: Prof. Ernst Rietschel (l.), President of the Leibniz Association, visits the Graduate Center. Below: Nataliya Barasinska (r.) is writing her dissertation on male and female investment behavior.



Dean of the Graduate Center
Prof. Georg Meran
Photo: Rainer Weisflog

From the beginning, the doctoral students are integrated into the various research departments at the Institute. The research phase is tightly linked to the research conducted within DIW Berlin's various departments. This provides "hands-on" training. All courses are held in English. One goal of the program is to attract young academics from abroad by advertising the program internationally.

The Graduate Center's academic curriculum and examination requirements are based on DIW Berlin's close cooperation with the aforementioned universities. Cooperative agreements for research collaboration and joint teaching have been signed with all five universities. Many employees of the Institute give regular classes at the universities, whether in the framework of a joint professorship or as appointed lecturers. Many faculty members are internationally renowned and well connected. Some of the professors are regularly involved in the educational phase. Prof. Elmar Wolfstetter from the Humboldt University of Berlin, for example, teaches the "Advanced Microeconomics" course. In Washington D.C., Prof. Dirk Krüger of the University of Pennsylvania teaches the "Advanced Macroeconomics" course. The chief economist of the Federal Energy Regulatory Commission introduces students in Washington D.C. to the complex regulatory practices in the American energy and telecommunications sectors.

Graduate Students at DIW Berlin

Graduate Center, Matriculants 2006

Eva Berger
Frauke Braun
Astrid Cullmann
Burcu Erdogan
Johannes Geyer
Daniela Glocker
Sven Heitzler
Catherine Müller
Marc Vothknecht
Nicolas Ziebarth

Graduate Center, Matriculants 2007

Nataliya Barasinska
Ludwig Ensthaler
Olga Nottmeyer
Frauke Peter
Pia Rattenhuber
Géza Sági
Wolf-Peter Schill
Isabel Teichmann

Graduate Center, Matriculants 2008

Franziska Bremus
Angela Fiedler
Felix Groba
Hendrik Hagedorn
Andreas Harasser
Katharina Moll
Tony Muhumuza
Maria Nieswand
Beatrice Pagel
Nina Wald
Michael Weinhardt
Alexander Zaklan

DIW econ – Economic Analysis and Consulting from a Single Source

The consulting firm DIW econ, a subsidiary of DIW Berlin founded in July 2007, has successfully completed its first year of operation. DIW econ's core mission is to offer research and consulting services that cannot be provided directly by DIW Berlin to corporations and trade associations.

DIW econ is a customer-oriented economic consultancy. Dr. Lars Handrich serves as managing director. We develop bespoke project solutions for our clients based on cutting-edge economic expertise and rigorous empirical analysis. Statistical information, databases, and the results of our own surveys and case studies constitute the basis for our work. From a business and legal perspective, we act independently and according to market conditions. Our client base includes leading German and international corporations and trade associations, as well as international institutions and public clients such as governmental and educational institutions.



DIW econ - Team

Close Collaboration with DIW Berlin

Although DIW econ is housed in the same building as DIW Berlin, physical proximity is not the only catalyst of synergy effects. Close substantive collaboration with the experts at DIW Berlin also makes it possible for us to incorporate the latest research findings into our consultancy work. Thanks to this close integration of excellent research and economic policy consulting, DIW econ is able to offer first-class consultancy services.

DIW econ Project Areas include:

- » Labor market
- » Foreign trade
- » Berlin's economy
- » The energy economy
- » Financial markets
- » Healthcare
- » Business innovation
- » The communications and information economy
- » New markets in emerging nations and Eastern Europe
- » Economic impact analysis
- » Regulation
- » Postal services
- » Telecommunications
- » Competition

Regional Stability and Growth

How do universities stimulate economic growth? How innovative is the Berlin-Brandenburg region? How does the Berlin-Brandenburg Innovation Prize affect the image of firms bestowed with the award? These and other questions were the point of departure for various regional economic studies undertaken in 2008. For example, we calculated the extent to which the companies and medical facilities based at the Berlin-Buch biotech park benefited Berlin's local economy. The short-term economic effects of expenditures made by the park were the central focus of the study. We also examined the opportunity cost of the park in terms of the alternate



Dr. Lars Handrich is the
Managing Director of DIW econ.

investment of state funding to pay down Berlin's public debt. In the study, we were able to demonstrate that public funds committed to the Berlin-Buch biotech park constituted a good investment for the state of Berlin.

We used a similar approach to investigate how the Technical University of Berlin acts to stimulate Berlin's economy. In the study, we looked specifically at the role played by the university as a consumer of labor as well as goods and services. We calculated both direct and indirect effects of expenditures by the university on Berlin's economy. In addition, we analyzed the long-term knowledge and service effects produced by the Technical University of Berlin, including the contribution made by the university to the region's stock of intellectual capital. Our findings confirm that the university is of great significance to the region's economy.

On the occasion of the 25th anniversary of the Berlin-Brandenburg Innovation Prize, we analyzed the innovative potential of the region, and, in the process, developed a regional innovation index. In addition, we evaluated the impact of the Innovation Prize itself. For this purpose, we interviewed past recipients of the Prize and classified the results based on the innovation index. Our study showed that the Innovation Prize rewards and promotes the region's best performers while fostering a high number of patents and innovative ideas.

With the innovation index, we have created an instrument to measure the potential and development of various regions in Germany. The central determinants for a good score are: the availability of qualified experts and young talent, good ideas, and good technologies.

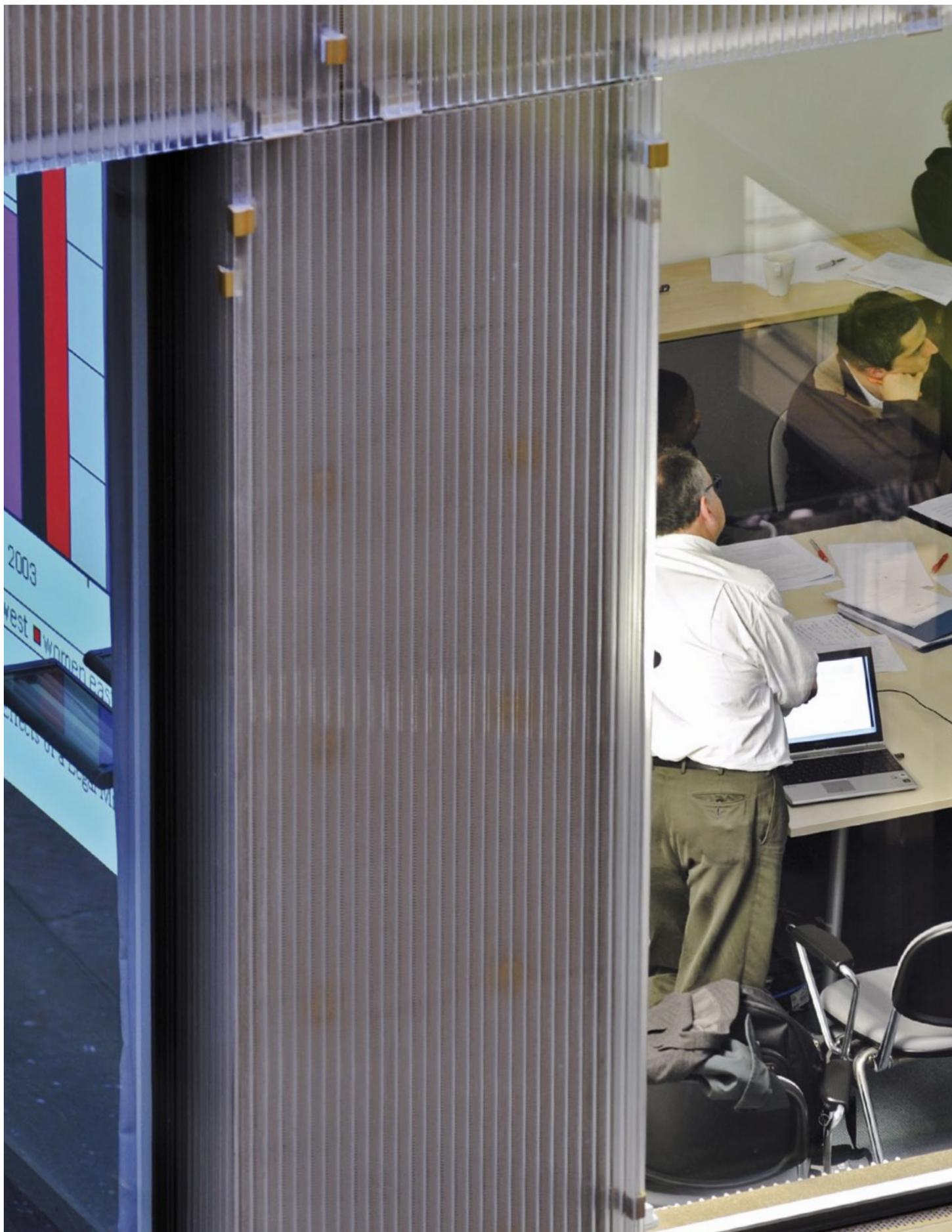
DR. LARS HANDRICH

How Information and Communication Influence the European Economy

In cooperation with the Information Society and Competition Department of DIW Berlin, we held a conference in September of 2008 entitled "Industrial Policy in Telecommunications: Germany in Comparison to Europe." In a study commissioned by Deutsche Telekom AG (the parent company of T-Mobile), we compared industrial policy measures in the telecommunications sector in five European countries. The findings were discussed by a large number of international experts at the conference.

In 2008 we also expanded our international consultancy activities. A particular highlight in this regard is our collaboration with the Information Society and Competition Department in the "e-Business Watch" project. This EU-financed project is concerned with investigating e-business trends and the impacts of information and communications technology (ICT) on corporations in various sectors of the economy. In 2009, a new study within this project will also be undertaken. This study will analyze CO₂ emissions from the ICT sector within the European Union.

The Research Departments: Activities in 2008





Head of Department Dr. Christian Dreger and his team

Business-Cycle Research at DIW Berlin – Methodological and Interconnected

Research at the Department of Macro Analysis and Forecasting has been influenced significantly by the financial crisis. Negative shocks, such as the structural crises in the financial and automobile industries, coupled with the collapse of speculative price bubbles in real estate markets, intensified the economic downturn and unleashed a worldwide recession. The culmination of negative shocks is unparalleled in recent history. As economists can only draw upon a limited base of experience, forecasts for the future course of the economy are considerably more uncertain than usual. This was demonstrated by the numerous downward revisions of forecasts during the second half of 2008.

The continuous analysis and forecasting of regional, national and global economic change remains one of the core missions of the Macro Analysis and Forecasting Department. This experience is particularly salient in times of global crisis. The need for such work is obvious, as robust predictions can improve the basis for decisions of both households and firms.

The Macro Analysis and Forecasting Department interprets the state of the economy predominantly from a neo-Keynesian perspective. Its investigations are founded on empirical analysis. In addition to point predictions, confidence intervals are determined to assess the forecast risk. Moreover, simulation models are used to investigate the effects of economic policies or the impacts of shocks, such as the most recent declines in world trade. Multicountry models that are specifically adapted to the subject under study are used in order to address the structure of an increasingly globalized world economy.

During the year covered by this report, the Macro Analysis and Forecasting Department completed the construction of a macroeconomic model of the large economies of the EU (Germany, France, Great Britain, Italy) for the Federal Ministry of Finance. This model will provide a better platform for economic policy analysis in the future. The inventory of available models is further expanded with innovative modules that are increasingly micro-based. This multi-year project is supported with grant funding from the Leibniz Association.

In 2008, as well, business cycle experts at DIW Berlin developed economic forecasts for the euro zone as part of the EUROFRAME network. Aside from DIW Berlin, the research team is comprised of the CPB (The Hague), WIFO (Vienna), Prometeia (Bologna), OFCE (Paris), NIESR (London), ESRI (Dublin), ETLA (Helsinki), CASE (Warsaw), and the Kiel Institute for the World Economy. In the area of model development, we are continuing a long-term collaboration with Global Insight, one of the world's leading providers in this area.

How Does Financial Market Integration Influence Economic Growth?

Real economic activities are heavily determined by international financial markets. This has been clearly demonstrated by the current financial crisis. Households, for example, might not be able to keep up the same level of consumption during a downturn if their access to credit is restricted. Similarly, access to venture capital, which is particularly dependent on the development of financial innovations, plays a key role in the R&D activities of firms. Against this background, we are studying the transmission channels between financial market integration and real economic growth and the impacts for the appropriate design of economic policies in a project entitled "Financial Systems, Efficiency and Stimulation of Sustainable Growth"

(FINESS). A particular focus is to examine how financial market institutions affect the behavior of heterogeneous agents. The findings contribute to a more efficient reconfiguration of the architecture of financial markets. The project is part of the Seventh Research Framework Program (FP7) of the EU. In this project, DIW Berlin is leading an international consortium of research institutions, including the University of Tübingen, the Ifo Institute for Economic Research in Munich, Ghent University, the Research Center in International Economics in Paris (CEPII), Cambridge University, the ICEG European Center in Budapest, and the Institute for Market Economics in Sofia.

We cannot rely on government liquidity injections to paper over deficits in corporate management. Assistance to sectors or businesses primarily benefits organized interest groups that shift costs for necessary adjustments to other areas and prevent structural change. PD DR. CHRISTIAN DREGER

Action Strategies for Regional Growth

The ability to introduce new products and processes has become a decisive factor for the success of national economies in a rapidly changing knowledge-based society. As a consequence, the growth potential of countries and regions depends to a large extent on an adequate supply of human capital. In the Intangible Assets and Regional Economic Growth project (IAREG), we are studying the significance of intangible assets on the generation of innovation, competition, growth, and productivity. This project is part of the EU's Seventh Research Framework Program (FP7). The Macro Analysis and Forecasting Department is collaborating with an international consortium that includes the AQR at the University of Barcelona as the team leader, the University of Hanover, the University of Pécs, Sussex University, the Vienna University of Economics and Business Administration, the Economic Research Center of the University of St. Étienne (CREUSET Center), the Center for North-South Economic Research at the University of Cagliari, the University of Tartu, the University of Tampere, and the Max Planck Institute of Economics in Jena. Research topics include the construction of multivariate indicators to measure human capital and the analysis of economic policy options for promoting regional growth and innovation.

Industry-Specific Expertise

DIW's team of macroeconomic researchers has further expanded its industry-specific expertise over the last year. The newly developed BVL/DIW Logistics Indicator, for example, is an industry barometer for assessing economic growth in the German logistics industry quarterly. The indicator was developed under a commission from the German Logistics Association (BVL). In 2008, as well, macroeconomic specialists at DIW Berlin provided consulting services to Microsoft Deutschland GmbH. As part of a scientific roundtable entitled "Information Society and Competition," experts from the area of competition policy discussed questions regarding the regulation of the New Economy.



Dr. Stefan Kooths presents an outline of economic trends. Below: The workshop in macro-econometrics brought together scientists and practitioners for an exchange of ideas.

The present crisis reminds us that macroeconomics is a social science.

In fair-weather times, this insight gives way to an all-too mechanical conception

of economic processes. More than ever, wise macroeconomic stabilization policies require well thought-out proposals for an enhanced regulatory framework. DR. STEFAN KOOTHS



Scholarship holder Burcu Erdogan is writing her doctoral thesis on European financial market integration.

International Consulting Projects

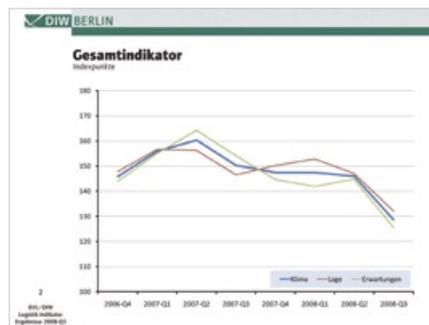
In 2008 the department continued EU-financed programs in Lesotho and Bosnia-Herzegovina, among others. Both projects involve intensive training programs to help educate local specialists in economic policy decision-making. In addition, a goal has been to develop and introduce macroeconomic instruments for analysis and forecasting. Within the scope of the semiannual consultations between the German-French Council of Experts, options for action to manage the financial crisis were discussed.

The BVL/DIW Logistics Indicator

Project Leader: Dr. Stefan Kooths

The BVL/DIW Logistics Indicator was developed in the fall of 2006 by DIW Berlin for the German Logistics Association (BVL). The BVL/DIW Logistics Indicator is an economic seismograph for the German logistics industry, the third largest economic sector in Germany, accounting for 2.6 million employees.

This quarterly indicator reflects the current business situation as well as the expectations over the next 12 months of Germany's logistics service providers and customers of logistical services in industry and trade. Each quarter, a panel of 200 decision-makers is polled (100 managers of the most important logistics service providers and 100 top executives of industrial customers of logistical services). The industry and trade panel covers a broad range of companies, e.g., Audi, Bosch, Siemens, Kraft Foods, and Metro. The logistics service providers panel accounts for over 40 billion euros, i.e., about one quarter of the German logistics market. Thirty-four of the top 50 logistics service providers are included in the panel. In addition, questions covering special topics of current interest (such as infrastructure or security) are polled on an irregular schedule.



As a system designed to optimize value-creation chains, the logistics industry is much more than shipping, delivery, and storage. Until now, this sector has never been adequately evaluated in terms of its macroeconomic significance on a statistical level. The BVL/DIW Logistics Indicator fills this gap.

WWW.DIW.DE/LOGISTIKINDIKATOR

In 2008, the Department of International Economics conducted policy-relevant research and provided research-based policy advice in the fields of international development, international trade and European integration. As examples, we would like to describe two central subject areas in our department: the economics of security and European integration.

The Economics of Security and Security Policy

Building upon preliminary work from last year, our department established a new research focus in 2008: the Economics of Security. Our initiative is aimed at investigating the economic aspects of insecurity and security policy. With two new research projects, we are expanding European security research into a new and fascinating field.



Prof. Tilman Brück heads the Department of International Economics

We urgently need better scientific knowledge regarding the costs of terrorism – and also about the costs of anti-terror policies. Only on the basis of facts can policy-makers determine how much security we want to provide. PROF. DR. TILMAN BRÜCK

The first project, “A New Agenda for European Security Economics” (EUSECON), is being funded under the EU’s Seventh Research Framework Program (FP7). EUSECON is a joint project with 14 partnering institutions in nine countries. The project is coordinated by Prof. Tilman Brück, Head of the Department of International Economics at DIW Berlin. EUSECON analyzes the economic causes and consequences of insecurity – above all, of terrorism and organized crime. In the first year, we began a conceptually based work package to examine the human drivers of insecurity. We presented our findings for discussion at the project kick-off conference in Brussels. At the end of 2008, we launched further research work packages – among them projects concerning the implications of terrorist attacks, the European security industry, and decision making in security policy. In coming years we will contribute, through EUSECON, to the formulation of European security policy with the goal of minimizing the indirect economic costs of anti-terrorist measures. In this way, continued “secure growth” in Europe can be achieved.

The EUSECON research project helps to ensure secure growth in Europe.

PROF. DR. TILMAN BRÜCK

The second part of the “Economics of Security” initiative is the “Network for the Economic Analysis of Terrorism” (NEAT). This research network is also coordinated by Prof. Tilman Brück and receives financial support from the European Commission. With its group of experts, NEAT provides important policy advice to the Directorate-General for Justice, Freedom and Security of the European Commission and the EU’s member states. NEAT hosts two conferences annually which take place alternately in Berlin and Brussels. The first workshop took place in April of 2008 at DIW Berlin and brought together around 40 academics, policy-makers and business people for an exchange of ideas. At the second meeting in September of 2008, 15 academic and policy-related papers were presented for discussion with more than 80 participants.



Above: At a poster workshop, team members from the Department of International Economics presented their current research projects. Below: Franziska Holz and Daniel Huppmann won a prize for their poster presenting the model of the world oil market.

Over the year, the European Commission turned frequently to our network for policy advice on current questions – such as the vulnerability of society to terrorist attacks. In 2009, NEAT will continue to provide scientific policy advice to the EU Commission and organize presentations about current topics selected by the interior and justice ministries of the 27 EU states. Our initiative’s website (www.economics-of-security.eu) provides information about security-related events and lists calls for papers. Users can also sign up to receive our newsletter.

Young Researchers Receive Recognition for their Research on European Integration

In the research area of “European Integration,” we pursued a number of projects on economic integration and the comparative analysis of efficiency in an enlarged Europe. The focus was on the integration of infrastructure systems in the single European market. As in all our research activities, we pursue the goal of publishing our findings in renowned professional journals and also aim to influence policy formation in Germany and at the European level. During the past year, we were once again very successful in meeting these goals. Moreover, in 2008 a number of research staff members in our department successfully completed their dissertations in the area of “European Integration.” The research area is jointly coordinated by Prof. Tilman Brück and Prof. Christian von Hirschhausen, a research director at DIW Berlin.

In his dissertation, Georg Zachmann focused on the integration of national power networks, which had long been impeded by national monopolies. He stressed the need to continue the deregulatory reforms initiated some ten years ago by the first EU electricity market directives. Member states and corporations still tend to implement price and investment policies with a national rather than a European focus. Georg Zachmann’s dissertation entitled “Evidence of Market Fragmentation in the European Electricity Market” brought him international recognition – including an offer from the renowned Larsten/CNRS research institute in Paris, where he will continue to pursue his research in this field in 2009.

In her dissertation, Franziska Holz investigated supply security of the European natural gas market, the relevance of which was once again demonstrated during the latest Russian interruption of gas supply to the Ukraine and, in turn, to Central and Western Europe. Franziska Holz developed her own quantitative simulation model for the European natural gas market, called GASMOD. In addition, she worked on the “World Gas Model,” a joint model-development project of DIW Berlin and the University of Maryland under the direction of Prof. Steven Gabriel. Both models respond to endogenous investment decisions and the strategic behavior of natural gas companies. In this dynamic approach, the important supply nation Russia loses its threat potential because other natural gas suppliers are able to enter the market. In 2008, Franziska Holz completed her dissertation entitled “Modeling European Natural Gas Markets.” She has contributed to the current debate on energy policy by actively participating in the Security of Supply section of the European Energy Forum as well as the transatlantic Energy Modeling Forum, “World Natural Gas Markets and Trade”, organized by Stanford University.

The methods we applied to the energy sector should also be used in other network industries such as the water supply and distribution industry. Our methods are well-suited for detecting firm-specific mismanagement in numerous industries.

DR. ASTRID CULLMANN

In November 2008, Astrid Cullman, a then research associate of the International Economics Department, also defended her dissertation entitled “Parametric and Non-parametric Efficiency Analysis of European Electrical Power Distribution.” In this work, she considered a comparative efficiency analysis of European electrical suppliers against the background of strengthened regulation of erstwhile monopoly markets. She also extended her research on electrical power companies to public transport and water suppliers. Astrid Cullman’s work on public transport providers marked the launch of a successful collaboration with Professor Massimo Fillipini’s research group at the ETH Zürich, in the course of which a joint German-Swiss database was established. Astrid Cullman’s work comparing the efficiency of electricity distribution in Germany, France and Eastern Europe was received very positively in the academic world, and was also used as a basis for policy advice.



Prof. Tony Addison and Prof. Tilman Brück at the launch of their jointly edited book, *Making Peace Work*, held at DIW Berlin.



Prof. Viktor Steiner, Head of the Public Economics Department

Evaluating Social and Financial Policy Measures

The overarching research focus for the Public Economics Department is a basic question: how does financial and social policy influence the economic decisions of individuals, households, and businesses, and the allocation of economic resources? The hallmark of our economic policy research is its empirical foundation in microeconomics – i.e., we analyze the economic behavior of individual actors using empirical data. Over the past several years, we have constructed and extended a number of simulation models for this purpose, both for private households and firms. Using these models, our team has analyzed a wide range of financial and social policy reforms, including fundamental reforms of income and business taxation. An additional focus of our research concerned the effects of a change in household taxation on the labor supply and on the distribution of household income. In another project, we investigated the labor market effects of the Agenda 2010, a series of social and labor market reforms in Germany.

From an economic perspective, a legal minimum wage is not an appropriate policy for combating poverty and inequality.

PROF. DR. VIKTOR STEINER

In 2008, we developed new microsimulation models that allow us to provide more precise estimates about the effects of consumption taxes and long-term policy measures. Other research projects conducted in our department last year included the analysis of taxes on income and business activities, and analyses of pension reform and social security. We also studied the effects of demographic change on the health care system and evaluated the effects of labor market policy and models for the reform of educational financing.

How Do Tax Increases Affect the Behavior of Consumers and Firms?

Our fiscal policy research group examines a broad range of topics pertaining to business and personal taxation. For example, we continued to work on a research project commissioned by the Federal Ministry of Finance: “BizTax,” a business tax microsimulation model. In the project, we gathered data from company financial statements – among other sources – in order to have a more comprehensive pool of data for the determination of taxable income. This work was supplemented with empirical analyses regarding the effects of corporate taxes on the financial behavior of corporations. Our estimates suggest that, due to an expansion of the taxable base, a change in the corporate tax rate will result in only about half the tax loss that might be anticipated without allowing for the adjustment of corporate behavior. In a further study, we were able to show that this effect is attributable to a large extent to the adjustment of firms’ debt financing.

In a study financed by the German Research Foundation (DFG) entitled “Tax Policy and Entrepreneurial Behavior,” we empirically investigated the effects of the personal income tax on small-business owners. Here, we showed that uncertainty of self-employment income has a significant impact on the decision to take up or terminate self-employment.

In a continuation of our previous work on income distribution using an integrated database composed of SOEP and income tax data, we analyzed the structure and evolution of effective personal income taxation, with a special focus on top incomes. In addition, our department

began a research project on the effects of income taxation on financial portfolio decisions of private households in Germany. This project was funded by the Fritz Thyssen Foundation.

Using our BizTax business tax simulation model, we can test the effects of fundamental business tax reforms. A broader tax base would distribute tax revenues more evenly among companies and reduce its concentration in metropolitan areas and central cities. DR. STEFAN BACH

Future Trends in Retirement Income

In the area of social policy, we focused our research on future trends in retirement income and the effects of pension policy measures. As part of an international collaborative project, we developed a dynamic microsimulation model that allows us to compare long-term changes in retirement income in Germany from the perspective of sustainability and the maintenance of living standards.

The empirical analysis of trends in employment income and retirement provisions in the face of demographic change was the focus of an additional research project which our department began in 2008. The study is based upon data from the Socio-Economic Panel Study (SOEP) and the German Federal Pension Fund. The central research questions in this study are: to what extent are employment gaps and types of work not covered by social security over the course of working life associated with greatly reduced retirement income? What are the implications of these findings for pension policy?

In 2008, our department again participated in the preparation of the “Social Observatory” report, a project funded by the European Commission. On behalf of the Commission, we also completed a research project on the determinants of health outcomes in the face of demographic change. Another recently initiated study funded under the EU Commission’s Seventh Research Framework Program (FP7) concerns the development of long-term care. The economic risks and savings of the elderly are the focus of a current study entitled “Economic Risks, Savings Accumulation among the Elderly, and the Effects of Economic Policy,” which is being financed by the German Research Foundation.



Dr. Stefan Bach, Deputy Head of the department, and Dr. Frank Fossen work in the department’s fiscal policy research area.

When the government lowers corporate tax rates, firms reduce the level of tax-exempted debt financing. Therefore, tax revenues fall less than initially anticipated. NADJA DWENGER



Since 2006, Nadja Dwenger is a Research Associate of the Public Economics Department.

Does the Minimum Wage Reduce Poverty?

Do Tuition Fees Shorten the Duration of University Attendance?

In the area of labor market policy, we continued a German Research Foundation project on the effects of subsidized social assistance in the low-income labor sector. Based on our empirical analysis, we were able to show that while so-called “mini-jobs” do not usually lead to normal full-time employment, after a period of three years, they are associated with significantly lower unemployment. Also in this project, we empirically studied the effects of a legal minimum wage of 7.50 euros per hour on the distribution of income and employment in Germany. Our findings suggest that this type of minimum wage fails to fulfill its proponents’ hopes of positive income effects and poverty reductions, and is instead associated with negative effects on employment.

An income-neutral flat tax would reduce the number of self-employed persons in Germany, because the variation in net income as a measure of the risk of self-employment would increase. DR. FRANK FOSSEN

In an empirical analysis, we investigated how a reform of unemployment benefits would affect the length of individual unemployment. We found that long-term unemployment would be significantly reduced by this reform.

In the area of education policy, we empirically investigated the impact of student financing provided under the Federal Education Assistance Act (BAföG) on university enrollment rates and on the duration of studies. We found that, while the BAföG increases enrollment rates marginally, it does encourage students to remain in their studies a bit longer. Most crucially, however, the BAföG considerably reduces the dropout rate.

Between Market Power and Market Failure: Competition as a Research Focus

Policy questions related to competition, projects dealing with the promotion of information and communication technologies (ICT), and studies on the regulation of network industries were the main research issues of the Information Society and Competition Department during 2008.

Strong consolidation processes along with the increasing power of large-scale and price-aggressive sales strategies are reshaping the German retail landscape. Moreover, retailers are relying to an increasing extent on the sale of their own store brands, which often closely resemble successful brand-name products. Against this backdrop, we are studying the problems presented by retail chains that dominate both sales and supply markets within the scope of a study commissioned by the Markenverband (Association of Brand Manufacturers). In another project entitled “Increased Retail Purchasing Power: Effects on Mid-Sized Brand Manufacturers, the Efficiency of Added-Value Chains, and the Consumer,” we are carrying out a theoretical analysis of purchasing power in the retail market and investigating the impact of purchasing power on the efficiency of value creation. The relevance of these findings for the German retail sector is also being tested by means of empirical studies.

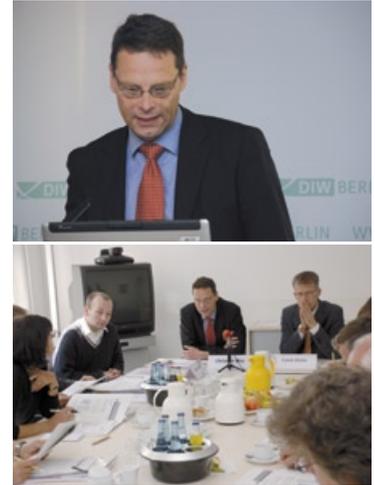
In the project supported by the German Research Foundation (DFG), “Market Power in Vertically Related Markets,” in which our department will be involved until 2011, we are further developing methods to analyze market and negotiating power. The project, which is being carried out in collaboration with the Toulouse School of Economics and the Humboldt University of Berlin, is focused on the further development of model structures that will allow us to better understand dynamic competition in bilaterally empowered markets.

How Does a Collective Bargaining System Influence Competition?

Our department is also exploring the transformation of formerly monopolistic, collective bargaining systems into powerful competitive and commercially influential types of organizations. In this regard, our focus has been on the German labor market’s collective wage system (Flächentarifsystem) and, most recently, Germany’s public health insurance system. Together with the University of Erlangen-Nürnberg we are continuing a project funded by the German Research Foundation (DFG) “Unionized Oligopolies,” which compares the interrelationships between product market competition and the organization of collective bargaining systems in labor markets. In this project, we are examining two highly relevant questions:

- » What institutional frameworks are required for effective competition between unions?
- » How can an across-the-board minimum wage in Germany be designed in a way that allows for competition?

In a project commissioned by the Federal Ministry of Finance and carried out in collaboration with the IGES Institute and the Professors Bert Rürup and Eberhard Wille, we are investigating to what extent the implementation of competition and antitrust legislation could be improved in order to organize health care provisioning in a more efficient manner. The background of the project is the recent reform of the health care sector. Above all, this reform grants health insurers more leeway to negotiate insurance contracts with individual providers of health services, thereby opening up a system traditionally characterized by collectivist features to greater competition.



Head of the Department Prof. Christian Wey takes questions from the press.

In the area of competition policy, we also concluded research projects in 2008 on the topics of “Design Protection in Automobile Manufacturing and Monopoly in the Markets for Auto Parts,” “Market Definition and Merger Control with Imperfect Consumer Arbitrage,” as well as “Shelf-Space Rental in the Retail Industry” and “One-Stop Shopping.”

The regulatory approach taken by the Federal Network Agency contradicts the goals of liberalization: it prevents infrastructure-based competition and does not tap the full opportunities for growth in potentially highly innovative industries. The result is an increasingly entrenched form of regulation – to the detriment of the German economy. PROF. DR. CHRISTIAN WEY



Sven Heitzler received the Best Paper Award from the journal *Competition and Regulation in Network Industries*.

The Information Economy

New information and communication technologies (ICT) are leading to radical changes in the economy and public administration. An additional area of concentration for our team is the economically complex field of government subsidy for the promotion of new technologies. In this area, we have completed an extensive set of projects, extending from provider-side market structures and policies to consumer-side causes of innovation failure in the ICT domain.

How can the confidence of consumers in new information and communication technologies be enhanced? This question was the subject of a study we completed for the EU Commission. It explored the dissemination and use of ICT as a prerequisite for competitiveness in national economies and the employability of the population. Empirical findings clearly show that many consumers still do not use digital information because they lack confidence in new media. In the study we identified a range of measures for enhancing confidence. We focused in particular on e-security measures as well as the promotion of digital consumer protection.

As in years past, we continued work on an ongoing EU Commission project entitled “Sectoral E-Business Watch.” The project investigates the diffusion and effects of e-business technologies in different sectors and countries in Europe.

Our department completed an inventory of media and ICT companies in Brandenburg at the request of the Brandenburg Ministry of Economics. On a related note, we also looked at the improvement of local conditions in Berlin and Brandenburg for these industries.

At the request of Deutsche Telekom, we undertook a comparative study of industrial policy measures in the area of telecommunications in different European countries. From the countries we examined, France and the UK came out on top. Both of these nations pursue a consistent industrial policy approach: France relies on government subsidies for established companies, while the UK relies on very liberal labor market conditions and a high public demand for communication services. Germany’s industrial policy received a much less positive evaluation. Deficiencies stemmed from limited public demand, unclear direction in competition policy, and lack of flexibility in the organization of employment conditions.

The poor rating for German industrial policy is based on limited public demand as well as a lack of flexibility in the organization of employment conditions. PROF. DR. PIO BAAKE

In the “Innovation and Coordination” project, which is supported by the Volkswagen Foundation, we continued our research on demand-side innovation constraints in the ICT sector. In collaboration with researchers at the Humboldt University of Berlin, Columbia University and University of Pennsylvania, we shed light on ubiquitous network effects that result from consumers’ preferences for technically compatible hardware and software solutions. Research shows that consumers only opt for a new technology if it becomes a standard, that is, if it has also been chosen by a majority of consumers. This often leads consumers to purchase outdated technologies that are more widely used but technologically inferior. Based on this project, we published research papers dealing with market dynamics and social-welfare problems related to network effects. Together with the research professors of the department, Claudia Keser and Christian Schade, we also began formulating plans for additional research that will focus on the experimental testing of theoretical concepts regarding the network economy.

The Regulation of Network Industries

We undertook a project commissioned by the Federal Ministry of Economics concerning the importance of networks to the national economy and the need for regulatory action. In 2008, the focus of this project was the protection of intellectual property.

In a project supported by the International Post Corporation, our department investigated current questions concerning the regulation of the postal service market. How are new competitive market conditions working? And in the face of these changed conditions, what regulatory changes are necessary? In view of the ongoing re-regulation of the postal service market in the European Union, these issues were the focus of our work. We also considered specific strategic options for companies to guarantee universal service and requirements regarding service quality. In our paper “Traditional Regulatory Approaches and the Postal Service Market,” we argued that the application of existing regulatory concepts in network-based industries to the postal service sector is flawed. For this paper, our researcher Sven Heitzler received the “Best Paper Award” from the journal *Competition and Regulation in Network Industries*.

Finally, in collaboration with the Humboldt University of Berlin, we continued the research project entitled “Strategic Investment in International Gas-Transport Systems: A Dynamic Analysis of the Hold-up Problem.” In this project, we are focusing on an approach based on negotiation theory for incentives to construct natural gas infrastructure.



Dr. Vanessa von Schlippenbach
and Prof. Pio Baake



Prof. Alexander Kritikos,
new Head of Department since 2008.

Germany's Strengths in the Globalized Economy

The question of Germany's economic performance in an increasingly globalized world stands at the center of a wide-ranging economic policy debate. Since 2008, under the new leadership of Professor Alexander Kritikos, the Department of Innovation, Manufacturing, Service has been intensively involved in this debate.

Compared with other countries, Germany's economic portfolio has special strengths in high-end technology. Long-term success in this area depends upon constant investment in research and development. Against this backdrop, our department primarily conducts empirical studies using firm-level microdata. We analyze the behavior of firms and, to an increasing extent, of entrepreneurs. We are further interested in synergy effects that emerge from collaboration between government and private enterprises in sectoral and regional production clusters.

Our research analyzes the ability of innovation and the development of productivity growth in companies, and – under consideration of agglomeration effects – in corresponding markets and regions. Based on our findings in this area of research, our department is currently enlarging its research spectrum to include efficiency analyses of manufacturing industries and other economic sectors that have a high innovative potential. A further focus of our research is business financing, a crucial topic since the onset of the global financial crisis. In order to demonstrate the nature of our work, we present some of our projects from 2008.

If Germany wishes to maintain its economic position, further efforts in the educational sector are necessary. Compared to other leading industrial nations, our educational infrastructure is not sufficiently advanced.

PROF. DR. ALEXANDER KRITIKOS

Germany: Home of Innovation?

A central task of our department is the ongoing evaluation of Germany's technological strength on an international level. Research work in this multifaceted topic area is linked to a variety of DIW Berlin projects. One of the most important is the German Innovation Indicator. The Indicator has been calculated on an annual basis since 2005 under a commission from the German Telekom Foundation and the Federation of German Industries. It describes the conditions for innovation in Germany and 16 additional OECD nations. Within the framework of a survey conducted for the German government's Expert Commission for Research and Innovation (EFI), we are additionally investigating the internationalization of research in multinational corporations and the development of technological specialization profiles in the German economy in a cross-country comparison. We are also analyzing the relationship between innovation and economic performance on the basis of representative firm data. In this connection, our department has been contributing to a research consortium funded by the Seventh Research Framework Program (FP7) of the EU (INNODRIVE), which assesses firm data along with regional data concerning innovative strength and economic growth obtained from six European nations – namely, Germany, Finland, Norway, the Czech Republic, Slovakia, and the UK. For example, by analyzing patent activities we have shown that Germany remains a strong location for research

The availability of representative firm data on the basis of official statistics is continuously advancing in a large number of European countries. This is providing significant new research opportunities for the transnational empirical analysis of corporate behavior. Research findings will help to improve our ability to assess the quality of economic policy measures in various countries. PROF. DR. MARTIN GORNIG

despite the increasing globalization of R&D activities. This particularly applies to industrial sectors of key economic importance, including electrical engineering, machine and vehicle manufacturing, and chemistry. The ability to translate research findings into successful products is also highly evident in these sectors. An analysis of individual firms conducted last year revealed that the introduction of new products is associated with high risks on returns – at least on a short-term basis. Furthermore, a number of different indicators show that Eastern European and Asian countries are catching up in Germany’s traditional fields of specialization.

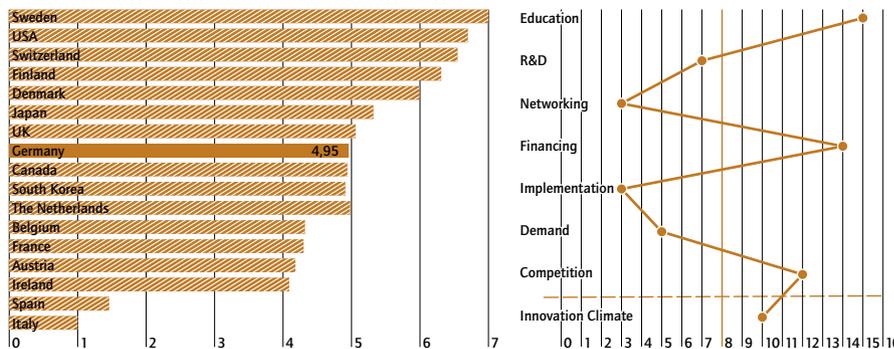


Prof. Martin Gornig,
Deputy Head of Department

Innovation Indicator

Project Director: Prof. Axel Werwatz (TU Berlin, research professor at DIW Berlin)

The innovative capacity of highly developed industrialized nations is their most important source of prosperity and growth. Of the 17 industrialized nations studied in 2008, Germany ranked only eighth. Sweden, the US, Switzerland, Finland, and Denmark led the rankings. In a comparison of educational systems, Germany’s was ranked in third-to-last place – the country’s position had worsened since 2007. These were the most important findings of the 2008 Innovation Indicator, a survey conducted annually by DIW Berlin on behalf of the Telekom Foundation and the Federation of German Industries (BDI). The Innovation Indicator provides a measure of a nation’s ability to create and translate knowledge into marketable products and services. Alongside national and international statistical data used to compile subindicators in eight separate sectors important to innovation, the Innovation Indicator takes into account so-called “soft” factors, including survey responses from firms and individuals. The Innovation Indicator is an aggregate measure of some 180 individual factors. It also provides a detailed profile of strengths and weaknesses in each surveyed nation.



Left: The innovative capacity of leading industrialized nations, overall results (Source: Calculations by DIW Berlin)
 Right: Germany’s rank in each respective subsector (Source: Calculations by DIW Berlin)

Agenda for a New Financial Market Architecture

Since mid-2007, financial market actors have been confronted with a crisis of their own making. Under conditions of incalculable risk, the US government made a fateful decision in September 2008 to allow the investment bank Lehman Brothers to go bankrupt. Although this decision was perhaps correct in terms of regulatory practice, it dramatically exacerbated the financial crisis. Additional banks were soon threatened with insolvency, and the “credit crunch” intensified.

In order to prevent a repetition of the crisis in the future, the G-20 nations, at their financial summit in Washington D.C. on November 15, 2008, resolved to “ensure that all financial markets, products, and participants are regulated or subject to oversight, as appropriate to their circumstances.” However, tighter regulation as a matter of principle does not in itself provide a roadmap for the reconfiguration of financial markets. To address this, DIW Berlin is advocating a nine-point agenda for the reform of financial markets that also helps to ensure that firms have sufficient access to capital.

DIW Berlin's Nine-Point Agenda for a Financial Market Reform

1. Regulation and crisis management: minimize coordination breakdowns
 - » with quotas for risk retention and with transparency in securitization
 - » with sanctions for mismatched maturity dates
 - » with a central agency for the establishment of international regulatory standards
 - » with an international institution that can coordinate intervention in times of crisis
 - » with a European financial market oversight agency
2. Financial oversight: enforce subsidiarity
 - » with a two-tiered European system for financial supervision
3. Executive compensation: no financial incentives for misconduct
 - » with transparent regulation of bonus systems for bank managers
 - » with stockholder approval for compensation packages
4. Rating debt: make use of the government's credibility
 - » with non-commercial public rating agencies at the European level
5. Regional banks (Landesbanken): excessive burdens should not be placed on the government
 - » the government should not take on operative responsibility for banks beyond crisis management. That is, government intervention should be accompanied by a credible plan for retreatment.
6. Government guarantees: prevent misuse of government responsibility
 - » private financial service providers should not be granted long-term government guarantees beyond crisis management
7. Accurate bank balance sheets: put latent risks on the books
 - » by accounting for credit risks transferred off balance sheets and through the registration and oversight of special purpose vehicles
8. Regulatory principles: avoid sweeping regulation
 - » fine-tuned regulatory measures are needed
9. Place more emphasis on equity financing
 - » with a return to greater equity capital financing

ADDITIONAL INFORMATION:

WWW.DIW.DE/DOCUMENTS/PUBLIKATIONEN/73/96674/DIW_WR_2009-7.PDF

In order to overcome their banking crisis in the 1990s, Finland and Sweden nationalized important banks and deposited distressed assets in several bad banks. This allowed them to spare taxpayers from paying the costs of the crisis. In today's crisis, however, such a strategy will not suffice. We're in need of a totally revamped financial market architecture. PD DR. DOROTHEA SCHÄFER

A Bad Bank Plan for Germany?

Are there lessons that can be drawn from the Nordic Banking Crisis in Finland and Sweden during the early 1990s? Which if any strategies are applicable to the current situation? These were central issues at a conference that was jointly organized by DIW Berlin and the Embassy of Finland, with support from the Swedish Embassy. Against the backdrop of the current financial crisis, intense interest from more than 100 participants demonstrated that the conference made an important contribution to the debate regarding ways out of the crisis.

One finding from the conference was that in surmounting the 1990s banking crisis in Sweden and Finland, crisis management was given absolute priority. A fundamental reorganization of financial markets, however, was not undertaken. Similarly, the Asian financial crisis did not produce any wide-ranging structural reforms. In Finland and Sweden, the centerpiece of government policy was the purchase of distressed investments by bad banks – essentially, state-owned asset management companies – and the nationalization of important banks. Thanks to strict terms for the acquisition of distressed assets and a successful asset management strategy, Sweden's bad banks succeeded in protecting taxpayers from bearing the full cost of the crisis. In Germany, as well, there has been intensive public discussion about establishing one or more bad banks to manage toxic assets. In our view, it remains uncertain whether the Swedish model can be successfully implemented in Germany. Today, significant obstacles to a successful bad bank plan are: (1) the difficulty in determining the value of securitized assets backed by US mortgages; (2) complications in identifying the original borrowers; and (3) the attendant problems arising for asset management and successful resale further down the road. These obstacles need to be taken into consideration when designing a bad bank plan for Germany. On the other hand, a number of factors argue in favor of a bad bank plan for the US – the very nation that is principally responsible for the financial crisis. A US bad bank plan would also help reduce negative external effects for the rest of the world. The financial market group of DIW Berlin started to work on a bad bank plan that takes the above mentioned obstacles into account. In March 2009, our Bad Bank plan was published in *Wochenbericht* No. 13/2009 and in April 2009, in *Weekly Report* No. 7/2009.



Above: Dr. Dorothea Schäfer, Financial Markets Research Director

Below: Dr. Klaus Kinkel, Chairman of the Deutsche Telekom Foundation, the co-sponsor, alongside the Federation of German Industries, of the Innovation Indicator
Photo: Deutsche Telekom Foundation



Prof. Claudia Kemfert (center) with her team

Time for Action: Climate Protection Needs to Be a Chief Concern

Climate change can no longer be prevented. However, the longer that concrete countermeasures are postponed, the worse the consequences will be for all of us. Now is the time for action. The Energy, Transportation, Environment Department is thus committed to the early identification of risks, responsibilities, and opportunities in climate-related issues in order to assist policy-makers in taking effective action. What are the costs and what are the benefits of climate protection? How can sustainable energy supply and mobility be ensured? How can the mix of instruments in energy, transportation, and environmental policy be further developed? These questions stand at the center of our department's research and policy advice.

Climate protection was a focal point of political concern in 2008. The first commitment period for emissions reduction under the Kyoto Protocol, which lasts until 2012, got its start. In addition, requirements for the post-2012 climate regime were negotiated internationally. At the EU level, a comprehensive climate protection package was approved and in Germany a substantial part of the federal government's integrated energy and climate program was implemented into policy. Our department provided policy advice to both the German federal government and the European Commission. Prof. Claudia Kemfert has been a member of the High Level Group on Energy and Climate since her appointment by EU Commission President Barroso.

Those who wish to profit from climate protection have many opportunities to be creative. It is time to set the course now – not in the distant future. The markets of the future belong to those who can see them today. PROF. DR. CLAUDIA KEMFERT

What is the relationship between climate change and damage caused by natural catastrophes? We have been exploring this question in research projects that take regional factors into account. In cooperation with the German Research Centre for Geosciences in Potsdam and other partners of the MEDIS project, we have been developing improved scientific methods for surveying and assessing flood damage in Germany.

The Economy of Climate Change: Methodological Foundations

To analyze long-term global scenarios we use the World Integrated Assessment General-Equilibrium Model (WIAGEM). We have also been improving general equilibrium models (CGE) such as GTAP-E in order to calculate the economic consequences of climate protection on all sectors of the national economy while taking technological progress into account.

In order to effectively reduce the emission of greenhouse gases, climate protection policies must be implemented that account for economic and technological requirements. In this connection, we have been assisting with the ongoing development of the European Emissions Trading Scheme for the post-2012 period by providing concrete policy recommendations – for example, concerning the auctioning of emissions allowances.

Dealing with Climate Change: Opportunities and Risks for the Financial Sector

The interaction between climate change and the financial sector is becoming more and more important – especially in light of the worldwide financial market crisis.

Companies in the financial sector must understand that it is not climate protection but rather its neglect that will end up being costly. They must look towards climate-related opportunities and risks in their business decisions, and must recognize they are in a position to actively shape new developments in other economic sectors. We have been investigating the role of financial firms in climate protection in the framework of a project entitled “Mainstreaming Climate Risks and Opportunities in the Financial Sector.” In the project, which is being funded by the Federal Ministry of Education and Research, we have been categorizing and evaluating climate-related risks and opportunities in various industries.

The future development of Russian policy plays a special role in the global climate debate. In 2008 we worked together with DIW Berlin’s International Economics Department to study Russian climate and environmental policy within the framework of an EU project. We focused on cost-efficient options for reducing emissions as well as the communication of information and practical know-how to strengthen collaboration between Russian and European researchers and policy-makers.

Germany’s Renewable Energy Targets for 2020

Germany plans to double the share of energy it generates from renewable sources by 2020. With our work we hope to contribute to making this ambitious goal a reality. In a number of projects funded by the Federal Ministry for the Environment, we have been evaluating economic policy instruments for the promotion of renewable energy. In this way, we have been supporting the further development of the Renewable Energy Sources Act (EEG) and the efforts to coordinate the promotion of renewable energy across Europe.

Together with the Innovation, Manufacturing, Service Department of DIW Berlin, we have been working on a model to calculate the impacts of renewable energy on a macroeconomic and sectoral basis. In addition, we have been working on a project commissioned by the Federal Environment Agency on the effects that energy and environmental policies have on greenhouse gas emissions in Germany. The policy scenarios we have provided are being used in the federal government’s 2009 Projection Report.

Germany’s federal states, too, bear considerable responsibility for climate policy. Together, they determine how well national energy goals will be implemented. A system of indicators that we developed in 2008 provides a method for measuring previous efforts and achievements at the state level in the promotion of renewable energy. On the basis of this study, the Renewable Energies Agency awarded the “Leitstern 2008” prize for the first time. In the overall assessment, the prize was given to the state of Brandenburg.



Above: Prof. Claudia Kemfert at the annual meeting of the Stifterverband at Bellevue Palace.

Below: Speaking with the President of Germany, Dr. Horst Köhler, and the President of Stifterverband, Dr. Arend Oetker.

Photos: David Ausserhofer, Stifterverband

The increased use of renewable energies is associated with the creation of new businesses and new jobs. With good public relations and targeted strategies to attract these kinds of new businesses to their region, state governments can help to promote renewable energies.

DR. JOCHEN DIEKMANN

As part of the Socia-Ecological Research program of the Federal Ministry of Education and Research, our department completed a project entitled “Innovation and Transformation in Power Systems” (TIPS). In this study, we were able to show how innovations (for example, “virtual power stations”) can help build a sustainable energy supply. The impacts of selected strategies were analyzed using a computable general equilibrium model and an actor-oriented institutional economics approach.

Competition in the electricity market in Germany and several other EU member states still leaves something to be desired. Crucial for increased competition is network expansion, the prevention of market power abuses, a coordinated EU supervisory system, as well as an EU-wide electricity trading market.

DR. THURE TRABER



Dr. Jochen Diekmann, Deputy Head of Department, is a specialist in the area of energy economics.

Energy Markets – Liberalization and Regulation in Tension

We have been analyzing the consequences of liberalization in the European electrical market with the help of the game theoretical model EMELIE, which is being further refined within the scope of the EU ADAM project. Efforts to improve the model have been focused on the integration of dynamic elements as well as its expansion to cover the enlarged EU. Together with the Dresden Institute of Technology and the International Economics Department of DIW Berlin, we have been investigating the globalization of natural gas markets. In a project supported by Electricité de France, we brought a number of methods to bear, ranging from econometric statistical analyses to the development of a numerical model (GASMOD).

Transportation Policy Incentives Must Be Environmentally Friendly

The goal of supporting sustainable transport networks with price systems that are based upon the costs of infrastructure utilization is a particular challenge in the transportation sector. In a continuation of previous studies undertaken in projects such as UNITE and GRACE, the EU research project CATRIN is pursuing the goal of establishing a quantitative basis for pricing infrastructure utilization in the transportation sector. In particular, methodological approaches for estimating marginal costs are being elaborated and refined. In case studies, costs are being estimated for road networks, railways, and air and sea transport. CATRIN is based on an interdisciplinary approach to cost allocation that takes vehicle types, user groups, etc. into account. An additional area of emphasis relates to microeconomic aspects of cost coverage for pricing according to marginal cost principles (club approach, game theoretical methods).

The development and introduction of new propulsion technologies for vehicles takes a long time – particularly because of the infrastructure required. Various technological options should be studied now. Targeted government support for this purpose is entirely appropriate – as long as they take environmental goals into consideration.

DR. UWE KUNERT

In another study, costs, revenues, and cost recovery were calculated for the road and railway system in Germany in 2007. For this study, methodological foundations for calculating and allocating infrastructure costs were analyzed. Earlier calculations were also brought up to date, taking into consideration a number of recent developments, such as the introduction of the truck toll in 2005, the 2006 revision of the EU's Eurovignette directive, as well as federal government plans for setting toll prices based on vehicle emissions.

Indeed, carbon dioxide emissions are playing an increasingly central role in the setting of tax rates for personal vehicles in Europe. We analyzed the incentive effects of existing and future automobile taxes in a number of European countries in a project funded by Volkswagen. In an additional study, our department examined the effects of new energy and environmental policy framework conditions on the use of fuels up to the year 2015 in selected regions (Brazil, China, India, Russia, US, EU).

In collaboration with Rutgers University and the Brookings Institution, we investigated mobility trends and factors in the US and in Germany. In the study, the effects of demography, land use, and policy were examined. In a separate study sponsored by BMW, we explored mobility trends up to 2025.



Dr. Manfred Horn (l.) with Dr. Uwe Kunert and Dr. Thure Traber

The use of vehicles powered by natural gas – such as buses and garbage trucks – drastically reduces particulate emissions. Natural gas vehicles can help to achieve the climate protection targets set by the EU for 2015. DR. MANFRED HORN

The department also provides a comprehensive annual data base on transportation. Moreover, it prepares energy balances that play a key role in German energy statistics.



Prof. Gert G. Wagner (I.), Head of the Socio-Economic Panel, with Dr. Markus M. Grabka
Photo: Norbert Michalke

Observe – Analyze – Understand

The year 2008 was an eventful time for the Socio-Economic Panel Study (SOEP). The German Council of Science and Humanities evaluated the quality of research performed by the SOEP Department as excellent. This was a gratifying vote of confidence. The SOEP also celebrated the 25th anniversary of its founding – an excellent occasion to look back and reflect on how it all began. The anniversary was also an occasion to look ahead and examine how well suited the concepts used by the SOEP are for the future. Thanks to generous support from the Federal Ministry of Education and Research, the anniversary was appropriately honored and celebrated.

In tandem with the official celebration, the 8th International German Socio-Economic Panel User Conference was held. As at previous conferences, researchers from all over the world, including the USA, Australia, the Netherlands, and the UK were in attendance. The researchers at the conference gave more than 70 presentations (invited lectures, talks, and posters) over three days on their SOEP-based research findings. In November of 2008, the SOEP organized a Parliamentary Reception for the first time. The event was a real success. The more than 50 guests showed keen interest and engaged in a lively discussion.

Even with all of these events, there was no pause in the scientific work of the department and the service provided to SOEP users. As a result of many, many hours of overtime, SOEP staff members were able to publish more articles in important international publications than ever – in 2008 nearly 30 articles appeared or were accepted for publication in international peer-reviewed journals. In addition, research findings based on SOEP data once again had a strong and continuing impact on public debate. This was especially true with regard to the *Wochenbericht* article on the “Shrinking Middle Class.”

Where is our society headed? This question has attracted renewed interest through the debate on how to correctly interpret poverty and wealth data. PROF. DR. GERT G. WAGNER

During the Parliamentary Reception, the Chairwoman of the Bundestag Committee on Economics and Technology, Edelgard Bulmahn, received a first-hand demonstration that new methods of data collection do not always have to be a matter of abstract theory. Using a so-called “grip-strength test,” she and the other political representatives got a chance to test their fitness level.

What at first glance may appear to have no relationship to social science research – the measurement of grip strength – has proven to be a reliable indicator of overall physical health. Research shows that the measurement of grip strength provides a broad range of possibilities for analysis over the long term – in the fields of both social medicine and health care economics. For this reason, in 2008 we measured the grip strength of SOEP survey participants for a second time. As a result, the SOEP now features an objective measure of health, alongside the subjective health assessment provided by survey participants.

The introduction of new methods in a longitudinal survey is always a balancing act and must be thoroughly prepared and tested. We do not want to frighten off respondents with new questions and experiments. On the other hand, it is important to pose questions now that will need to be analyzed in the future. The relationship between health and lifestyle, for example, is becoming more important for users of SOEP data all over the world. PROF. DR. JÜRGEN SCHUPP

Introducing the Cell Phone in Research: New Methods of Data Collection

Technological advances and changing life habits are opening up entirely new methods for data collection. For example, “experience sampling” is the attempt to measure experiences, events, or behavior in the actual situations in which they occur. This means that sampling is conducted in daily life settings. Together with the Max Planck Institute for Human Development, the SOEP Survey Group is looking at possible applications of experience sampling in the SOEP and the broader field of survey research. Successful tests show that the cellular phone is an ideal resource for collecting data in the moment. Using simple keystrokes, respondents can report their current feelings according to a numerical scale. Recently, one of the first papers on this subject has been published in the leading scholarly journal “Psychological Science”.

The methodological advantages of data collection using the cellular phone include, among other things, that collecting data in a natural life setting can enhance the generalizability of the findings. In addition, repetition of the survey at short intervals is possible, enabling evaluation of short-term changes.

DR. MICHAELA RIEDIGER, MAX PLANCK INSTITUTE FOR HUMAN DEVELOPMENT AND RESEARCH AFFILIATE AT DIW BERLIN

SOEP Analyses in the Public Forum

Research findings based on SOEP data have once again had an impact on public discussion in Germany in 2008, and have raised the profile of DIW Berlin in providing policy advice. This is demonstrated by a small selection of research studies that have been presented in Wochenbericht articles and at press conferences.

Germany’s Shrinking Middle Class

“The segment of middle income earners in Germany has shrunk significantly in the past several years. It fell from 62 percent of the population in 2000 to 54 percent in 2006 – that is, by around five million persons. The proportion of the outer ends of the income distribution has thus substantially risen, a process mostly accounted for by the downward mobility of the middle class rather than advancement to higher income brackets.” The Wochenbericht on the “Shrinking Middle Class” by Joachim R. Frick and Markus M. Grabka that was published in March of 2008 unleashed a vigorous debate about equality in Germany, and continues to influence political discussion. The acute public interest was reflected in downloads from DIW’s website: the article was downloaded more than 25,000 times, making it by far the most downloaded issue.

The German Child Care System: Only Average by European Comparison

Expanding on an international study on child care by UNICEF, Prof. C. Katharina Spieß conducted her own study on the use and financing of daycare in Germany. The results: there exist large regional differences in the use of daycare establishments that are not entirely due to



Hand grip strength test and experience sampling with the cellular telephone
Photos: Stephan Röhl



Prof. Jürgen Schupp speaking with Prof. Gisela Trommsdorff on the sidelines of the 8th International German Socio-Economic Panel User Conference.

Photo: Stephan Röhl

differing levels of need. Thus, Germany shows large regional discrepancies in the opportunities provided for daycare education. In addition, the study showed that children from disadvantaged families attend daycare facilities significantly less often than others – although these are precisely the children who might benefit from daycare the most.

Who Sympathizes with “The Left”?

In just one year, the political party known as “The Left” achieved what its forerunners had previously sought in vain – to establish a successful left-wing political force in East and West Germany independent of the SPD. The constituency of “The Left” is not exclusively composed of lower-income or socially disadvantaged people. Generally, those who worry deeply about social interests in Germany tend to affiliate with “The Left.” In Eastern Germany, individuals who are concerned about the overall economy are likely to lean towards “The Left,” while in Western Germany, its supporters are primarily those who express negative attitudes about their own economic circumstances.

We were astonished to find that “The Left” has sympathizers from all income groups. We had expected they would come primarily from the segment of the population living in precarious financial circumstances. DR. MARTIN KROH

Male and Female Wages: No Salary Equity Foreseeable

For years, the difference in gross hourly earnings between men and women – the so-called gender pay gap – has remained at around 30% in the salaried workforce. Regional factors also play an important role in the earnings difference. In rural areas, the wage gap is extremely wide (33%), especially in comparison to large urban areas (12%). This is first and foremost the result of greater employment opportunities for highly qualified women in larger cities. It was additionally shown that in areas of higher regional unemployment, women had to accept more drastic wage cuts than men.

Raising a family remains a great career risk for women. This is undesirable, but, unfortunately, it is true. PD DR. ELKE HOLST

Inequality and Poverty: Germany in International Comparison

In October 2008, the findings of an internationally comparative study by the OECD (Organization for Economic Co-operation and Development) entitled “Growing Unequal” once again ignited discussion about poverty and inequality in Germany. The concern stems from the fact that in the years from 2001 to 2005, income differences and the proportion of poor population grew significantly more quickly in Germany than in most other OECD nations. Single parents and children were also disproportionately affected by this trend. The OECD findings for Germany are based on data from the SOEP. Further-reaching studies suggest that the trend continued in 2006 and first came to a temporary halt in 2007. In order to improve the quality of international comparisons in the important areas of income inequality, poverty, and health,

International comparisons and scientific exchange are extremely useful and important in order to be able to better evaluate structures in one's own country. Without such comparisons, it is often only possible to distinguish in theory between what is "large" and what is "small". PD DR. JOACHIM R. FRICK

SOEP data has been harmonized with the Cross National Equivalent File (CNEF) since the early 1990s. In 2008, corresponding longitudinal data from Switzerland was also integrated into this database, which also contains data on the US, UK, Australia, and Canada and is used by scholars and analysts all over the world.

We know that many children profit greatly from daycare centers. One additional year in daycare raises the average probability that a child will later attend "Gymnasium," Germany's academically oriented secondary schools. What we do not yet know is which daycare centers are most beneficial for children; that is, in future analyses, we need to pay much more attention to the pedagogical quality of daycare facilities. PROF. DR. C. KATHARINA SPIESS

Which Daycare Centers Make Children Smarter?

In the future, better data will be needed on the institutional contexts of the people surveyed. This pertains above all to their schools and daycare centers, but also to their employers. A preliminary study examined whether respondents were prepared to provide the addresses of the daycare centers attended by their children, the addresses of their schools, and those of their employers. The results show that a great proportion of those surveyed were willing to do so. If it were possible in the future to integrate individual information about daycare centers, schools, and employers into SOEP data, then the influence of the "environment" on individual behavior could be analyzed in much finer detail.

Expert Advising: The SOEP Survey Committee

In the future, the SOEP study will receive eminent advice in the ongoing elaboration of its survey concept: Prof. James J. Heckman has been appointed to the newly established SOEP Survey Committee. This advisory board will contribute to the further development of the contents and methodology of the SOEP questionnaire. Prof. James J. Heckman was awarded the Nobel Prize in Economics in 2000 for developing a theory and methods for analyzing selective samples. He teaches at the University of Chicago. Besides Professor Heckman, seven additional internationally renowned researchers have been appointed to the Survey Committee. Professor Heckman's willingness to become involved with the SOEP is of great benefit not only for the SOEP but also for Berlin as a research location.



Member of the German Bundestag and of the DIW Board of Trustees, Edelgard Bulmahn, and Prof. Zimmermann speaking at the Parliamentary Reception of the SOEP. Photos: Stephan Röhl

Prof. James Heckman is an exceptionally gifted methodologist who already has experience in working with SOEP data. As an outstanding researcher, he understands future research questions and can help us to address the right topics in the SOEP and raise the right questions.

PROF. THOMAS DOHMEN, MAASTRICHT UNIVERSITY AND RESEARCH PROFESSOR AT DIW BERLIN

The SOEP Department Rated “Excellent”

The German Science and Humanities Council rated the research conducted by the SOEP Department as “excellent.” It lauded the department as a sociological research entity in Germany of the highest scientific quality with exceptional performance in knowledge transfer and policy advice. In the first study of its kind, the Council evaluated and compared research activities in chemistry and sociology at all German universities, as well as non-university research institutions jointly supported by the federal and state governments. In all, the Council evaluated 254 sociology departments at 54 universities and three non-university institutions – the Max Planck Institute for the Study of Societies in Cologne, the Social Science Research Center Berlin (WZB), and the Socio-Economic Panel Study (SOEP) at DIW Berlin. The results were made public in April of 2008, and they confirmed that the SOEP, a Leibniz Association service facility, is one of the three best sociological research departments in Germany.

German Socio-Economic Panel Study (SOEP)

Head of Department: Prof. Gert G. Wagner

Survey Manager: Prof. Jürgen Schupp

Research Data Center: Dr. Joachim R. Frick

Details about the full range of services offered by the Socio-Economic Panel Study (SOEP) can be found on DIW Berlin’s homepage. The contact for technical questions is Michaela Engelmann (soepmail@diw.de); for questions concerning content, please contact the survey and data managers Prof. Jürgen Schupp (jschupp@diw.de) and Dr. Joachim R. Frick (jfrick@diw.de). SOEP data is distributed on DVD for research purposes in SPSS, SAS, and STATA formats along with detailed documentation. For analyses requiring more segmented regional information, there are possibilities for remote access or an on-site guest visit. Training courses for using the SOEP data take place annually both in Germany and abroad. The SOEP Newsletter regularly informs all users of the data about important updates related to the SOEP. Among the online services available is SOEPinfo, an interactive program that provides information about all SOEP variables in addition to programming assistance for processing data, as well as SOEPLIT, a literature database which permits a search for previous publications based on SOEP data. Additional online resources include: SOEPmonitor, which consists of data series with information on the labor market, education, and income, as well as subjective indicators, for instance on individuals’ living situations, methodological reports, questionnaires, documentation of user-friendly variables, and methodological analyses, all as PDF documents. These can be obtained as a DVD with online documentation (for Euro 30). The SOEP is a service facility of the Leibniz Association (WGL).

WWW.DIW.DE/GSOEP

Service Departments





Carel Mohn, Head of the Communications Department

Informing, Organizing, and Communicating: The Communications Department

German Chancellor Angela Merkel reads the newspapers. For obvious reasons, the ways the media present and interpret economic developments play no small role in her political decisions. Of course, this does not apply just to the Chancellor, but to other important decision-makers as well. And it matters more than ever in the worst economic crisis Germany has witnessed in several decades. Against this backdrop – and in light of DIW Berlin’s mandate to provide sound policy advice – the media play a decisive role in our communications strategy.

This touches upon DIW Berlin’s most important communications goal and the central focus of the Communications Department: to make those research findings that are relevant for public policy accessible to the wider public in order to provide an empirical foundation for the economic and socio-political debate.

In this respect, the department adopts a very broad view of communications. Press and public relations work, event management, the library, and office management are all part of the Communications Department. “Our goal is to create optimal conditions for communication to take place,” the head of the department, Carel Mohn, explains. “Therefore, it is just as important to make DIW Berlin an inspiring place to conduct research activities as it is to give our researchers direct access to knowledge of the world through our library.”

DIW Berlin Events: In the Vibrant Center of the Capital City

The expanded space for meetings and conferences provided by our new headquarters in Berlin-Mitte has been a tremendous asset at numerous events. In 2008 the Institute once again hosted a number of pre-eminent visiting lecturers. At the beginning of the year, two prominent guests visited our Institute at the Berlin Lunchtime Meetings and attracted a great deal of interest. In January of 2008, the Nobel Prize winning economist Prof. Reinhard Selten presented an overview of his scientific career and an introduction to the fundamentals of experimental economic research. One month later, the Institute was proud to host the newly appointed Chief Economist of the World Bank, Prof. Justin Lin. The Berlin Lunchtime Meetings are organized by DIW Berlin, together with the Bonn Institute for the Study of Labor (IZA), the Anglo-German Foundation, the Center for Economic Policy Research in London, and the OECD Berlin Centre.

That capitalism might also be seen as a system that can abolish privileges and open up economic potential still remains an unusual perspective. In countries like India, socialism was synonymous with waiting in line, which the well-connected and well-endowed could circumvent. Only under a market economy was access to the supermarket checkout counter first possible for a larger number of people. PROF. JAGDISH BHAGWATI

A Round Table with Jagdish Bhagwati

Prof. Jagdish Bhagwati is not just a theoretical advocate of globalization; his biography also underscores his practical expertise: born in 1934 in Mumbai, he completed his university studies at Cambridge. In the 1960s he moved to the United States to become a professor, and he now continues to teach at Columbia University in New York. As a Senior Fellow on

The DIW Industrial Conference is a forum for experts interested in assessing the current state of their industry, as well as macroeconomic trends. The combination of scientific support from DIW Berlin along with the active collaboration of participants from the world of business is the hallmark of the symposium. DR. ALEXANDER FISHER

the Council for Foreign Relations in Washington D.C., and as an advisor to the World Trade Association as well as the United Nations, Bhagwati is one of the most renowned economic researchers of our time. On the occasion of the appearance of the German edition of his best-selling book “In Defense of Globalization,” he visited DIW Berlin in the fall of 2008. Bhagwati discussed the advantages and limitations of free trade with Prof. Klaus F. Zimmermann and Ph.D. students from our Graduate Center. The presentation took place with support from the American Academy in Berlin and Pantheon Press.

A Toast to Good Neighbors

In August of 2008, the Hertie School of Governance moved into its new quarters directly abutting DIW Berlin. Two months later, both institutions signed a cooperative agreement in order to take advantage of this local cluster of knowledge and expertise. Collaboration will principally relate to research and teaching, but will also involve the promotion of young researchers as well as a visiting scholar program. DIW Berlin will also support the Hertie School of Governance in the further expansion of its faculty. Additional plans include joint events and intensive collaboration in the area of research infrastructure. For example, the libraries of both institutions have already begun to expand their collections in close coordination and to make them mutually accessible. The Hertie School of Governance is a foundation-financed college that educates highly qualified students and graduates for public leadership positions.

Deutsche Bank Research: A New Partner for the DIW Industrial Conference

The promotion of communication between economists and business leaders has been the mission of the annual DIW Industrial Conference since 1960. In 2008, Deutsche Bank Research joined us as a co-sponsor of this event, and future conferences will be organized on a joint basis from now on. Prof. Norbert Walter, Chief Economist of the Deutsche Bank Group, inaugurated this new partnership with his lecture about the interconnections between the financial market crisis and the real economy. The Industrial Conference is an expert forum that deals with changing topics related to the state of the global economy, regional and industrial development, and implications for the German economy. The Association of Friends of DIW Berlin provides key support for this annual event.

Surmounting the Financial Market Crisis: Lessons from Finland and Sweden

At the initiative of the Finnish Embassy and with support from the Swedish Embassy, we presented a conference in December 2008 on strategies for addressing the financial market crisis. At the beginning of the 1990s, Finland and Sweden experienced a real estate crash that led to the severe Nordic Banking Crisis. Thanks to comprehensive policy measures for crisis management, a careful analysis of causes, and effective regulation, most banks in Finland and Sweden are in good shape today. This alone was reason enough to assemble high-ranking representatives from business and politics for a discussion on strategies to confront the current financial market crisis. Experts from both countries and DIW Berlin reviewed the lessons



Prof. Klaus F. Zimmermann and Prof. Michael Zürn, Dean of the Hertie School of Governance, sign a cooperative agreement.

Our institutions are centers of political expertise. Therefore, it is only logical that a substantive collaboration should emerge from our physical proximity. PROF. MICHAEL ZÜRN, DEAN OF THE HERTIE SCHOOL OF GOVERNANCE



Dr. Alexander Fisher, Managing Director of DIW Berlin and Dr. Rolf Ketzler, Personal Advisor of the President

of the Scandinavian crisis and discussed positive and negative experiences relevant to the management of the current crisis. The future regulation of financial markets was also a key topic of discussion.

DIW Berlin in the Field: Participation in International Congresses

Researchers at DIW Berlin made numerous presentations at important international congresses last year, including the 23rd Annual Congress of the European Economic Association (EEA), and the European Meeting of the Econometric Society (ESEM), held at Bocconi University in Milan. DIW Berlin also participated at the annual congress of the Verein für Socialpolitik (Social Policy Association) in Graz, a regular symposium for economists from Germany, Austria, and Switzerland. Our Institute presented around 20 research papers at the conference, which was entitled “Experimental Economics: New Ways, New Insights?”

Beyond Professional Boundaries: Art at DIW Berlin

Bringing art and economics into dialogue – this is the leitmotif of the exhibition of sculptures, paintings, drawings, and photographs that the DIW Berlin has exhibited in its buildings since 2008. The exhibition includes artwork belonging to our Institute as well as works on loan, including pieces from internationally recognized contemporary artists such as the Irish painter Anne Madden, as well as Albert Merz, Wolf Vostell, Dennis Oppenheim, and the German-Syrian artist Marwan, whose works were also shown at the Berlin Pergamon Museum in 2008. Artwork is also on display from Jacqueline Diffring, a student of Henry Moore, and Reiner Fetting, whose well-known work includes the statue of Willy Brandt housed at the SPD’s national headquarters. The exhibition reflects our wish to explore the dynamic relationship between economic and aesthetic interpretations of the outside world. We also want to demonstrate our identity as an interdisciplinary and cosmopolitan research institute, with an external image that mirrors our commitment to innovative, profound, and exceptional work.

Visible, Audible, Mobile: Redesigning Our Internal Infrastructure

Accurate information provides a clear perspective, a sense of direction, and makes inter-relationships visible – without obstructing the essential. We have applied these standards to the creation of a new navigational system that was installed throughout our building in the fall of 2008. Thanks to color-coded wall graphics, columns, directional markings, and signs, guests can now easily find their way through DIW Berlin’s new headquarters. Our conference and seminar rooms have been named after important economists. Our large conference hall, for example, is named after Joseph A. Schumpeter, and our board meeting room after Ferdinand Friedensburg, who rebuilt DIW Berlin after the war. Our two meeting rooms are named after Gustav Schmoller and Artur Cecil Pigou, and the lounge was christened in honor of Joan Robinson. The library’s namesake has a particularly strong connection with DIW Berlin: Arthur Hanau coined the concept of the “pork cycle” (Schweinezyklus), which has remained a synonym for business cyclical fluctuations. The original work appeared in 1928 in the quarterly journal “Vierteljahrshefte” of the Institute for Business-Cycle Analysis, the forerunner of DIW Berlin.

Live and on Camera: Internal Media Training

How do you communicate complicated research findings to interested laypersons? What type of phrasing is effective? What kind of language is appropriate for which audience? In 2008,



Researchers at DIW Berlin are always available to journalists. Pictured here: Prof. Klaus F. Zimmermann, Prof. Claudia Kemfert, Dr. Christian Dreger and Prof. Gert G. Wagner

in-house training on media relations was offered to the scientific staff of the Institute. A key focus of the training, which was organized by the Communications Department, was how to conduct interviews with radio and television journalists. Typical interview situations are analyzed and explored in detail and tested by means of practical exercises in order to promote greater self-confidence in front of the microphone and camera. Training participants also received assistance in the preparation of texts directed at particular audiences.

The interested lay public will only appreciate the message conveyed by a text if it is written in a comprehensible fashion. RENATE BOGDANOVIC

Library Surveys User Satisfaction

In cooperation with the Institute for Library and Information Sciences at the Humboldt University of Berlin, a user satisfaction survey was conducted regarding DIW Berlin's library services. The main finding: satisfaction with the library's collection and services is high. Above all, participants appreciated the short time required to obtain external media and new media, as well as the expertise and helpfulness of the librarians. Recommendations for improvement have already been implemented by the library staff, including an option for book-borrowing outside of normal library hours as well as an e-mail service to remind borrowers when books are due. In 2009, other possibilities for improvement identified in the survey will be implemented. For example, the reference collection will be expanded and new training courses will be offered.



Users have a high opinion of DIW's library services.

Press Events at DIW Berlin in 2008

- January 2, 2008** ***Economic Development Trends, 2008-2009 (Winter Trends)***
Press conference
- March 13, 2008** ***Five Years of "Agenda 2010": A Scorecard***
Press conference
- April 21, 2008** ***The Economics of Security:
Does Europe Have an Adequate Anti-Terrorism Policy?***
Press event preceding the conference of the European Network
for the Economic Analysis of Terrorism (NEAT)
- April 24, 2008** ***How Fit is the German Economy for Global Competition?***
Press breakfast for foreign correspondents
- June 10–11, 2008** ***DIW Media Seminar for Journalists***
- July 1, 2008** ***Economic Development Trends, Summer 2008***
Press conference
- September 2, 2008** ***Industrial Policy in Telecommunications: Germany in Comparison with Europe
A New Industrial Policy Indicator for the Telecommunications Sector***
Press conference
- September 16, 2008** ***Wages, Income Distribution, and Poverty in Germany:
Is the Economic Recovery Working?***
Press conference
- October 8, 2008** ***Fall Prognosis 2008:
Will a Severe Economic Downturn Follow the Collapse of Financial Markets?***
Press conference
- October 8, 2008** ***Is the Left-Wing Party the New Party of the Well-to-do?***
Press conference
- October 31, 2008** ***2008 Industrial Conference: Can German Industry Withstand the Financial Market Crisis?***
Press conference
- November 19, 2008** ***DIW Media Seminar for the Cologne School of Journalism***
- November 20, 2008** ***When Does Too Much Government Disrupt the Market Economy?***
Press conference for the German Foreign Press Association (VAP)

Following Matthias Reichel, Rolf Pompe was appointed the new Head of the Management Services Department in the middle of 2008. Over the past year, the department has initiated a major effort to make the administrative process more efficient and transparent. Part of this effort involves the integration of computer-based procedures.

Personnel

The Sharpest Minds for Research and Policy Consulting:

DIW Berlin's Recruiting Initiative

In 2009 DIW Berlin launched a major recruiting initiative with the goal of securing new talent for the Institute. We aim to hire up to 20 additional qualified researchers for our various departments. At the same time, DIW Berlin is intensifying its engagement in doctoral and professional education – the number of doctoral candidates, apprentices, and trainees will be increased from 17 to as many as 28.



Rolf Pompe is the new Head of the Management Services Department.

We want to attract the best and brightest. In doing so, we are helping to expand the number of positions available for highly qualified researchers in Berlin, while also creating jobs in the critical economic year of 2009.

PROF. DR. KLAUS F. ZIMMERMANN

DIW Berlin places particular emphasis on equal opportunities for women and men. Our Institute promulgated a company agreement on “the advancement of women at DIW Berlin” that went into effect before the Federal Equal Opportunities Act. On the basis of this agreement, an equal opportunities officer with wide-reaching authority and responsibility can be appointed.

A successful strategy for equal opportunity has numerous benefits: equality has a positive effect on the quality of research, because talent can be drawn from a larger segment of the population and a multiplicity of research perspectives can be fostered. In this respect, attention to gender and diversity issues is a substantive factor in producing high quality research.

Excerpt from “Forschungsorientierte Gleichstellungsstandards” (Research-Oriented Equal Opportunity Standards), published by the German Research Foundation (DFG) on July 2, 2008.

At the DIW 2008 End-of-Year Summit, we presented the opportunities offered at DIW Berlin for the pursuit of academic excellence. The conference will be held on an annual basis in the future, and will serve as a forum for the presentation of current and upcoming projects, as well as for the exchange of ideas among the researchers in attendance.

Thinking and Acting Together: Regular Employee Meetings

Regular meetings with employees help to support their further development, and also strengthen collaboration and positive relationships between managers and employees. In 2008 we performed an evaluation of our employee meetings. We concluded that this is a form of communication that should be expanded in the future, as it provides employees with an opportunity to coordinate their goals with their managers and the interests of the department and Institute.

Implementing the New Wage Agreement

On January 1, 2009, the Wage Agreement for the Public Sector (TVöD) officially replaced the German Federal Collective Agreement for Public Employees (BAT/BAT-O) at DIW Berlin. Employment contracts signed under the old wage agreement were converted to the TVöD on this date. This change was necessary as the Institute is a recipient of appropriations from the federal government and the state of Berlin.

Finances**Annual Financial Statement for 2007: Positive Development of Profitability**

For the 2007 fiscal year, DIW had an annual budget surplus of 8,938.04 euros. The Board of Trustees applauded this extremely positive development as well as the successful reduction of old debts from third parties. The annual financial statement of December 31, 2007, was audited and certified by the accounting firm KPMG Deutsche Treuhand-Gesellschaft AG. The management presented the annual financial statement to the Board of Trustees on November 13, 2008. At the subsequent General Membership Meeting, the annual financial statement was approved and the Executive Board was discharged.

Booking and Invoicing Business Travel: More Transparency, Greater Efficiency

Since June of 2008, DIW Berlin staff members have been able to make use of the online portal of Deutsche Bahn (the German national railway) for booking business travels, as well as the Hotel Reservation Service (HRS) for booking hotel rooms. This has allowed business travel to be planned more effectively and economically.

There has been progress as well in the invoicing of business travel. We have implemented new software that improves the transparency of employee reimbursement and helps to promote the efficiency of financial bookkeeping for the Institute. Together with the software provider, we have customized the program over the past year to be more optimally suited to the needs of DIW Berlin. We plan to implement these modifications in 2009.

Sale of the Former DIW Headquarters in Berlin-Dahlem

In 2008, the Institute sold its former headquarters in Dahlem, the Berlin neighborhood where the Institute had been based for four decades, to a nationwide real estate company. The sales contract was signed on December 17, 2008. The income from this sale will be used to improve the quality of research at the Institute.

Controlling

Laying the Foundation for a New System of Budget Management

In 2008 a foundation was also created for the implementation of new budget management tools. One of our goals is the creation of a so-called Data Warehouse for the design of an Online Analytical Processing Application (OLAP). This system will provide a central data repository to link the contents of various databases maintained by the Institute. The system will facilitate the rapid and flexible provisioning of statistics and key data as well as comprehensive reports. In this way, it will help business management decisions to become more efficient.

Identifying and Avoiding Risks

In order to mitigate and avoid diverse business risks, we compiled an inventory of risks for the very first time. Risks to DIW Berlin were identified and recorded and a risk management process was defined. These findings are being used to systematically develop a risk management system that will help us to avoid and mitigate potential risks.



Jeannette Dubrall keeps an eye on DIW Berlin's finances (left).
Sabine Schwarz, Andrea Apel, and Andrea Jonat attend to staff issues.
Photo: Rainer Weisflog

The IT Service Department is responsible for the institute's IT and communications infrastructure. Our team provides employees with computers and auxiliary equipment, and advises the research departments on the use of customized IT solutions. In 2008, we focused on the upgrading of our data center, the replacement of computer terminals and IT equipment, as well as the expansion of the institute's electronic communications. Alongside user-friendliness, an additional topic of concern is the reduction of energy consumption through the use of efficient IT technology.

Investment in the Data Center

In 2008, we deployed new systems in the data center in order to ensure the continued high availability of computing capacity and storage space. We upgraded our data backup and archiving systems, installed a new central data storage system (SAN), and implemented an integrated server system (BladeCenter) which allowed us to virtualize our existing systems. These improvements enhanced the flexibility and efficiency of our servers, providing better protection against system failure.

In 2008, we also participated in three research projects: "Innovation Indicator," "Work Incentives," and "Labor Market Flexibility." For these projects, we developed our own secure in-house concepts and configured the associated hardware and software. Our team also updated the institute's key statistical applications.



The Information Technology Service Department Team

Modernization and Expansion of the IT Portfolio

In terms of end devices, we replaced older monitors and a large number of PC systems and laptops with newer models in 2008. New hardware was purchased according to “green” criteria. In addition, a number of software components for about 300 local systems were upgraded.

Expansion of Electronic Communication

In 2008 we expanded the possibilities for mobile communication by outfitting staff members with Blackberry smartphones. Further, our team upgraded the institute’s Lotus Notes groupware environment, an IT system that facilitates computer-based group work – for example, by easing communication and information exchange – regardless of where individual users are located.

In order to improve our web presence and to prepare for the relaunch of DIW Berlin’s website, our content management system was expanded with new modules, and, for the first time, uniform resource names (URNs) were introduced. Previously, digital objects such as online publications were identified with a URL. Because all URLs are unique, electronic publications could be quickly and easily located. If a URL is changed, however, all links to the corresponding publication are no longer valid. URNs overcome this problem, because a permanent address is assigned to each digital object. As a result, external users of our website will be able to reliably access electronic publications years into the future – even if the URLs change.

The IT Department in Numbers

Our team: 11 employees, 2 trainees, 3 students

Our performance: 99.5% trouble-free operation of IT systems

E-mails per day: over 250,000, of which 220,000 are automatically rejected, 30,000 delivered, among them 27,000 spam e-mails

Visitors to the DIW website: 2.5 million hits per annum

Computer terminals at DIW Berlin: 300

Newly installed computer terminals and auxiliary equipment in 2008:

83 PCs, 20 laptops, 185 TFT monitors

New user accounts in 2008: over 160 (Windows, e-mail)

Also processed in 2008: 5,200 internal help requests (service calls), roughly equivalent to about 100 per week

Software upgrades in 2008: Stata 10, Adobe Acrobat 9, Adobe Creative Suite 3, Eviews 6, Mathematica 6, Endnote X1

Institutional Bodies of DIW Berlin



The Members' Meeting is the Institute's highest decision-making body. The association's members support the mission of DIW Berlin through their activities both inside and outside the Institute and pay a membership fee. Permanent members are the Federal Republic of Germany and the state of Berlin. They support the Institute under the Framework Agreement on Research Promotion of November 28, 1975, according to which the Institute receives subsidies in equal part from the federal government and the state of Berlin.

Honorary Member

Dr. Horst Köhler, Federal President of Germany

Federal Republic of Germany

Federal Ministry of Economics and Technology
 Federal Ministry of Finance
 Federal Ministry of Education and Research
 Federal Ministry of Labour and Social Affairs
 Federal Ministry of Transport, Building and Urban Affairs
 Federal Ministry of Food, Agriculture and Consumer Protection

Federal States

The State of Berlin

Senate Department of Finance
 Senate Department for Health, Environment and Consumer Protection
 Senate Department for Economics, Technology and Women's Issues
 Senate Department for Education, Science and Research
 Senate Department for Integration, Labour and Social Issues

The Free and Hanseatic City of Hamburg

Ministry of Economic Affairs and Employment

The Free State of Bavaria

The Bavarian State Ministry for Economics, Infrastructure, Transport and Technology

The State of Brandenburg

The Brandenburg State Ministry for Economics

The State of North Rhine-Westphalia

Ministry of Economic Affairs and Energy

Additional Members

Deutsche Bahn AG, Berlin
 Deutsche Bundesbank, Frankfurt
 Deutsche Post AG, Bonn
 Deutsche Telekom AG, Bonn
 DGB The Confederation of German Trade Unions, Federal Executive Board, Berlin
 IG Metall, Frankfurt
 IKB Deutsche Industriebank AG, Düsseldorf
 Landesbank Berlin AG, Berlin
 Social Democratic Party of Germany, Party Executive Committee, Berlin
 VfD Society of Friends of DIW Berlin e.V.
 Vereinigung Rohstoffe und Bergbau e.V., Berlin

The Board of Trustees is comprised of 14 prominent individuals from the fields of science, economics, industrial relations, and public administration. The Board of Trustees supervises and provides advice to the Executive Board. The Board of Trustees is responsible for the appointment and dismissal of Executive Board members as well as for the appointment of members to the Scientific Advisory Board.

Chairman (until Nov. 13, 2008):

Prof. Dr. Dr. h. c. Günter Stock
President of the Berlin-Brandenburg
Academy of Sciences

Almuth Nehring-Venus
Administrative Secretary of State
Senate Department for Economics, Technology
and Women's Issues, Berlin

Chairman (since Nov. 14, 2008):

Dr. Holger Hatje
Chairman of the Board of Berliner Volksbank eG

Dr. Walther Otremba
Administrative Secretary of State
Federal Ministry of Economics and Technology

Edelgard Bulmahn
Member of the German Bundestag and
Chairwoman of the Committee for Economics
and Technology

Dr. Albert Peters
Departmental Director
German Federal Ministry of Finance

Prof. Daniel S. Hamermesh, Ph.D.
University of Texas at Austin, USA

Prof. Lars-Hendrik Röller, Ph.D.
President of the European School of Manage-
ment and Technology, Berlin
Chairman of the Association for Social Policy

Dr. Hans-Gerhard Husung
State Secretary of the Senate Department for
Education, Science and Research, Berlin

Prof. Dr. Dr. h.c. Bert Rürup
Chairman of the Expert Advisory Board for the
Evaluation of Macroeconomic Trends
Darmstadt University of Technology

Dr. Carsten Kreklau
Member of the Executive Board
of the Federation of German Industries (BDI)

Dr. Thilo Sarrazin
Senator for Finance, Berlin

Prof. Dr. Dorothea Kübler
Technical University of Berlin

Andreas Storm, MdB
Parliamentary State Secretary
Federal Ministry for Education and Research

Claus Matecki
Member of the Federal Executive Board
Confederation of German Trade Unions (DGB)

The Scientific Advisory Board is currently comprised of eleven internationally recognized economists and sociologists. It provides advice to the Institute in research-related matters. The Board also evaluates the academic work of the Institute and reports in this regard to the Board of Trustees.

Chairman

Prof. Daniel S. Hamermesh, Ph.D.
University of Texas at Austin, USA

Prof. Nils Anders Klevmarken
Uppsala University, Sweden

Deputy Chairman

Prof. Dr. Dieter Nautz
Johann Wolfgang Goethe University, Frankfurt

Prof. Arik Levinson, Ph.D.
Georgetown University, USA

Members

Prof. David Bruce Audretsch, Ph.D.
Max Planck Institute of Economics, Jena
Indiana University Bloomington, USA

Prof. Shelly Lundberg, Ph.D.
University of Washington, USA

Prof. Dr. Armin Schmutzler
University of Zurich, Switzerland

Prof. Dr. Jörg Breitung
University of Bonn

Prof. Dr. Dr. h.c. mult. Friedrich Georg Schneider
Johannes Kepler University of Linz, Austria

Prof. Guillermina Jasso, Ph.D.
New York University, USA

Prof. Charles Wyplosz, Ph.D.
The Graduate Institute of International Studies
in Geneva, Switzerland

Society of Friends of DIW Berlin (VdF)



Commitment to DIW Berlin and the next generation of academics: Dr. Holger Hatje awards the Ernst Wagemann Prize to Natália Barbosa of the University of Minho.

DIW Berlin's work has been supported both financially and intellectually by the Society of Friends of DIW Berlin (VdF) since 1951. VdF is a non-profit organization aimed at building partnerships with national and international companies as well as the establishment of networks to connect economists with the world of business. The managing director of the association is Dr. Alexander Fisher.

The most important business associations as well as companies from all sectors of the industrial and service economies are members of the Society of Friends of DIW Berlin. In 2008 the association acquired Patrick Söhlke of Next Vision GmbH as well as Michael Schubert as new members, among others.

Investing in the Future:

Enhancing Research with Proceeds from the Sale of the Institute's Former Headquarters

In December of 2008 the President of DIW Berlin, Prof. Dr. Klaus F. Zimmermann, signed a contract for the sale of DIW's former headquarters in Dahlem, the Berlin neighborhood where the Institute was based for four decades. Thanks to the efforts by the Society of Friends of DIW Berlin, the proceeds from this sale were retained by the Institute. The managing director of the association, Alexander Fisher, praised the dedication of its chairman, Holger Hatje. "Thanks to his engagement we'll be able to make even greater investments in the quality of our research," said Fisher. "We've already achieved the first milestone in our campaign to improve research quality – namely, increasing the number of articles published by our economists in peer-reviewed journals. In the future we hope to publish a higher number of articles in leading journals." Within the scope of efforts to improve research quality, DIW Berlin has also been in contact with highly qualified young researchers in the hope of attracting them to the Institute.

Awards for Young Economists

In 2008 the Society of Friends also bestowed awards on young economists at the Institute for their outstanding work. The award ceremony on May 8 commenced with a speech by Wilhelm Koll, a departmental director at the Federal Ministry of Economics and Technology, on the role of economic research institutes in policy consulting. In his speech, Koll emphasized the significance of economic research institutes, as the research-based advice they provide often constitutes a necessary foundation for political decisions. He underscored the role of DIW Berlin as a think tank and political consultancy, a function well-fulfilled by the Institute in part thanks to its geographic proximity to political decision-makers.

After the General Membership Meeting, the chairman of the executive board of the association, Holger Hatje, announced 2008's award winners. The Ernst Wagemann Best Article Prize was awarded for the first time. The prize, worth 2,000 euros, was bestowed on Natália Barbosa for her article entitled "An Integrative Model of Firms' Entry Decisions." The article appeared in the issue No. 1/2007 of Applied Economics Quarterly. The prize is awarded in memory of the renowned economist and statistician Ernst Wagemann, who founded DIW Berlin in 1925 as an institute for business-cycle research.

A prize for the best Wochenbericht was awarded to Vanessa von Schlippenbach of the Information Society and Competition Department and to Hubertus Gay of the Joint Research Center of the European Commission. Together, they wrote Wochenbericht No. 24/2007, which dealt with regulations for improving the quality of foodstuffs with informational labeling regarding their origin.

In the category “Best Article in a Peer-Reviewed Journal in 2007” the Society of Friends recognized two research associates of the Department of Public Economics, Peter Haan and Michal Myck, for their paper “Apply with Caution: Introducing UK-style In-work Support in Germany.” The paper appeared in the first issue of volume 28/2007 of the journal Fiscal Studies.

Spectrum of Services for Friends of DIW Berlin

The exclusive and regular exchange of information between DIW Berlin and its “friends” as well as the communication that takes place between the association’s members is highly valued by all participants and offers a range of opportunities for networking.

Members of the Society of Friends receive the following benefits:

- » Annual subscription to the DIW Wochenbericht
- » Participation in the annual Industrial Conference, a forum for the discussion of the future of German industry and its individual branches
- » Participation in the Berlin Lunchtime Meetings
- » Access to DIW Berlin’s library and databases

Society of Friends of DIW Berlin – Executive Board

Chairman

Dr. Holger Hatje
Chairman of the Board of Berliner Volksbank eG

Deputy Chairman

Dr. Eric Schweitzer
Managing Director of Alba AG and President of IHK Berlin

Treasurer

Andreas Mertke
Executive Manager of Berliner Volksbank eG

Executive Board Members

Arne Brekenfeld
Executive Board Member of Meta Design AG

Prof. Dr. Michael Hüther
Director of the Institut der Deutschen Wirtschaft Köln

Hans Jürgen Kulartz
Executive Board Member of Landesbank Berlin AG

Ralf Welt, M. A.
Managing Partner of dimap communications Beratungsgesellschaft für Kommunikation und Politik mbH



Dr. Alexander Fisher, Managing Director of DIW Berlin and the Society of Friends

Society of Friends of DIW Berlin – Members

Adam Opel AG, Rüsselsheim
 Allianz Deutschland AG, Munich
 Asea Brown Boveri AG, ABB Group Services GmbH, Mannheim
 Bayerische HypoVereinsbank AG, Munich
 The Confederation of German Employers' Associations (BDA), Berlin
 The Association of German Banks, Berlin
 The Federation of German Industries (BDI), Berlin
 Berlin Partner GmbH, Berlin
 Berliner Volksbank, Berlin
 Berliner Handelsgesellschaft und Frankfurter Bank AG, Frankfurt
 Bundesverband Baustoffe – Steine und Erden e.V., Berlin
 Bundesverband Braunkohle DEBRIV, Cologne
 Bundesverband der Deutschen Gießerei-Industrie, Düsseldorf
 Bundesverband deutscher Wohnungsunternehmen e.V. GdW, Berlin
 CNH Baumaschinen AG, Berlin
 Commerzbank AG, Frankfurt
 Dachser Systems GmbH, Berlin
 Daimler AG, Stuttgart
 DekaBank Deutsche Girozentrale, Frankfurt
 Deutsche Bank AG, Berlin
 Deutsche Postbank AG, Bonn
 Deutscher Sparkassen- und Giroverband, Berlin
 Deutsches Reisebüro GmbH (DER), Frankfurt
 dimap communications GmbH, Berlin
 Dr. Cornelius Richter, Berlin
 Dresdner Bank AG, Frankfurt
 E.ON Ruhrgas AG, Essen
 Gesamtverband der deutschen Aluminiumindustrie e.V., Düsseldorf
 German Insurance Association (GDV), Berlin
 HA Hessen Agentur GmbH, Wiesbaden
 Hauptverband der Deutschen Bauindustrie e.V., Berlin
 Hauptverband des Deutschen Einzelhandels e.V. (HDE), Berlin
 Henkel KGaA, Düsseldorf
 Dieter Heumann, Oldenburg
 Berlin Chamber of Industry and Commerce
 IKB – Deutsche Industriebank AG, Düsseldorf
 Institut der deutschen Wirtschaft, Köln
 Investitionsbank Berlin
 Japan Bank for International Cooperation, Frankfurt
 KfW Bankengruppe, Frankfurt
 KSB Aktiengesellschaft, Frankenthal
 Landesbank Berlin
 Landesbank Hessen-Thüringen, Frankfurt
 Landesbank Rheinland-Pfalz Girozentrale, Mainz
 Landesvereinigung der Arbeitgeberverbände
 Nordrhein-Westfalen e.V., Düsseldorf
 L'Oréal Deutschland GmbH, Düsseldorf
 MetaDesign AG, Berlin
 Mitsui Global Strategic Studies Institute, Düsseldorf
 Next Vision GmbH, Hessisch Oldendorf
 P-D Management Consulting GmbH, Wilsdruff
 Robert Bosch GmbH, Stuttgart
 RWE AG, Essen
 Sal. Oppenheim jr. & Cie. KGaA, Cologne
 Schindler Shared Services GmbH, Berlin
 Michael Schubert, Berlin
 Siemens AG, Munich
 Hessen Statistical Office, Wiesbaden
 Thyssen Krupp AG, Düsseldorf
 Unilever Deutschland GmbH, Hamburg
 Vereinigung der Unternehmensverbände in Berlin
 und Brandenburg e.V. (UVB), Berlin
 Vattenfall Europe AG, Berlin
 German Chemical Industry Association (VCI), Frankfurt
 Verband der Deutschen Automatenindustrie e.V., Berlin
 Verband Deutscher Maschinen- und Anlagebau e.V. (VDMA), Berlin
 Verband Berlin-Brandenburgischer Wohnungsunternehmen e.V.
 (BBU), Berlin
 German Pulp and Paper Association, Bonn
 Verband Deutscher Reeder e.V. (VDR), Hamburg
 Verlag Der Tagesspiegel GmbH, Berlin
 Verlag Duncker & Humblot GmbH, Berlin
 Volkswagen AG, Wolfsburg
 WestLB AG, Düsseldorf
 The German Steel Federation, Düsseldorf
 Zoologischer Garten Berlin AG
 Zurich, Frankfurt

Cooperation partners of DIW Berlin



Research Professors and Research Affiliates of DIW Berlin

RESEARCH PROFESSORS

Prof. Anindya Banerjee

University of Birmingham, UK
Department Macro Analysis and Forecasting

Prof. Christopher F. Baum, Ph.D.

Boston College, USA
Department Innovation, Manufacturing, Service

Prof. Ali Bayar

Vrije Universiteit Brussel, Belgium
Department Energy, Transportation, Environment

Prof. Dr. Jürgen Blazejczak

Fachhochschule Merseburg, Germany
Department Energy, Transportation, Environment

Prof. Dr. Martin Biewen

Universität Mainz, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Peter Bofinger

Julius-Maximilians-Universität Würzburg, Germany
Department Macro Analysis and Forecasting

Prof. Dr. Rainald Borck

Universität Passau, Germany
Department Public Economics

Prof. Dr. Christoph Breuer

Deutsche Sporthochschule Köln, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Friedrich Breyer

Universität Konstanz, Germany
Department Public Economics

Prof. Richard V. Burkhauser, Ph.D.

Cornell University, USA
Department German Socio-Economic Panel Study

Prof. Guglielmo Maria Caporale

Brunel University London, UK
Department Macro Analysis and Forecasting

Prof. Edward J. Castronova

University of Indiana, USA
Department German Socio-Economic Panel Study

Prof. Dr. Amelie Constant

Georgetown University, Washington D.C., USA
DIW DC, USA
Institute for the Study of Labor (IZA), Bonn, Germany
Executive Board

Prof. Dr. Martin Diewald

Universität Bielefeld, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Thomas Dohmen

Maastricht University, Netherlands
Department German Socio-Economic Panel Study

Prof. Dr. Armin Falk

Universität Bonn, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Rainer Fremdling

University of Groningen, Netherlands
Department Innovation, Manufacturing, Service

Prof. Dr. Michal Fritsch

Friedrich-Schiller-Universität Jena, Germany
Department Innovation, Manufacturing, Service

Prof. Steven A. Gabriel, Ph.D.

University of Maryland, USA
Department Energy, Transportation, Environment

Prof. Dr. Jürgen Gerhards

Freie Universität Berlin, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Paul R. Gregory

University of Houston, USA
Department International Economics

Juniorprof. Dr. Michael Grimm, Ph.D.

Georg-August-Universität Göttingen, Germany
Department International Economics

Prof. Dr. Bernd Görzig

Department Innovation, Manufacturing, Service

Prof. Dr. Justus Haucap

Friedrich-Alexander Universität Erlangen-Nürnberg, Germany
Department Information Society and Competition

Prof. Paul Heidhues, Ph.D.

Rheinische Friedrich-Wilhelms-Universität Bonn, Germany
Department Information Society and Competition

Prof. Dr. John P. Haisken-DeNew

Ruhr-Universität Bochum, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Christian von Hirschhausen

Technische Universität Dresden, Germany
Department International Economics
Department Innovation, Manufacturing, Service

Prof. Jennifer Hunt, Ph.D.

McGill University Montreal, Canada
Department German Socio-Economic Panel Study

Prof. Dr. Roman Inderst

Johann Wolfgang Goethe-Universität Frankfurt/Main, Germany
Department Information Society and Competition

Prof. Dr. Stephen P. Jenkins

University of Essex, UK
Department German Socio-Economic Panel Study

Prof. Dr. Hendrik Jürges

Mannheim Research Institute for the Economics of Aging, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Ulrich Kamecke

Humboldt-Universität zu Berlin, Germany
Department Information Society and Competition

Prof. Dr. Claudia Keser

Georg-August-Universität Göttingen, Germany
Department Information Society and Competition

Juniorprof. Dr. Michaela Kreyenfeld

Max-Planck-Institut für demografische Forschung, Rostock, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Frieder R. Lang

Universität Erlangen-Nürnberg, Germany
Department German Socio-Economic Panel Study

Prof. Hartmut Lehmann, Ph.D.

University of Bologna, Italy
Department International Economics

Prof. Dr. Stefan Liebig

Universität Duisburg-Essen, Germany
Department German Socio-Economic Panel Study

Prof. Richard Lucas, Ph.D.

Michigan State University, USA
Department German Socio-Economic Panel Study

Prof. Dr. Reinhard Madlener

RWTH Aachen, Germany
Department Information Society and Competition

Prof. Dr. Ralf Maiterth

Universität Hannover, Germany
Department Public Economics

Prof. Dr. Wenzel Matiaske

Helmut-Schmidt-Universität Hamburg, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Klaus-Robert Müller

Universität Potsdam, Germany
Fraunhofer Institut für Rechnerarchitektur und Softwaretechnik
Department German Socio-Economic Panel Study

Prof. Dennis C. Mueller, Ph.D.

Universität Wien, Austria
Department Information Society and Competition

Prof. Dr. Chris A. Nash

University of Leeds, UK
Department Energy, Transportation, Environment

Prof. Dr. Doris Neuberger

Universität Rostock, Germany
Department Innovation, Manufacturing, Service

Prof. Dr. Hans-Georg Petersen

Universität Potsdam, Germany
Department Public Economics

Prof. Dr. Michael Pflüger

Universität Passau, Germany
Department International Economics

Prof. Dr. Bernard van Praag

University of Amsterdam, Netherlands
Department German Socio-Economic Panel Study

Prof. Dr. Ulrich Rendtel

Freie Universität Berlin, Germany
Department Energy, Transportation, Environment

Prof. Regina T. Riphahn, Ph.D.

Friedrich-Alexander-Universität Erlangen-Nürnberg, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Eva Terberger

Ruprecht-Albrecht-Universität Heidelberg, Germany
Department International Economics

Prof. Sudipta Sarangi, Ph.D.

Louisiana State University, USA
Department Information Society and Competition

Prof. Dr. Christian Schade

Humboldt-Universität zu Berlin, Germany
Department Information Society and Competition

Prof. Dr. Dr. h.c. mult. Friedrich Schneider

Johannes Kepler Universität Linz, Austria
Department Energy, Transportation, Environment

Prof. John Karl Scholz, Ph.D.

Universität Wisconsin-Madison, USA
Department Public Economics

Philipp J. H. Schröder, Ph.D.

University of Aarhus
The Aarhus School of Business, Denmark
Department International Economics

Prof. Dr. Mechthild Schrooten

Hochschule Bremen, Germany
Department International Economics

Prof. Dr. Dieter Schumacher

Europa-Universität Viadrina, Frankfurt/Oder, Germany
Department International Economics

Prof. Dr. Johannes Schwarze

Universität Bamberg, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Arthur van Soest

Tilburg University, Netherlands
Department Public Economics

Prof. Dr. Hannes Spengler

Fachhochschule Mainz, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Martin Spieß

Universität Hamburg, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Reiner Stäglin

Freie Universität Berlin, Germany
Department Innovation, Manufacturing, Service

Prof. Dr. Alfred Steinherr

Free University of Bozen, Italy
Department Macro Analysis and Forecasting

Prof. Dr. Karl W. Steininger

Universität Graz, Austria
Department Energy, Transportation, Environment

Prof. Dr. Uwe Sunde

Universität St. Gallen, Switzerland
Department German Socio-Economic Panel Study

Prof. Dr. Holly Sutherland

University of Essex, UK
Department German Socio-Economic Panel Study

Prof. Dr. Heike Trappe

Universität Rostock, Germany
Department German Socio-Economic Panel Study

Prof. em. Dr. Gisela Trommsdorff

Universität Konstanz, Germany
Department German Socio-Economic Panel Study

Prof. Dr. Truong P. Truong

University of New South Wales, Sydney, Australia
Department Energy, Transportation, Environment

Prof. Dr. Axel Werwatz

Technische Universität Berlin, Germany
Department Innovation, Manufacturing, Service

Prof. Dr. Mark Wooden

University of Melbourne, Australia
Department German Socio-Economic Panel Study

Prof. Alan S. Zuckerman, Ph.D.

Brown University, USA
Department German Socio-Economic Panel Study

RESEARCH AFFILIATES**PD Dr. Marcel Erlinghagen**

Ruhr-Universität Bochum, Germany
Department German Socio-Economic Panel Study

Ass. Prof. Dr. Denis Gerstorf

Pennsylvania State University, USA
Department German Socio-Economic Panel Study

PD Dr. Karsten Hank

Mannheim Research Institute for the Economics of Aging, Germany
Department German Socio-Economic Panel Study

Dr. Dierk Herzer

Johann Wolfgang Goethe Universität Frankfurt/Main, Germany
Department International Economics

Dr. Patricia Justino

Universität Sussex, UK
Department International Economics

PD Dr. Johannes Jütting

OECD Development Centre, Paris, France
Department International Economics

Dr. Lutz C. Kaiser

Institute for the Study of Labor (IZA), Bonn, Germany
Department German Socio-Economic Panel Study

PD Dr. Phillipp Köllinger

Erasmus University Rotterdam, Netherlands
Department Information Society and Competition

Dean R. Lillard, Ph.D.

Cornell University, USA
Department German Socio-Economic Panel Study

Helena Marques, Ph.D.

Loughborough University, UK
Department International Economics

Dr. Rouslan Arthur Moro

Humboldt-Universität zu Berlin, Germany
Department Innovation, Manufacturing, Service

Dr. Alexander Muravyev

Institute for the Study of Labor (IZA), Bonn, Germany
Department International Economics

Ass. Prof. Nilam Ram, Ph.D.

Pennsylvania State University, USA
Department German Socio-Economic Panel Study

Karsten Neuhoff, Ph.D.

University of Cambridge, UK
Department International Economics

Dr. Ferdinand Pavel

DIW econ GmbH, Germany
Department Information Society and Competition

PD Dr. Hilmar Schneider

Institute for the Study of Labor (IZA), Bonn, Germany
Executive Board

Eva Sierminska, Ph.D

CEPS/INSTEAD, Differdange, Luxemburg
Department German Socio-Economic Panel Study

Dr. Arne Uhlendorff

Institute for the Study of Labor (IZA), Bonn, Germany
Executive Board

Philip Verwimp, Ph.D.

University of Sussex, Brighton, UK
Department International Economics

PD Dr. Bernd Weber

Universität Bonn, Germany
Department German Socio-Economic Panel Study

Asgar Zaidi, Ph.D.

European Centre for Social Welfare Policy and Research, Vienna, Austria
Department German Socio-Economic Panel Study

Cooperation with National and International Universities and Research Institutes

AUSTRALIA

Kensington

University of New South Wales

Melbourne

University of Melbourne

Department of Economics

AUSTRIA

Graz

Universität Graz

Institut für Volkswirtschaftslehre

Laxenburg

IIASA – International Institute for Applied Systems Analysis

Vienna

Institute for Advanced Studies

SUERF – The European Money and Finance Forum

Universität Wien

Institut für Wirtschaftswissenschaften

Wirtschaftsuniversität Wien

Institut für Volkswirtschaftstheorie und -politik

WIFO Österreichisches Institut für Wirtschaftsforschung

BELARUS

Minsk

Independent Institute of Socio-Economic and Political Studies IISEPS

BELGIUM

Antwerp

Universiteit Antwerp

Institute of Transport and Maritime Management

Brussels

Centre for European Policy Studies (CEPS)

European Forecasting Research Association for the Macro-Economy (EUROFRAME)

Federal Planning Bureau

Université Libre de Bruxelles ECARES

Gent

University of Gent

Leuven

Katholieke Universiteit Leuven CES

Center for Economic Studies

Department of Economics

Rixensart

adpC

BULGARIA

Sofia

Bulgarian Academy of Sciences

Institute of Economics

IME Institute for Market Economics

CANADA

Montreal

McGill University

Department of Economics

Ottawa

Statistics Canada

Family and Labour Studies (FLS)

CZECH REPUBLIC

Prague

Center for Economic Research and Graduate Education ERGEI

DENMARK

Copenhagen

Danish Research Agency

Department of Transport Economics and Modelling

Roskilde

Riso National Laboratory Systems Analysis Department

ESTONIA

Tallinn

Center for Policy Studies (PRAXIS)

Tallinn University

FINLAND

Helsinki

Strafica Oy

ETLA – The Research Institute of the Finnish Economy

University of Helsinki

Department of Economics

Government Institute for Economic Research

FRANCE

Arcueil

INRETS Institut National de Recherche sur les Transports et leur Sécurité

Lyons

LET-ISH Laboratoire d'Economie des Transports

Paris

Centre d'Enseignement et de Recherche en Analyse Socio-Economique

Ecole Nationale des Ponts et Chaussées CERAS

Centre d'Etudes Prospectives et d'Informations Internationales CEPII

DELTA Ecole normale supérieure

Ecole Nationale Supérieure des Télécommunications

INSEE Institut National de la Statistique et des Etudes Economiques

Observatoire Français des Conjonctures Economiques

Saint-Etienne

Université Jean Monnet Saint Etienne

GERMANY**Aachen**

RWTH Aachen E.ON
Energy Research Center (E.ON ERC)

Bamberg

Otto-Friedrich-Universität Bamberg
Fakultät für Sozial- und Wirtschaftswissenschaften
Fakultät für Psychologie

Berlin

Bundesministerium der Finanzen
Deutsche Rentenversicherung Bund
Deutsches Institut für Urbanistik (Difu)
DIW econ GmbH
DLR-Institut für Verkehrsforschung (IVF)
European School of Management and Technology
FHW Fachhochschule für Wirtschaft Berlin
Forschungs- und Anwendungsverbund Verkehrssystemtechnik (FAV) Berlin
Fraunhofer Institut für Rechnerarchitektur und Softwaretechnik (FIRST)
Intelligente Datenanalyse (IDA)
Freie Universität Berlin
Fachbereich Erziehungswissenschaften und Psychologie
Fachbereich Politik- und Sozialwissenschaften
Journalisten-Kolleg
Forschungsstelle für Umweltpolitik
Institut für Soziologie
Hertie School of Governance
Humboldt-Universität zu Berlin
Institut für Sozialwissenschaften
Landwirtschaftlich-Gärtnerische Fakultät
Wirtschaftswissenschaftliche Fakultät
Max-Planck-Institut für Bildungsforschung
Microsoft Deutschland GmbH
Öko-Institut e.V. Büro Berlin
Technische Universität Berlin
Fakultät VII, Wirtschaft und Management
Zentrum Technik und Gesellschaft (ZTG)
Wissenschaftszentrum Berlin für Sozialforschung

Bielefeld

Fachhochschule Bielefeld
Fachbereich Wirtschaft
Universität Bielefeld

Bochum

Ruhr-Universität Bochum
Fakultät für Sozialwissenschaften
Sozialwissenschaftliches Institut der EKD

Bonn

Bundesinstitut für Berufsbildung
Forschungsinstitut zur Zukunft der Arbeit IZA
Institut für angewandte Sozialwissenschaft GmbH
Rheinische Friedrich-Wilhelms-Universität
Fachbereich Wirtschaftswissenschaften
Zentrum für Europäische Integrationsforschung
Fachbereich Wirtschaftswissenschaft

Bremen

Bremen International Graduate School of Social Sciences (BIGSSS)
Universität Bremen
Fachbereich 8 Sozialwissenschaften

Cologne

Forschungsgesellschaft für Straßen- und Verkehrswesen FGSV e.V.
Universität Köln
Energiewirtschaftliches Institut

Darmstadt

Technische Universität Darmstadt
Institut für Volkswirtschaftslehre

Dresden

Leibniz-Institut für ökologische Raumentwicklung e.V. Dresden (IÖR)
Technische Universität Dresden
Fakultät für Wirtschaftswissenschaften
Institut für Verkehrsplanung und Straßenverkehr

Erkner

IRS Institut für Regionalentwicklung und Strukturplanung

Erlangen

Friedrich-Alexander-Universität Erlangen-Nürnberg
Wirtschafts- und Sozialwissenschaftliche Fakultät
Institut für Gerontologie

Essen

Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI)

Flensburg

Universität Flensburg
Internationales Institut für Management, Personalwirtschaft und Organisation

Frankfurt/Main

ADB Asian Development Bank
Johann Wolfgang Goethe-Universität
Fachbereich Wirtschaftswissenschaften
KfW Kreditanstalt für Wiederaufbau

Frankfurt/Oder

Europa-Universität Viadrina
Fakultät für Wirtschaftswissenschaft

Göttingen

Georg-August-Universität Göttingen
Wirtschaftswissenschaftliche Fakultät

Halle/Saale

Martin-Luther Universität Halle-Wittenberg
Institut für Psychologie
IWH Institut für Wirtschaftsforschung Halle

Hamburg

Universität Hamburg
Fachbereich Wirtschaftswissenschaften Volkswirtschaftslehre

Hanover

Universität Hannover

Heidelberg

ifeu Institut für Energie- und Umweltforschung Heidelberg
Ruprecht-Karls-Universität Heidelberg
Alfred-Weber-Institut für Sozial- und Staatswissenschaften
Psychologisches Institut

Ilmenau

Technische Universität Ilmenau

Jena

Max-Planck-Institut zur Erforschung von Wirtschaftssystemen

Jülich

Forschungszentrum Jülich GmbH
Programmgruppe Systemforschung und Technologische Entwicklung (STE)

Hohenheim

Universität Hohenheim
Wirtschaftswissenschaften

Karlsruhe

Engler-Bunte-Institut

Bereich Gas, Erdöl und Kohle

Fraunhofer-Institut für System- und Innovationsforschung (ISI)

Universität Karlsruhe

Institut für Verkehrswesen

Universität Karlsruhe (TH)

*Institut für Wirtschaftspolitik und Wirtschaftsforschung (IWW)**Fakultät für Informatik***Kassel**

ISET Institut für Solare Energieversorgungstechnik

Verein an der Universität Kassel e.V.

Kiel

IfW Institut für Weltwirtschaft an der Universität Kiel

Koblenz

FH Koblenz RheinAhrCampus Remagen

*Fachbereich Betriebs- und Sozialwissenschaften***Konstanz**

Universität Konstanz

*Fachbereich Wirtschaftswissenschaften**Fachbereich Psychologie***Magdeburg**

Otto-von-Guericke-Universität Magdeburg

*Institut für Soziologie, Methoden der empirischen Sozialforschung**Institut für Sportwissenschaft***Mannheim**

Universität Mannheim

Fakultät für Rechtswissenschaft und Volkswirtschaftslehre

Mannheim Research Institute for the Economics of Aging (MEA)

Munich

ifo Institut für Wirtschaftsforschung

Ludwig-Maximilians-Universität München

Institut für Statistik

Forschungsstelle für Energiewirtschaft

Nuremberg

IAB Institut für Arbeitsmarkt- und Berufsforschung der Bundesagentur für Arbeit

Oldenburg

Carl von Ossietzky Universität Oldenburg

*Institut für VWL und Statistik***Osnabrück**

Gesellschaft für Wirtschaftliche Strukturforchung mbH (GWS)

Potsdam

Deutsches GeoForschungsZentrum GFZ

Helmholtz-Zentrum Potsdam

Potsdam Institute for Climate Impact Research (PIK)

European Climate Forum

Universität Potsdam

Rostock

Max-Planck-Institut für demografische Forschung

Universität Rostock

*Institut für Agrarwissenschaften***Saarbrücken**

Institut für ZukunftsEnergieSysteme (IZES)

Universität Saarbrücken

Stuttgart

Universität Stuttgart

*Institut für Energiewirtschaft und Rationelle Energieanwendung***Tübingen**

Universität Tübingen

Wuppertal

Europäisches Institut für Internationale Wirtschaftsbeziehungen

HUNGARY**Budapest**

Budapest University of Technology and Economics

Department of Transport Economics

ICEG International Center for Economic Growth

Tárki Social Research Inc.

Pécs

University of Pécs

ISRAEL**Beersheba**

Ben-Gurion University

*Department of Economics***Jerusalem**

Hebrew University

*Department of Economics***ITALY****Bologna**

Prometeia

Cagliari

Centre for North South Economic Research CRENOS

Milan

Fondazione Eni Enrico Mattei

Università Cattolica del Sacro Cuore

Università degli Studi di Milano Bicocca

*Dipartimento dei Sistemi Giuridici e Economici***Rome**

Institute of Studies for the Integration of Systems ISIS

Istituto Di Studi E Analisi Economica ISAE

IRELAND**Dublin**

ESRI Economic and Social Research Institute

LITHUANIA**Vilnius**

New Economy Institute (NEI)

LUXEMBOURG**Differdange**

CEPS/INSTEAD Centre for Population, Poverty and Public Policy Studies

Luxembourg

EIB Europäische Investitionsbank

Eurostat Office statistique des Communautés européennes

Luxembourg Income Study (LIS)

THE NETHERLANDS**Amsterdam**

Universiteit van Amsterdam
 Vrije Universiteit Amsterdam
Faculty of Earth and Life Sciences Institute for Environmental Studies IVM
Department of Econometrics and Operations Research
Department of Spatial Economics

Delft

TNO Inro Institute for Traffic and Transport, Logistics and Spatial Development

The Hague

CPB Netherlands Bureau for Economic Policy Advises
 Institute of Social Studies
 Netherlands Bureau for Economic Policy Analysis

Maastricht

Universiteit Maastricht
Faculty of Economics and Business Administration
Research Centre for Education and the Labour Market (ROA)

Petten

Energy Research Centre of the Netherlands (ECN)

Rijswijk

NEA Transport Research and Training

Rotterdam

Erasmus University Rotterdam
School of Economics and Business Economics
Department of Applied Economics
 Netherlands Economic Institute NEI

Tilburg

Tilburg University
Faculty of Social and Behavioural Sciences
 TISSER Tilburg Institute for Social and Socio-Economic Research

NORWAY**Oslo**

TOI – Institute of Transport Economics
 Norwegian Centre for Transport Research

Bergen

Nansen Environmental and Remote Sensing Center (NERSC)

POLAND**Gdansk**

University of Gdansk

Lódz

Independent Centre for Economic Studies (NOBE)

Warsaw

Center for Social and Economic Research (CASE)
 Warsaw University of Technology Faculty of Transport

PORTUGAL**Lisbon**

TIS Consultadores em Transportes, Inovacao e Sistemas, S.A.

ROMANIA**Bucharest**

The Romanian Centre for Economic Policies (RCEP/CEROPE)

RUSSIA**Moscow**

New Economic School NES
 Higher School of Economics HSE

Novosibirsk

Institute of Economics and Industrial Engineering

SLOVAKIA**Bratislava**

The Institute for Slovak and World Economy (ISWE)

SLOVENIA**Ljubljana**

Institute for Economic Research (IER)

SOUTH KOREA**Seoul**

Institute for Industrial Economics and Trade

SPAIN**Barcelona**

AQR Universitat de Barcelona
 Universitat de Barcelona
Facultat de Ciències Econòmiques i Empresariales
 Universita Pompeu Fabra

Las Palmas de Gran Canaria

Universidad de Las Palmas de Gran Canaria
Departamento de Análisis Económico Aplicado

Madrid

Fundacion de Estudios de Economia Aplicada (FEDEA)
 Universidad Complutense de Madrid
Facultad de Ciencias Económicas y Empresariales

Sevilla

DG Joint Research Centre Institute for Prospective Technological Studies (IPTS)

SWEDEN**Borlänge**

VTI Väg- och transportforsknings institutet

Stockholm

Stockholm School of Economics
 National Institute of Economic Research NIER
 Swedish National Road and Transport Research Institute
 Industriens Utredningsinstitut

Uppsala

Universit t Uppsala

SWITZERLAND**Bern**

ECOPLAN

*Wirtschafts- und Umweltstudien***Geneva**

United Nations Economic Commission for Europe Transport Division

Universität Genf

*Department of Economic Sciences and Public Finance***Lausanne**

Swiss Household Panel

Neuchâtel

Schweizer Haushalt Panel SHP

St. Gallen

Universität St. Gallen

Institute of Economics

Forschungsinstitut für Empirische Ökonomie und Wirtschaftspolitik

FEW-HSG

Zurich

INFRAS

Universität Zürich

*Institut für Empirische Wirtschaftsforschung, Mikroökonomik**und Experimentelle Wirtschaftsforschung**Institut für Politikwissenschaft**Soziologisches Institut***UKRAINE****Kiew**

Institute for Economic

Research and Policy Consulting IER

UNITED KINGDOM**Brighton**

University of Sussex

*Economics Department**School of Social Sciences***Cambridge**

University of Cambridge

*The Old Schools***Colchester**

University of Essex

*Institute for Social and Economic Research (ISER)***Glasgow**

University of Strathclyde

*Strathclyde Business School***Leeds**

University of Leeds

ITS – Institute for Transport Studies University of Leeds

Lichfield, Staffordshire

Transport & Travel Research Ltd.

London

Centre for Economic Policy Research CEPR

Department for Work and Pensions

Imperial College

Institute for Fiscal Studies

National Institute of Economic & Social Research (NIESR)

NERA Economic Consulting

Manchester

Tyndall Centre for Climate Change

The University of Manchester

USA**Ann Arbor, Michigan**

University of Michigan

*Economics Department**Institute for Social Research***Baton Rouge, Louisiana**

Louisiana State University

Bloomington, Indiana

Indiana University Bloomington

*Department of Telecommunication***Boston, Massachusetts**

Boston College

*Department of Economics***Cambridge, Massachusetts**

Massachusetts Institute of Technology MIT

*World Economy Laboratory***College Park, Maryland**

University of Maryland at College Park

*Department of Economics***Detroit, Michigan**

Wayne State University

*School of Social Work***Durham, North Carolina**

Duke University

*Department of Sociology***East Lansing, Michigan**

Michigan State University

*Department of Psychology**Department of Telecommunication, Information Studies and Media***Houston, Texas**

University of Houston

*Department of Economics***Ithaca, New York**

Cornell University

*Department of Policy Analysis and Management***Knoxville, Tennessee**

University of Tennessee

*Department of Geography***Largo, Florida**

Schiller International University

New Brunswick, New Jersey

Rutgers University

*Edward J. Bloustein School of Planning and Public Policy***Providence, Rhode Island**

Brown University

*Department of Political Science***Richland, Washington**

Pacific Northwest National Laboratory PNNL

Seattle, Washington

University of Washington

*Department of Economics***Palo Alto, California**

Stanford University

*Management Science and Engineering**Energy Modeling Forum***Syracuse, New York**

Syracuse University

*Center for Policy Research**Maxwell School***Washington D.C.**

DIW DC

Executive Board Research Departments

| Executive Board Fax: +49 30 8 97 89 – 100 | Macro Analysis and Forecasting Fax: +49 30 8 97 89 – 102 | International Economics Fax: +49 30 8 97 89 – 108 | Public Economics Fax: +49 30 8 97 89 – 114 | Information Society and Competition Fax: +49 30 8 97 89 – 103 | Innovation, Manufacturing, Service Fax: +49 30 8 97 89 – 104 | Energy, Transportation, Environment Fax: +49 30 8 97 89 – 113 | German Socio-Economic Panel Study (SOEP) Fax: +49 30 8 97 89 – 109 |
|--|---|---|--|---|---|--|--|
| President Prof. Dr. Klaus F. Zimmermann | Head PD Dr. Christian Dreger – 231 | Head Prof. Dr. Tilman Brück – 591 | Head Prof. Dr. Viktor Steiner – 268 | Head Prof. Dr. Christian Wey – 525 | Head Prof. Dr. Alexander Kritikos – 157 | Head Prof. Dr. Claudia Kemfert – 663 | Head Prof. Dr. Gert G. Wagner – 290 |
| Vice-President Prof. Dr. Ansgar Belke (nominated) – 211 Prof. Dr. Reinhard Hujer (Consulting) – 214 | Deputy Head N.N. | Deputy Head N.N. | Deputy Head Dr. Stefan Bach – 302 | Deputy Head Prof. Dr. Pio Baake – 306 | Deputy Head Prof. Dr. Martin Gornig – 352 | Deputy Head Dr. Jochen Diekmann – 693 | Deputy Head PD Dr. Joachim R. Frick – 279 |
| Managing Director Dr. Alexander Fisher – 214 | Team Assistance Ingrid Jähnisch – 230 | Team Assistance Myroslava Purska – 441 | Team Assistance Nicole Scheremet – 264 | Team Assistance Sibylle Kremser – 673 | Team Assistance Sandra Westphal – 321 | Team Assistance Anja Garbe – 429 | Team Assistance Prof. Dr. Jürgen Schupp – 238 |
| President's Office Angelika Dierkes – 211 | Economic Forecasting and Business Cycle Analysis Patricia Alvarez-Plata – 370 | Development and Poverty Christine Binzel – 408 | Fiscal Policy Dr. Stefan Bach – 302 | Markets and Competition Prof. Dr. Pio Baake – 306 | Innovation and Technology Dr. Heike Belitz – 664 | Sustainability Policies and Measures Dr. Jochen Diekmann – 693 | Team Assistance Christine Kurka – 283 |
| Team Assistance Anja Garbe – 405 Meike Wolter – 405 | Impact Analysis of Economic Policies Dr. Stefan Kooths – 248 | European Integration Carlos Bozzoli – 307 | Social Policy Hermann Buslei – 163 | Information Society and E-Commerce Dr. Nicola Jentsch – 234 | Corporate Financing Alexander Eickelpasch – 680 | Empirical Market Analyses Dr. Manfred Horn – 677 | Survey Operation and Survey Statistics PD Dr. Elke Holst – 281 |
| Advisor to the Executive Board Dr. Rolf Ketzler – 208 | Money Demand and Financial Integration Florian Zinsmeister – 590 | International Trade Kati Schindler – 442 | Labor Market and Education Policy Dr. Frank Fossen – 271 | Network Economics and Regulation Dr. Irina Suleymanova – 661 | Firm Level and Micro Econometrics Jens Schmidt-Ehmcke – 296 | Information Management and Statistical Modeling Dr. Uwe Kunert – 503 | International Panel Data Prof. Dr. C. Katharina Spieß – 254 |
| Economic Advisor Karl Brenke – 685 | Research Assistance Konstantin A. Kholodilin, Ph.D. – 361 | Project Development Dr. Hella Engerer – 335 | Communications Fax: +49 30 8 97 89 – 119 | Enterprise Location and Agglomeration Kornelia Hagen – 668 | Research Assistance PD Dr. Dorothea Schäfer – 162 | Applied Panel Analyses Prof. Dr. Gert G. Wagner – 290 | Service Frauke Braun – 221 |
| Ph.D. Students Ludwig Ensthaler – 232 Olga Nottmeyer – 354 | Integration Dr. Kerstin Bernoth – 333 | Research Assistance Cathérine Müller – 615 | Head Carel Mohn – 549 | Information Society and E-Commerce Dr. Georg Erber – 697 | Research Assistance Dr. Astrid Cullmann – 679 | General Economic Impact Analyses Georg C. Goy – 694 | Applied Panel Analyses Eva M. Berger – 228 |
| Members' Meeting | International Trade Burcu Erdogan – 285 | Project Development Joppe de Ree – 407 | Team Assistance Claudia Sommer – 573 | Network Economics and Regulation Sven Heitzler – 528 | Research Assistance Dr. Anne Neumann – 304 | Research Assistance Dominika Kalinowska – 687 | Applied Panel Analyses Anne Busch – 461 |
| Board of Trustees | International Economic Policy Vladimir Kuzin – 466 | Project Development Isabel Teichmann – 328 | Press Office Renate Bogdanovic – 249 | Information Society and E-Commerce Kurt Geppert – 686 | Research Assistance Alexander Schiersch – 262 | Research Assistance Michael Kohlhaas – 298 | Applied Panel Analyses Constanze Büning – 461 |
| Chairman Dr. Holger Hatje | International Economic Policy Dr. Tatjana Ribakoff – 342 | Project Development PD Dr. Ulrich Thießen – 346 | Public Relations Sabine Kallwitz – 244 | Enterprise Location and Agglomeration Prof. Dr. Martin Gornig – 352 | Research Assistance Prof. Dr. Andreas Stephan – 325 | Research Assistance Dr. Johannes Kremers – 563 | Applied Panel Analyses Prof. Conchita D'Ambrosio Ph.D. – 283 |
| Scientific Advisory Board | Research Assistance Dr. Sebastian Weber – 520 | Project Development John Holmes – 277 | PR-Trainee Sabrina Ortmann – 150 | Firm Level and Micro Econometrics Anna Lejpras – 348 | Research Assistance Thomas Asperger – 401 | Research Assistance Wolf-Peter Schill – 675 | Applied Panel Analyses Florian Hertel – 671 |
| Chairman Prof. Daniel S. Hamermesh, Ph.D. | Research Assistance Silvia Girod – 435 | Project Development Wolfgang Härle – 403 | Conferences/Event Management Ralf Messer (Divisional Head) – 569 | Enterprise Location and Agglomeration Dr. Anne Neumann – 304 | Research Assistance Hella Steinke – 323 | Research Assistance Klaus Hilge – 309 | Applied Panel Analyses Denis Huschka – 463 |
| Deputy Chairman Prof. Dr. Dieter Nautz | Research Assistance Helmut Goepel – 404 | Project Development Wolfgang Härle – 403 | Conferences/Event Management Uwe Mischke – 357 | Firm Level and Micro Econometrics Dr. Astrid Cullmann – 679 | Research Assistance Hella Steinke – 323 | Research Assistance Karl-Heinz Pieper – 240 | Applied Panel Analyses Yvonne Lott – 461 |
| Society of Friends | Research Assistance Helmut Goepel – 404 | Project Development Wolfgang Härle – 403 | Conferences/Event Management Ingeborg Möller-Hirsch – 682 | Firm Level and Micro Econometrics Dr. Astrid Cullmann – 679 | Research Assistance Hella Steinke – 323 | Research Assistance Sabine Radke – 318 | Applied Panel Analyses Niels Michalski – 461 |
| Chairman Tobias Weber | Research Assistance Helmut Goepel – 404 | Project Development Wolfgang Härle – 403 | Conferences/Event Management Reza Rassouli – 269 | Firm Level and Micro Econometrics Dr. Astrid Cullmann – 679 | Research Assistance Hella Steinke – 323 | Research Assistance Manfred Rehbock – 206 | Applied Panel Analyses Frauke Peter – 468 |
| Deputy Chairman Dr. Eric Schweitzer | Research Assistance Helmut Goepel – 404 | Project Development Wolfgang Härle – 403 | Conferences/Event Management Reza Rassouli – 269 | Firm Level and Micro Econometrics Dr. Astrid Cullmann – 679 | Research Assistance Hella Steinke – 323 | Research Assistance Manfred Rehbock – 206 | Applied Panel Analyses Thomas Siedler Ph.D. – 464 |

Service Departments

| Management Services | Information Technology |
|--|---|
| Head N.N. – 225 | Head N.N. – 225 |
| Team Assistance Ann-Kristin Nikagbatse – 289 | Team Assistance Ellen Müller-Gödtel – 455 |
| Infrastructure Management René Eglin (Divisional Head) – 286 | Technical Editing Alfred Gutzler – 255 |
| Library Christof Georgi – 434 | Library Manfred Schmidt – 351 |
| Controlling Sabine Schwarz – 669 | Library Ute Figgel-Dietrich (Divisional Head) – 366 |
| Service Management Bernd Pauer – 367 | Library Katja Buro – 449 |
| Finances Meike Janssen – 372 | Library Anke Krüger – 349 |
| Finances Norbert Schröder – 695 | Library Anja Kehmeier – 462 |
| Finances Jeannette Dubrall (Divisional Head) – 278 | Library Katharina Zschuppe – 362 |
| Finances Sabine Fritsch – 220 | Office Management Marco Hobuß (Divisional Head) – 556 |
| Finances Anna Fuczka – 496 | Office Management Gertraud Deubrecht – 111 |
| Finances Cornelia Gottschalk – 219 | Office Management Gert Dreierberg – 443 |
| Finances Axel Schumacher – 276 | Office Management Werner Jahnke – 356 |
| Trainee Katharina Knuth – 226 | Office Management Mara Kordic – 111 |
| | Office Management Wolfgang Schmitz – 456 |
| | Office Management Daniel Skierlo – 422 |
| | Office Management Roswitha Schröter – 357 |

| Research Directors | Graduate Center of Economic and Social Research |
|---|---|
| International Infrastructure Policy and Industrial Economics Prof. Dr. Christian von Hirschhausen – 343 | Dean Prof. Dr. Georg Meran – 236 |
| Financial Markets PD Dr. Dorothea Schäfer – 162 | Vice Dean Prof. Dr. Jürgen Schupp – 238 |
| Education Prof. Dr. C. Katharina Spieß – 254 | Ph.D. Students 2008 Prof. Amelie Constant – 211 |
| | Ph.D. Students 2008 Franziska Bremus – 420 |
| | Ph.D. Students 2008 Angela Fiedler – 420 |
| | Ph.D. Students 2008 Felix Groba – 301 |
| | Ph.D. Students 2008 Hendrik Hagedorn – 420 |
| | Ph.D. Students 2008 Andreas Harasser – 301 |
| | Ph.D. Students 2008 Katharina Moll – 301 |
| | Ph.D. Students 2008 Tony Muhumuza – 301 |
| | Ph.D. Students 2008 Maria Nieswand – 301 |
| | Ph.D. Students 2008 Beatrice Pagel – 420 |
| | Ph.D. Students 2008 Nina Wald – 420 |
| | Ph.D. Students 2008 Michael Weinhardt – 420 |
| | Ph.D. Students 2008 Aleksandar Zaklan – 301 |
| DIW econ | |
| Managing Director Dr. Lars Handrich – 460 | |
| Manager Dr. Ferdinand Pavel – 497 | |
| Team Assistance Anke Winkler – 270 | |

| | |
|---|--|
| Data Protection Manager Alexander Eickelpasch – 680 | |
| Works Council Chairman Bernd Bibra – 275 | |
| | Last update: May 15, 2009 |
| | German Institute for Economic Research (DIW Berlin) Mohrenstraße 58 10117 Berlin, Germany |
| | Postal address: 10108 Berlin, Germany |
| | Telephone: +49 (0) 30 8 97 89 – 0 Fax: +49 (0) 30 8 97 89 – 200 www.diw.de |



Publisher German Institute for Economic Research – DIW Berlin

Mohrenstraße 58, 10117 Berlin, Germany, Telephone: +49 (0) 30 897 89 - 0

Fax: +49 (0) 30 897 89 - 200, www.diw.de

Editor Susanne Marcus, Carel Mohn

Translation Genial Translations

Editing Deborah Anne Bowen, Katharina Zschuppe

Photography DIW Berlin

Design Martina Römer, www.nahtief.de

Printing Medialis GmbH, Berlin

Printed on 100% recycled paper

Berlin, May 2009



DIW Berlin is one of the leading research institutes in Germany. As an independent institution exclusively devoted to non-profit activities, it conducts fundamental research and provides economic policy advice. The institute was originally founded in 1925 as Institute for Business-Cycle Research and was later renamed in German Institute for Economic Research. Since its foundation, it has been headquartered in Berlin. The legal status is that of a registered association.