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Research Results · Conferences · Publications

Analysis of the EU Financial Framework for the Period 2007 to 2013

The failed EU summit in June 2005 demonstrated just how difficult ongoing negotiations on the new EU financial perspective for the years 2007 to 2013 are proving to be. Conflicts of interest between net contributors and recipients, as well as a number of special sticking points (the UK rebate, the future role of agriculture) all make it difficult to reach unanimous decisions. A study on this topic performed by the ZEW on behalf of the Bertelsmann Foundation aimed to quantify the anticipated net financial impact of the new financial framework on all future 27 EU members.

German gross contributions to the EU budget under the Commission draft (millions of euros)

	2007	2008	2009	2010	2011	2012	2013	Average 2007-2013
Traditional own resources	2,500	2,545	2,590	2,637	2,685	2,733	2,782	2,639
VAT own resources	3,118	2,435	2,344	2,679	2,821	2,826	2,780	2,715
GNI own resources	20,274	23,334	21,387	20,482	21,474	22,521	23,338	21,830
UK rebate	332	474	508	466	458	476	503	460
Total prices 2004	26,223	28,788	26,830	26,264	27,438	28,555	29,404	27,643
Total resp. prices	27,828	31,161	29,622	29,577	31,518	33,457	35,140	31,186

Source: ZEW calculations

The study calculations are based on a detailed model, designed by the ZEW, of the spending and own resources in the European Union's financial system. The ZEW investigated the proposal contained in the European Commission's opening gambit at the EU's financial negotiations in February 2004 – a budget of 1.24 percent of gross national income (GNI). This would mean financing an EU budget of a billion euros in the period 2007 to 2013 (at 2004 prices – the nominal figure is considerably higher).

As was to be expected following enlargement and the reallocation of resources to the new member states that this entailed, the Commission's proposal would bring about a worsening in the net positions of the EU-15 states (with the exceptions of Belgium and Luxembourg, which would stand to profit significantly from an increase in administrative spending). The Netherlands, Sweden and Germany will continue to pay the largest net contributions relative to GNI. Substantial additional burdens will be assumed by France and Italy in particular. And compared with the years 1999 to 2003, for which figures are already available, the traditional cohesion countries Ireland, Spain, Portugal and Greece are also set to lose net transfers of between 1.39 and 0.48 percent of their GNI, whilst nonetheless remaining net recipients.

The Commission's proposal would impose an average annual net contribution on Germany for the years 2007 to 2013 of 15.1 billion euros – an additional 5.8 billion euros per annum compared with its annual contributions from 1999 to 2003. The biggest absolute increase in contributions – with 6.5 billion euros – would be borne by France, however.

Particularly worrying for the German government is the level of gross contributions payable under this scenario – which under German federal rules would have to be financed in full from the federal government's tax receipts. This would mean that Berlin would be required to transfer on average 27.6 billion euros from Berlin to Brussels every year (at constant prices). Assuming an inflation rate of two percent, this would imply nominal annual contributions of 31.2 billion euros. In com-

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parison, between 1999 and 2003 Germany provided, on average, own resources of 19.9 billion euros per annum. In the worst case, Germany's annual burden of contributions in the new financial period would increase by a nominal 57 percent compared to the period 1999 to 2003.

However, the Commission's original proposal is unlikely to survive through to the final round of financial negotiations. The calculations show that, in voting terms, a majority of the EU states would be better off on balance with a 1.0 rather than a 1.24 percent budget (or at least a reduced budget volume).

There is general agreement that there needs to be a shift in the spending focus of the EU budget. It would be logical, for example, to strike a new balance between spending in the policy fields of agricultural and – in pursuit of the objectives defined in Lisbon – new areas such as „competitiveness". Whether it would be possible – bearing in mind its distribution aspects – to win a majority for such a change is quite another matter, however.

Finally, there is another fundamental flaw in the debate on the EU's financial framework. The crucial issue at stake – whether the various EU policy fields really do offer European „added value" compared with national activities – is given short shrift in the financial negotiations themselves and in the accompanying academic literature. And yet this is the key issue with respect to the efficiency of the policy allocations made in the context of the EU's federal system and the contribution which the EU's activities can make to future growth.

The study can be downloaded on the Internet at: www.cap-lmu.de/publikationen/ 2005/finanzplanung.php

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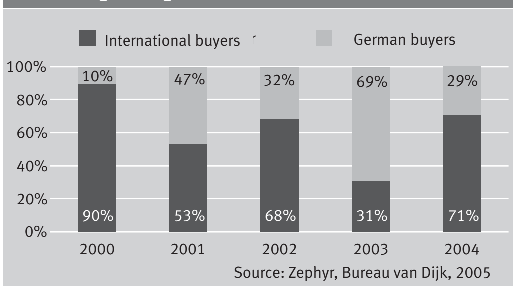
Foreign Investors Set Their Sights on German Banks

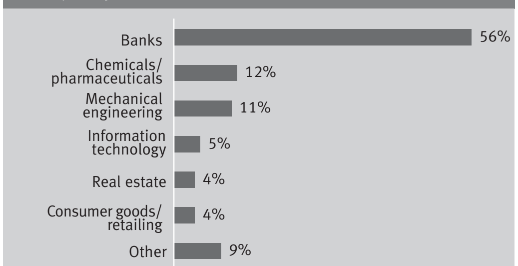
Foreign investors are increasingly acquiring majority shareholdings in German companies. These acquisitions are attracting a great deal of public concern. The misgivings of employees, customers and politicians alike are compounded in many cases by stakeholders' uncertainties about where foreign investors are coming from and what they want to achieve. Investors, too, are faced with a daunting task – that of organising and integrating their involvement in Germany across national and cultural boundaries. In the framework of its Financial Markets Survey, the ZEW asked 213 financial experts in and outside Germany about the significance of acquisitions of German companies by foreign investors.

Share of M&A business volume in Germany involving foreign investors



Source: Zephyr, Bureau van Dijk, 2005

In which industry do you believe control is most likely to pass to foreign investors?



Source: ZEW

The surveyed financial experts believe that foreign investors' primary target is currently the German banking sector. More than half of those surveyed agree that this sector offers attractive options for those prospective foreign buyers who are already poised to seize their opportunities. This view has been greatly influenced by the takeover of the Bayerische Hypo- und Vereinsbank by the Italian UniCredito. According to the financial experts, other industries – significantly lower down – on the shopping lists of potential international investors include the chemical and pharmaceutical sector (12 percent) and the mechanical engineering sector (11 percent).

Investors from the US preferred

The investors preferred by the financial experts are those from the United States. One in two of those surveyed would welcome such transatlantic takeovers in Germany. US investors are even more popular than those from European neighbours Austria and France who rank second and third in the analysts' league of preferences. In the case of Japan, on the other hand, the cultural barriers still appear to be too great and only one in five financial market experts consequently favours greater Japanese involvement in Germany. The situation is similar with regard to China where the problems of language and differing management and leadership styles probably outweigh the available growth opportunities and synergy potentials. In fact only eight percent of survey financial market experts favour the transfer of majority shares to Chinese shareholders – a result which puts China just ahead of Russia (seven percent).

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RESEARCH FINDINGS

REITs as an Investment Instrument on the German Real Estate Market

Real Estate Investment Trusts (REITs) present a useful addition to the investment spectrum on the German real estate market. They allow for professional investment management, they are more fungible than direct real estate investments and show a different risk-return profile than open and closed real estate funds. Institutional investors especially have great interests in REIT investments. A report prepared by the ZEW in cooperation with the European Business School (ebs) on behalf of the German Federal Ministry of Finance comes to this conclusion.

Real estate investment trusts that are constructed based on the model of the US REITs are widely spread in many countries today. They have the following common characteristics: The revenues must derive, for the most part, from real estate returns and the assets must consist mostly of real estate. Under certain circumstances profit tax will not be due on the firm level; the returns will chiefly be taxed on the investor level. Depending on national regulation, REITs must pay out from 80 to 100 percent of profits to their shareholders. In comparison to other stock types, the value of REITs in general has developed well, especially after the turn of the century (see graph).

Introduction of REITs in Germany

The introduction of REITs is also being considered in Germany. For this reason ZEW and ebs have developed a Best-Practice-Concept for a German REIT, which takes into consideration the experience from abroad and the particular framework of the German real estate market. In order to gain broad acceptance from private and institutional investors, German REITs should operate as joint-stock companies, subject to the same accounting standards of joint-stock companies, and also must fulfil further publicity obligations. To be listed on the stock exchange should be an aim in order to reach the highest possible market transparency and interchangeability of the shares. An IPO (initial public offering) should not however be an obligation, as the necessary capital market environment is not yet adequately developed in Germany. REITs should obtain their earnings mainly from real estate related activities and distribute them to a high a degree to the investors. As a countermove, these earnings should be exempt from trade and corporate income tax. The taxation of real estate earnings will thus be completely shifted to the level of the investor: Domestic investors will be assessed for the personal income tax or the full corporate tax rate. The investment in REITs would consequently be equated largely with a direct investment in real estate.

Taxation of foreign investors

The taxation of foreign investors poses a problem. Provided tax benefits from double taxation agreements can be accessed, dividend income of foreigners holding substantial shares in domestic REITs can no longer be effectively taxed. An alternative can not be easily constructed that will find broad approval, avoid all legal and fiscal risks and be implemented quickly.

In order to secure the taxation at the source of domestic real estate earnings of foreign investors, three variations were examined in the study. This includes a complete exemption of corporate tax on REITs, a re-qualification of dividend earnings as income from rent and lease and a provision with a maximum share quota of 9.9 percent for each investor. A complete exemption of the corporate tax on REITs is legally unobjectionable but not free from fiscal risks. The other alternatives are in contrast challengeable due to agreements, treaties and other European legalities. A 9.9 percent restriction of the share quota for each investor is especially less attractive for institutional investors.

The study can be ordered online at www.zew.de/REITS (only in German).

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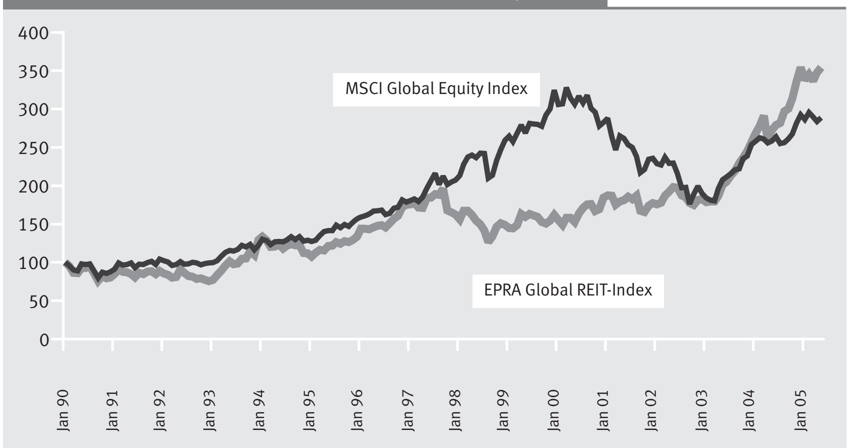
Global REIT Index and Global Share Index in Comparison



Source: EPRA, MSCI, ZEW-calculations. Performance-Indices based on US-Dollar, Jan. 1990 = 100.

RESEARCH FINDINGS

Market Discipline or Stability and Growth Pact?

The goal of the Stability and Growth Pact (SGP) is to discipline the deficit behaviour of governments within the European Monetary Union (EMU), so that monetary policy can stabilise the union-wide price level more easily. An alternative to such institutional regulation is the possibility that financial markets can sanction overly expansive fiscal policies. The latter possibility will become especially interesting if the modified pact also fails to discipline the national fiscal policy makers of the EMU.

The SGP is an institutional restriction, aimed at limiting new debt issues of governments and achieving a debt status sustainable in the long term, preventing negative spillover effects on other countries and the common monetary policy. At the same time, governments were able to commit themselves to credibly reduce deficit and debt by signing the Pact. This helped to reverse the trend of an ever-increasing government debt observed in the 1970s and 1980s. With regard to monetary policy, such an institution seems to be reasonable because growing debt could lead to the nessessity of monetisation of this debt by the central bank.

Apart from creating formal institutions, it is conceivable that financial markets also take up a disciplinary function. Should a country's indebtedness seem no longer sustainable and its default risk rise, markets could require a risk premium on government securities, which would make an issue of new debt more expensive for the government and eventually also raise its debt service on existing liabilities. This could in turn reduce the incentive for the governments to issue further debt, in which case public debt would be regulated through a market mechanism. The more effectively the market mechanism operates, the more likely it seems that the supplementary institutional restrictions can be waived.

Relationship between risk premium and debt status

A positive relationship between a country-specific risk premium and the country's debt status can also be observed in Europe (see e.g. Codogno, L., C. Favero and A. Missale (2003): Yield Spreads on EMU Government Bonds. Economic Policy. 37: 503-532 or Lemmen, J.G.C. und C.A.E. Goodhart (1999): Credit Risks and European Government Bond Markets: A Panel Data Econometric Analysis. Eastern Economic Journal 25: 77-107). One can thus assume a potentially disciplinary effect of financial markets on fiscal policy. Due to the monetary union, however, the risk premia seem to have declined – an advantage that falls as the level of indebtedness rises (Bernoth, K., L. Schuhknecht and J. von Hagen (2004): Sovereign Risk Premia in the European Bond Market. CEPR Discussion Paper No. 4465). Therefore, it is argued that financial markets have neither the power nor the will to discriminate appropriately between countries when setting risk premia. The costs of issuing new debt would then be too low for countries with unsustainable fiscal policies.

There are several approaches to explain the lacking of market discipline: If the former version of the SGP to supervise and restrict national fiscal policies was by and large convincing, then financial markets would not be forced to any reaction. The institutional governance would be enough to prevent governments from unsustainable debt behaviour. But if this assumption is correct, then the latest change of the SGP towards relaxation should cause a negative reaction. This negative reaction is missing – a fact that implies the incorrectness of the assumption. Another reason for an eventually insufficient differentiation between countries with higher and lower indebtedness could be that markets operate efficiently and that, therefore, no risk of default exists. The public debt then would still be simply too low to be reflected in higher risk premia. Another possibility would be that markets react too late and then too strongly. As public debt rises over a certain threshold level, financial markets begin to show a reaction, which then can be excessive or exaggerated.

Three conditions for market discipline

For market discipline to be effective, at least three conditions need to be fulfilled (Lane, T.D. (1993): Market Discipline. IMF Staff Papers 40: 53-88). Firstly, there should not be any limitations that hinder the reaction of financial markets to the debt situation of a certain country. Secondly, satisfactory information on the indebtedness of countries must be available. One reason for information problems could be, for example, off-balance-sheet liabilities or implicit public debt that may arise from social security. Thirdly, the EU member states and institutions must not take on the liabilities of insolvent governments. The prohibition of a bail-out is specified in the EC Treaty, though, in view of the ever-growing integration of countries, the credibility of this regulation could become questionable. Should a country become insolvent, the negative spillover effects and externalities on other countries could be so strong that the bail out of the respective country would be less costly than the consequences of insolvency. Keeping this in mind, it seems doubtful that financial markets can in fact take over a sufficiently effective and foresighted disciplinary role. They can, however, play a complementary role to the institutional regulations in the minimum.

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ZEW CONFERENCE

Heterogeneous Labour, Education, and Skill Structure of Labour

On 12 and 13 September 2005, the DFG Research Group 454 held a conference on heterogeneous labour and education at the ZEW where findings from the first project phase were presented and discussed. The conference was financed by the German Research Foundation (DFG), Bonn with the support of the ZEW. The group, which started its work in May 2002, consists of eight different research projects in economics, business economics and econometrics located at the Department of Economics of the University of Konstanz and the ZEW. The research group is working on a theoretical and empirical analysis of the determinants of the skill structure of labour and the possible causes and consequences for the economy of a shift in skill structures.

The conference was divided into three sessions focusing on the "empirical analysis of educational output", "university and research funding management" and "labour markets and skill structure". About 50 researchers used the conference to discuss their recent empirical and theoretical work. The conference's guest lecturer Christian Dustmann (University College, London) delivered his invited lecture on the relationship between career progression and participation in continuing professional development. The lecture itself, and the co-lecture given by Bernd Fitzenberger (University of Frankfurt), subsequently stimulated a lively plenary discussion.

Empirical analysis of educational output

During the first session on the empirical analysis of educational output, Winfried Pohlmeier (University of Konstanz) presented an econometric study of the relationship between school education and income. His calculation of the return on education – a measure of the value of school education in the labour market – demonstrated the important influence of individual heterogeneity. Michael Maier (ZEW) picked up the topic of heterogeneity to present his findings on the influence of continuing professional development on income and to demonstrate the heterogeneous returns generated by training. Nikolai Stähler (University of Mainz) presented theoretical work which focuses on the impact of employment protection law on various skill groups and on incentives to acquire further skills.

Ludger Wößmann (ifo Institut Munich) concluded the first session by presenting an international study on the impact of "tracking" (assignment of students to different types of schools) on students' performance and inequality of students' attainments. This study suggests that one of the reasons for Germany's poor rating in the PISA tests may well be a tripartite school system which not only produces worse average results, but can also lead to greater inequality in student performance and achievement. The discussants throughout the first session were held by Michael Fertig (RWI Essen), Alexandra Spitz (ZEW), Jörg Lingens (University of Regensburg) and Andreas Ammermüller (ZEW).

University and research funding management

The second session on university and research funding and management primarily presented theoretical work. Nick Netzer (University of Konstanz) presented a paper on research competitions and the relevance of strategic signals. Miriam Hein (University of Konstanz) discussed the centralisation of research funds in Europe. Oliver Fabel (University of Konstanz) addressed the relationship between university autonomy and increasingly professionalised systems of control. He emphasised the need for a fundamental reform of the organisation of the scientific endeavour – including tuition fees and stronger public-private partnerships in applied research. In his presentation on the research output of economics professors, Michael Rauber (University of Konstanz) demonstrated that general productivity and the quality of research fluctuates over the life cycle. The discussants during the second session were Peter Egger (ifo Munich), Burkhard Hehenkamp (University of Dortmund), Eckhard Janeba (University of Mannheim) and Robert Schwager (University of Göttingen).

Labour markets and skill structure

During the third session on labour markets and skill structures, Alfred Garloff (ZEW) presented empirical work on the interrelationships between training, job mobility and wages in which he has tested the extent to which training-related knowledge is company specific. Finally, Christian Holzner (ifo Institut, Munich) lectured on search equilibrium, production parameters and social returns to education, all of which have a major determining influence on the wage distribution.

The presentation by Mathias Kifmann (University of Konstanz) looked at the effects of tuition fees on long-term students. Drawing on data from the University of Konstanz, he was able to demonstrate empirically that long-term tuition fees lead to a reduction in the length of time students take to complete their studies – although the impact of fees differed from subject to subject. The discussants of the third session were Hendrik Jürges (MEA Mannheim), Leo Kaas (University of Konstanz) and Alexander Kemnitz (University of Mannheim).

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ZEW CONFERENCE

Second ZEW Conference on the Economics of Innovations and Patents

The ZEW held its second conference on the economics of innovation and patenting on 19 and 20 September 2005. Around 100 researchers presented the latest research findings from this field. Lively discussion was stimulated by the lectures given by eight of the invited speakers and a total of 38 lectures held in the framework of parallel sessions on empirical, theoretical and experimental work. While a number of the participants are already involved in cooperative ventures with the ZEW, the conference also provided an opportunity to win Stuart Graham (Georgia Institute of Technology) and Andrew Toole (Rutgers University) as research visitors to the ZEW in the months ahead. The ZEW conference was supported financially by the European Patent Office, the Fritz Thyssen Foundation and INIR (International Network for Innovation Research).

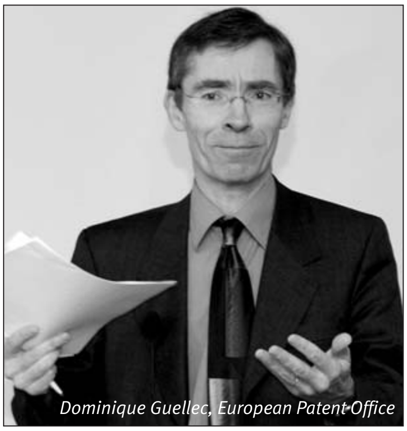
New patent application developments

One of the speakers invited to lecture to the plenary session was Dominique Guellec, chief economist at the European Patent Office, who informed the conference about the latest developments relating to patent applications and their assessment. Alfonso Gambardella (University of Bocconi) presented ways in which publicly accessible data can be used to determine the value of patents. An important criterion in this process is reference to (i.e. citations of) an existing patent in the patent specifications. The lecture given by Dietmar Harhoff (University of Munich) looked at the institutional framework conditions and the way citations are made. Inventors themselves do of course play an important role in determining the value of a patent. Manuel Trajtenberg (University of Tel Aviv) investigated the mobility of inventors who are entered in patent specifications. Successful inventors appear to be prime poaching targets and many European inventors emigrate to the United States. A further study of the productivity of university-based inventors was presented by Mike Wright (University of Nottingham). His comparison of technology transfer offices showed that universities in the USA are, on average, more productive than British universities. Bronwyn Hall (University of California at Berkeley) gave a talk about patent litigation and its effects on firm strategies in innovation management and Rachel Griffith (UCL and IFS) analysed the effects of product and labour market regulations on innovation across EU countries.

Alfonso Gambardella, University of Bocconi

The topics dealt with in the plenary lectures were explored in greater depth in parallel sessions to which speakers using theoretical and experimental methods were also invited. These papers dealt with the strategic use companies make of intellectual property protection and the efficiency of the patent system. Several lectures explored the way in which patents are used to block competitors. Empirical work encompassed both country specific analyses of the factors influencing innovation activities as well as papers on licensing behaviour, patenting strategies, development paths for innovation and the impact of innovation activities on labour markets or international trade.

Several papers explored two other topics. The first of these concerned patent litigation. While more actions are being brought before the courts, it is not yet



Dominique Guellec, European Patent Office

possible to identify empirically sound causes among the broad range of institutional and economic factors involved for this increase in litigation, given that the number of patents awarded also increased dramatically in the same period. The second topic concerned the value of patents, whereby authors primarily based their work on established indicators such as citations, size of patent family, and the number of independent claims. Other work focused on the individual inventor. Data on inventor's CVs may be one way of explaining the quantity and quality of patents.

Capitalisation of patents

The Conference Dinner speech, "Patent policy and the capitalisation of patents" was held by Rezzo Schlauch, Parliamentary State Secretary at the Federal Ministry of Economics and Labour, who reported on the accounting options available for patents and the various perspectives offered by bank and corporate accounting law.

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ZEW FINANCIAL MARKET SURVEY

Results of the Survey in November 2005

The Financial Market Test conducted by the ZEW is a monthly business survey of German financial market experts which started in December 1991. The survey asks for the predominant expectations about the development in six international financial markets.

As a whole around 350 experts take part in the survey. 280 of them work in banks, 50 in insurance companies and investment companies and 20 in other industries. Participants in the survey are financial experts of the finance departments, the research departments and the economic departments as well as the investment and securities departments of the firms. The experts are questioned on their medium term expectations about the development of important international financial markets with respect to the business cycle, the inflation rate, short term and long term interest rates, the exchange rate and share prices.

Information on the applied procedure is available as an abridged version published by the ZEW. The present survey was conducted between October 31, 2005 and November 14, 2005. All calculations are termed to November 18, 2005.

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USA: Continuity of the Interest Policy Expected

This month's expectations for the USA are characterised by greater optimism again. That is, the balance of economic expectations gained 1.6 points to reach -16.1. This shows that the unrest caused by the hurricanes' ravages has meanwhile settled. The situation on the oil market as well has calmed and instils hope that the peaks of recent are attributable to singular effects associated with the natural disasters and will not remain at this high level over the long term. In line with this appraisal the inflation expectations clearly recede by 15.5 points. In addition, private households should be less burdened in their energy expenditures than assumed to date. In September the consumers had been very cautious with their spending. With respect to monetary policy continuity is most certainly expected even under the new Fed chair Bernanke. The experts still conceive of a gradual continuation of the interest raising policy: The current balance of interest rate expectations remains with 88.2 points nearly unchanged.

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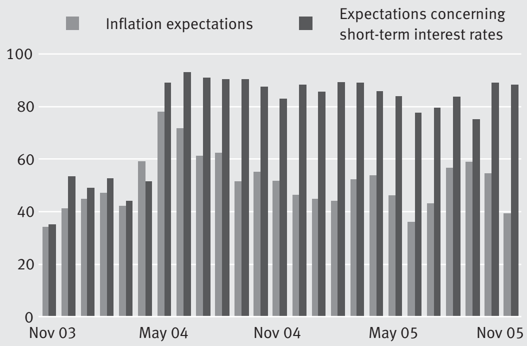
Expectations concerning inflation and short-term interest rates



Balance of positive and negative expectations concerning inflation and short-term interest rates in the USA in six months' time. Source: ZEW

Great Britain: Stability of Expectations

The financial market experts surveyed hardly adjust their assessment of the current situation at present. The respective indicator rises by only 1.1 points to a value of 10.5. After last month's decrease of the indicator this is, however, to be rated beneficially. The indicator's soft increase may be attributable to the current recovery of private consumption, where growth had slowed since mid-year 2004, but again recovered this last month. With respect to the development of the gross domestic product over the course of the next six months a majority of 72.4 per cent does not see significant changes as compared to the current situation. The experts are specifically optimistic concerning pricing pressure in Great Britain, which in their view can be expected to further diminish: The balance of expectations for inflation expectations in the medium-term decreases from 30.3 to 24.7 points. This corresponds to the Bank of England's analysis, where it is expected that the rate of inflation should again be approaching a level below the target value of two percent.

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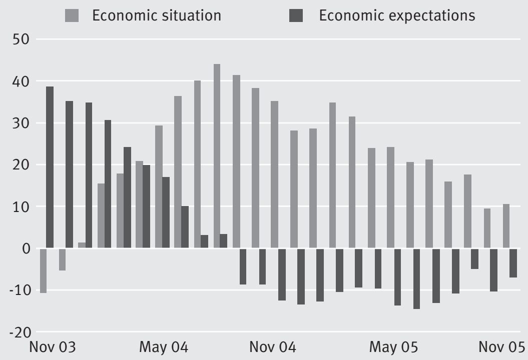
Economic situation/expectations in Great Britain



Balance of positive and negative expectations concerning the current economic situation and the economic expectations in Great Britain in six months' time. Source: ZEW

PUBLICATIONS

ZEW Economic Studies

Thomas Hempell

Computers and Productivity – How Firms make a General Purpose Technology Work

Information and communication technologies (ICTs) create potentials for considerable productivity gains and for higher economic growth. However, ICTs also pose various challenges to firms in order to benefit from these potentials. Highlighting the importance of innovations, firm-sponsored training, and recruitment of high-skilled workers, this monograph analyses why and to what extent firms differ in their capabilities to make ICT work productively. The work also comprises a detailed discussion of economic theory concerning ICT use and complementary firm strategies. In addition it provides a comprehensive treatment of various methodological issues concerning the measurement of firm-level productivity in econometric analyses.

Volume 33, Physica Verlag, Heidelberg/New York, 2006, ISBN 3-7908-1647-7

ZEW Discussion Papers

No. 05-51, Matthias Köhler: International Capital Mobility and Current Account Targeting in Central and Eastern European Countries.

No. 05-52, Julia Häring: The Virtual Location of E-Tailers: Evidence from a B2C E-Commerce Market.

No. 05-53, Wolfgang Sofka: Global Idea Sourcing – An Empirical Investigation into the Mechanisms Behind the Usage of Foreign Business Sources for Innovation.

No. 05-55, Elisabeth Müller: Benefits of Control, Capital Structure and Company Growth.

No. 05-56, Théophile Azomahou, Phu Nguyen Van, Francois Laisney: Economic Development and CO2 Emissions: A Nonparametric Panel Approach.

No. 05-57, Thomas Hempell, Thomas Zwick: Technology Use, Organisational Flexibility and Innovation: Evidence for Germany.

No. 05-59, Volker Kleff, Martin Weber: Payout Policy and Owners' Interest – Evidence from German Savings Banks.

No. 05-61, Dirk Engel, Oliver Heneric: Do University Based Regions Really Attract Outside Entrepreneurs – The Case of the German Biotechnology Industry.

No. 05-62, Melanie Arntz, Stefan Boeters, Nicole Gürtzgen: Alternative Approaches to Discrete Working Time Choice in an AGE Framework.

No. 05-63, Volker Kleff: Capital Policy of German Savings Banks – A Survey.

No. 05-64, Ronald McKinnon: Exchange Rate or Wage Changes in International Adjustment? Japan and China versus the United States.

No. 05-65, Bernd Fitzenberger, Ralf Wilke: Using Quantile Regression for Duration Analysis.

No. 05-66, Bernd Fitzenberger, Astrid Kunze: Vocational Training and Gender: Wages and Occupational Mobility Among Young Workers.

No. 05-67, Laura Wichert, Ralf Wilke: Application of a Simple Nonparametric Conditional Quantile Function Estimator in Unemployment Duration Analysis.

No. 05-68, Alexander Spermann, Harald Strotmann: The Targeted Negative Income Tax (TNIT) in Germany: Evidence from a Quasi Experiment.

No. 05-70, Friedrich Heinemann, Katrin Ullrich: Does it Pay to Watch Central Bankers' Lips? The Information Content of ECB Wording.

No. 05-72, Tobias Schmidt: Absorptive Capacity – One Size Fits All? A Firm-level Analysis of Absorptive Capacity for Different Kinds of Knowledge.

No. 05-73, Jens Matthias Arnold, Katrin Hussinger: Exports versus FDI in German Manufacturing: Firm Performance and Participation in International Markets.

No. 05-74, Tereza Tykvova: Who Chooses Whom? Syndication, Skills and Reputation.

No. 05-75, Andrew A. Toole, Does Public Scientific Research Complement Industry R&D Investment? The Case of NIH Supported Basic and Clinical Research and Pharmaceutical Industry R&D.

No. 05-77, Bernd Fitzenberger, Stefan Speckesser, Employment Effects of the Provision of Specific Professional Skills and Techniques in Germany.

No. 05-78, Ulrich Kaiser, Is a Newspaper's Companion Website a Competing Outlet Channel for the Print Version?

No. 05-79, Matthias Weiss, Alfred Garloff, Skill Biased Technological Change and Endogenous Benefits: The Dynamics of Unemployment and Wage Inequality

No. 05-80, Margit Vanberg, Network Externalities and Interconnection Incentives.

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