



## How Long Does a New Job Survive?

by Rudolf Winter-Ebmer  
IHS & University of Linz

"Encourage the formation of new firms!" This is cheap policy advice which is often found in expert studies. But is it good advice? The creation of new jobs and new firms obviously seems to be a good thing. The setting of policy priorities and, possibly, the use of public money to subsidize the creation of new jobs or new firms requires more rigorous analysis.

- Is it better to create new jobs in new firms or in old firms?
- One way of looking at this question is to compare how long new jobs survive in new and in old firms.

We investigated all job expansions in Austria between 1978 and 1998 and found that an average new job had a relatively short duration: only one third of all new jobs survived the first year. Most job expansions were rather small: on average only 2.1 new jobs were created. It turned out that jobs created in new firms had a substantially

higher chance to survive the first year as compared to jobs created in old firms. This result runs somewhat counter to the often quoted high rate of firm failures in the first year. The reason for this pattern lies with the survival of firms and the survival of jobs. Old firms did not leave the market as easily as new firms, but, in contrast, their new jobs were less stable.

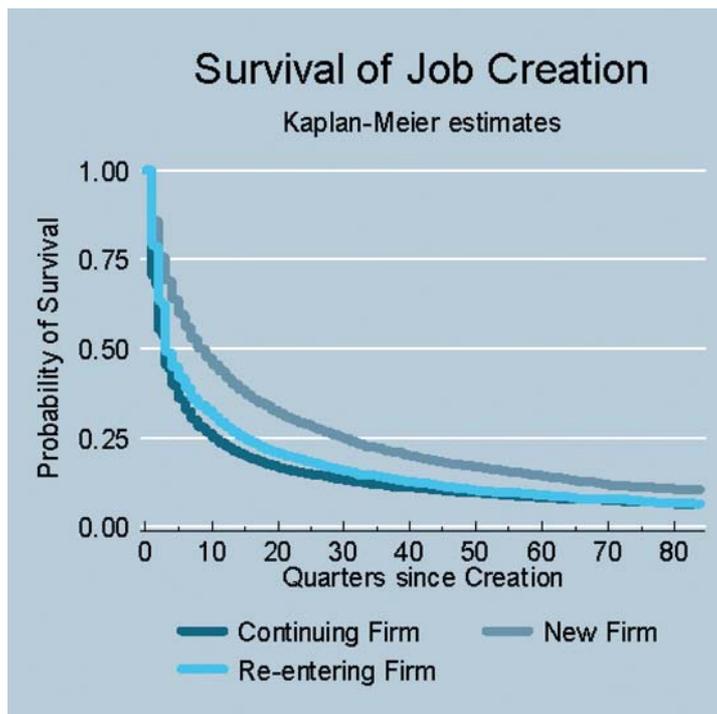
### Better create a job in a recession!

Another puzzling finding from our analysis is the fact that jobs created in a recession had a higher chance to survive in comparison to jobs created in a boom. This is contrary to the expectation that in a flourishing economy all firms will have higher demand and better prospects. The reason for our result is most probably the filtering effect of a recession: bad projects are filtered out because of credit constraints or higher interest rates. In addition, the pool of available workers is greater in a recession, which allows for a better match between the worker and the firm. If we regard job creation as a necessary component of a firm's investment decision, our results on employment persistence can also shed some light on investment strategies and their success over the business cycle. Unfortunately, they do not answer the question of how long the reader's current job will survive.

This article is a short version of our working paper: René Böheim, Alfred Stiglbauer and Rudolf Winter-Ebmer, "On the Persistence of Firm Expansion: The Survival of New Jobs in Austrian Firms." *IHS Economics Series 173*, July 2005.

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# Advanced Econometrics

IHS Course, April 25 - May 11, 2005

taught by Phoebus J. Dhrymes  
Columbia University



Phoebus J. Dhrymes

Phoebus J. Dhrymes from Columbia University was the most prominent visitor at IHS in this semester. He gave a course for our students in the Program in Economics 2003-2005. His public lecture titled "Estimation of Models with Grouped and Ungrouped Data by Means of '2SLS'" was held on April 28, 2005 as part of the Econometric Research Seminar.

Dhrymes is well known throughout the econometrics community for his influential textbooks. During the academic year 1968-1969 while he was at Stanford on leave from the University of Pennsylvania, he simultaneously wrote "Econometrics: Statistical Formation and Application" and "Distributed Lags: Problems of Formulation and Estimation." He is proudest of his first textbook, "Econometrics: Statistical Foundations and Application," first published in 1970 and revised in 1974, which has become one of the standard graduate textbooks and reflects the way he learned to understand econometrics. He was dissatisfied with the textbooks that were available for teaching his first year course in econometrics and realized that for them to be useful for students, there had to be a systematic presentation of certain mathematical results. Therefore he collected the necessary materials in the mathematical appendix of the textbook. Later, he decided to collect more mathematical results that might be needed for modern econometric techniques and published his second textbook, "Introductory Econometrics." The mathematical appendix of that book was so successful that it was published

separately under the title "Mathematics for Economists" in 1978, with a second edition in 1984 and a third in 2000.

A highly informative interview with many biographical details and background information was conducted by Aris Spanos in Nicosia, Cyprus, on June 13-14, 1999, and is published in: *Econometric Theory*, 18, 2002, pp. 1221-1272.

His papers have appeared in *Econometrica*, *International Economics Review*, *Journal of Econometrics*, *Econometric Theory*, *Review of Economics and Statistics*, *American Economic Review*, *American Journal of Finance*, *European Journal of Finance*, and many others. He is a Fellow of the Econometric Society and the American Statistical Association.

**Phoebus J. Dhrymes has been a Professor of Economics at Columbia University since 1973. After receiving a B.A. in Economics with highest honors from the University of Texas in 1957, he completed his Ph.D. in Economics at the Massachusetts Institute of Technology (MIT) in 1961. His first academic appointment was as an assistant professor at Harvard in 1962. He was appointed associate professor at the University of Pennsylvania in 1963 and became a full professor in 1967. He has also held visiting appointments at Stanford University, the University of California at Los Angeles, and the Monash University in Australia.**

**He has twice previously been a visiting professor at the Institute for Advanced Studies (IHS), in Spring 1994 and Fall 1996.**

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# Computational Methods and General Equilibrium Analysis

by Felix Kubler  
University of Mannheim



Felix Kubler

The computation of equilibria in dynamic stochastic general equilibrium models with heterogeneous agents has become increasingly important in finance, macroeconomics, and public finance. For a given example-economy, i.e. a given specification of preferences, technologies and market-arrangements, these methods compute an (approximate) equilibrium and allow for quantitative statements about one equilibrium of the example-economy. Through these so-called 'computational experiments' many economic insights can be obtained by analyzing quantitative features of realistically calibrated models (prominent examples in the literature include, among others, Rios-Rull (1996), Heaton and Lucas (1996) or Krusell and Smith (1997)).

Unfortunately, despite the obvious success of these methods in modern macroeconomics, there is currently a surprising lack of theoretical foundations for computational experiments. While there are several algorithms which compute prices and allocations for which agents' first order conditions are approximately satisfied ('approximate equilibria'), there are few results on how to interpret the errors in these candidate solutions and how to relate the computed allocations and prices to exact equilibrium allocations and prices. In particular, since all computation suffers from truncation and rounding errors, it is obviously impossible to verify numerically that the optimality and market clearing conditions have been satisfied and that a competitive equilibrium has been found. The fact that the equilibrium conditions are approximately satisfied generally does not yield any implications on how well the computed solution approximates an exact equilibrium. Computed allocations and prices could be arbitrarily far from competitive equilibrium allocations and prices.

In a joint project with Karl Schmedders from Northwestern, we develop an error analysis for the computation of competitive equilibria in models with heterogeneous agents where equilibrium prices are infinite dimensional. We define an epsilon-equilibrium as a collection of finite sets of choices and prices such that a process of prices and choices exists which takes values exclusively in these sets and for which the relative errors in agents' Euler equations and the errors in market clearing conditions are below some small epsilon at all times.

Existing algorithms for the computation of equilibria in dynamic models can be interpreted as computing epsilon-equilibria, and the finiteness of epsilon-equilibria allows us to verify computationally if a given collection of endogenous variables (i.e. a candidate solution) constitutes an epsilon-equilibrium. In order to give an economic interpretation of the concept we interpret epsilon-equilibria as approximating exact equilibria of a close-by economy. For many interesting models, one can prove that the computed prices and allocations are close-by to equilibrium prices and allocations or an economy with endowments and preferences which are close to the ones specified.

In general, it is not feasible to use computational methods to prove that for all parameter values in a given (infinite) set these quantitative features of the model hold. Even a billion examples cannot prove a proposition which describes a continuum of different cases. However, under weak assumptions on the economic model, sufficiently many examples can tell us something about the size of the set of exogenous parameters for which the proposition is true.

Computational experiments can be generalized when the economic fundamentals are definable in an o-minimal structure (see van den Dries (1999) for the necessary mathematical prerequisites). Blume and Zame (1993) show that for finite economies o-minimality is a very reasonable assumption. An important application of this is obtained if one realizes that almost all applied general equilibrium models can be described with so-called Pfaffian functions. In this case, one can derive explicit bounds on the number of connected components and can compute how many examples are needed in order to make general statements.

**Felix Kubler is a Professor of Economics at the University of Mannheim, Germany. He studied economics at the University of Bonn and at Yale University and received his Ph.D. in economics from Yale in 1999. After being an assistant professor at Stanford University, he moved to Mannheim in 2004. His recent research has focused on applied equilibrium theory and in particular on the computation of economic equilibria. From March 21 to April 6, 2005 he gave a course on "Advanced Macroeconomics" at IHS, Department of Economics and Finance.**

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# Costly Exclusion Fosters Cooperation

by Arno Riedl  
University of Amsterdam



Arno Riedl

The investigation of behavior of people in social dilemma situations is one of the core businesses of the social sciences, in general, and economics, in particular. In the last two decades experimental economics has provided us with a rich dataset describing real behavior of real people in social dilemmas, like public goods provision, prisoners' dilemmas, or common resource problems, under controlled laboratory conditions. From a bird's-eye view of the observed behavior, two regularities catch the eye. Firstly, in one-shot encounters and in first rounds of repeated encounters substantial cooperation is observed. Secondly, with repetition cooperation declines and often eventually converges to the non-cooperative Nash-equilibrium. This leaves the economist with a puzzle and a problem: the puzzle of too much cooperation from a standard economic point of view, and the problem of too little cooperation from a collective welfare perspective.

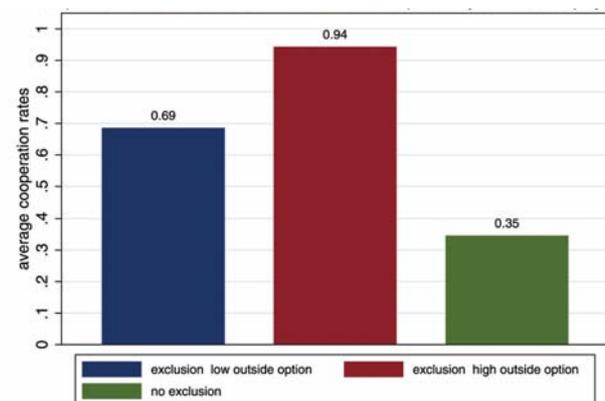
A fact largely ignored in the economic literature on social dilemmas is that often people are not forced into interaction with other people but rather voluntarily choose their interaction partners. Building on that idea, the author investigated, together with A. Ule, in a series of laboratory experiments the potential of exclusion as a voluntary mechanism helping to solve the problem of too little cooperation. In the experiments subjects were put into groups of six where they anonymously played prisoners' dilemma games in pairs. Importantly, in the experimental treatments nobody was forced to play the games but could choose to do nothing. In the latter case the players received an outside option of which the value was varied across experimental treatments.

In the experiments it turned out that the possibility to refuse interaction has a tremendous effect on cooperation. Depending on the precise conditions (e.g., the value of the alternative to non-interaction or the available information about co-players' past behavior) the average cooperation rates were between 69% and 94%. In a control treatment without the possibility to refuse to play, average cooperation rates were only 35% (Fig. 1). The mechanism driving this result is that subjects with a disposition for cooperation are ready to exclude defectors even if it is costly to do so. This exclusion disciplines potential free-riders into cooperation.

In summary, we find that the freedom to exclude potential defectors at a cost is an effective mechanism to foster cooperative behavior in the long run.

Figure 1:

Cooperation rates in treatments with and without the possibility to exclude co-player



Source: Riedl and Ule (2005), "Cooperation, Exclusion, and Social Structure in Network Experiments," working paper, CREED/University of Amsterdam.

**Arno Riedl is Associate Professor at the Faculty of Economics and Econometrics of the University of Amsterdam, where he is affiliated with the Center for Research in Experimental Economics and political Decision making (CREED). He received his Ph.D. in Economics from the University of Vienna in 1997. Before joining CREED he was lecturer at the University of Vienna and at the Institute for Advanced Studies in Vienna. His research interests include applied and behavioral game theory, and experimental economics. He is particularly interested in behavioral and psychological aspects in institutional and public economics. Other research interests concern the evolution of institutions and networks and their interaction with economic behavior. He is also engaged in a joint research program with biologists on the simultaneous evolution of social institutions and social behavior, reflecting his interest in multidisciplinary research. He has published in *Quarterly Journal of Economics*, *European Economic Review*, *Economic Journal*, *Games and Economic Behavior*, among others.**

From March 30 to April 14, 2005 he gave a course on "Experimental Economics" at IHS, Department of Economics and Finance.

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# Estimating Triangular Models without Exclusion Restrictions

by Francis Vella  
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IHS Course, March 14-23, 2005



Francis Vella

A very commonly encountered problem in empirical investigations in economics is that of endogeneity. This occurs because many of the choices of the economic agents whose behaviour we would like to explain are partially dependent on other choices the same agents have made. While various statistical methods are available for the estimation of models with endogenous explanatory variables, the most common approach is the use of instrumental variables (IV). Such an approach requires the use of a variable to operate as an instrument. However, while it is generally agreed that IV is the appropriate form of estimation for many linear models, with endogeneity there is frequently a great deal of controversy associated with the choice of instruments. In fact, due to the lack of suitable instruments for many problems of interest, there is frequently as much interest in the fact that an instrument is available as in the substantive problem under investigation. Moreover, in order to avoid the criticism levelled at those who inappropriately exclude variables from the primary equation in order to use them as instruments, there are many instances where researchers are forced to use instruments which are "weak." The increasing incidence of such a practice has resulted in an explosion in the literature devoted to inference in the presence of weak instruments.

Motivated by this lack of instruments for many empirical applications, Professor Roger Klein of Rutgers University and the author have examined, in a series of papers, alternative means of identifying models when there are no available exclusion restrictions. In one paper we focus on the linear triangular simultaneous model where both the dependent variable of primary interest and the endogenous regressor are continuous. In establishing identification and providing an estimator we focus on the control function implementation of IV. That is, it is well known that IV can be implemented by employing the residual from the reduced form for the endogenous regressor as an additional variable in the primary equation. This residual is also known as the control function. When the error distribution does not depend on the exogenous ( $X$ ) variables, the mapping of the control function to the primary equation error is constant and the variation in the quantity deducted across observations depends only the control function. However, when the error distribution depends on the exogenous variables the impact of the control function may now depend on  $X$ .

That is, the control function is "priced" differently in the primary equation depending on the value of  $X$ . Moreover, this dependence makes it possible to identify the model even in the absence of exclusion restrictions as it induces a non-linear relationship between the control function and the primary dependent variable which operates through interaction between the control function and  $X$ . This logic indicates that a potential way to identify models without exclusion restrictions is to make some assumptions about how the error distributions depend on  $X$ .

Our strategy is to examine in detail the case where the distributions of the errors depend on the  $X$  through the presence of heteroscedasticity. We show that in this case the "price" of the control function in the primary equation depends on both the form of heteroscedasticity in the reduced form and the main equation. We show that if one is able to estimate these conditional variances, then one can combine this information, along with some restriction on the co-movement of the underlying homoskedastic errors, to identify the model. Moreover, we can show that one needs to make only general statements about the form of the heteroscedasticity. Under these fairly general conditions we show that we can identify the parameters of the model. Moreover, we provide an estimator for the parameters of such a model and derive its properties. Simulation evidence indicates that the procedure works well in a controlled setting and an empirical application suggests that the procedure is effective.

**Francis Vella is currently a Professor in the Economics Department at the European University Institute. As of Fall 2005 he will be a Professor in the Economics Department at Georgetown University. Recent papers include "Estimating a Class of the Triangular Simultaneous Equations Model Without Exclusion Restrictions," (with Roger Klein), and "Estimating Dynamic Models from Repeated Cross-Sections," (with Marno Verbeek), *Journal of Econometrics*, 127, 2005, 83-102.**

**His Public Lecture at IHS, titled "Estimating a Class of the Triangular Simultaneous Equations Model Without Exclusion Restrictions" took place in the context of the Econometric Research Seminar on March 17, 2005.**

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# Environmental Policy Convergence in Europe

by Katharina Holzinger  
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IHS Course, March 14-18, 2005



Katharina Holzinger

Theories of globalization often assume that policies converge not only within national political systems but also across national borders. These effects have for example been observed in the field of environmental policy. In contrast to the widespread assumption that under the pressures of globalization policy convergence takes place at the level of the lowest common denominator, theoretical analysis and case study data indicate that convergence at least sometimes takes place at the level achieved in environmental frontrunner countries.

However, comparative research on policy diffusion and Europeanization has shown that convergence can hardly be considered as a dominant and uniform tendency. To explain the apparent variations in policy convergence, many factors have been identified, including the role of international institutions; regulatory competition between nation states; the characteristics of particular policies; and finally the capacities of states to adopt a certain policy. However, we still have limited knowledge on the distinctive impact of these factors. What, for instance, is the impact of international institutions on environmental policy convergence compared to the impact of economic interlinkage between countries?

With the aim of finding answers to these questions, an EU-financed research project on environmental policy convergence in Europe is currently being carried out by five collaborators: the Universities of Konstanz (Christoph Knill), Hamburg (Katharina Holzinger), Nijmegen (Duncan Liefferink and Bas Arts), Salzburg (Andrea Lenschow), and the Free University of Berlin (Martin Jänicke and Helge Joergens). It is the primary objective of this research project to investigate the degree and direction of environmental policy convergence across European countries and to identify the underlying driving forces. The specific focus of this project is to analyze and single out the impact of the growing global economic and institutional interlinkages between nation states.

The empirical focus of the project is on the analysis of environmental policy convergence across 24 countries, including most member states of the EU, some Central and Eastern European accession countries, Norway and Switzerland, as well as the USA, Japan, and Mexico. To investigate the degree of policy convergence and its driving forces, as a first step a

quantitative analysis was carried out, investigating 32 different policies at four points in time (1970, 1980, 1990, 2000). First results of the quantitative analysis show that environmental policies in Europe converge to a considerable degree. Over this 30-year period ever more countries adopted ever more environmental policies. Limit values for emissions and quality standards for air and water became more and more similar. With respect to the level limit values are set, there is not a single case of a "race to the bottom." Rather, all environmental standards under scrutiny became considerably stricter over time. We even observe convergence in policy areas where no international standard exists.

Which of the factors mentioned above caused these developments? Statistical analysis shows that economic interlinkage does not contribute to the explanation of the striking convergence of environmental policies. It is the integration of European nation states into international institutions that is responsible for this convergence "to the top." International and especially EU harmonization of policies account for these developments to a large extent. However, communication and learning within international institutions also play a role, which explains why policies even converge for which no international regulations exist. With the objective of further elaborating and differentiating on the driving forces of convergence, the statistical analysis will be complemented by qualitative case studies in a second step.

**Katharina Holzinger is Professor of Government at the Institute of Political Science and Director of the Centre for Globalisation and Governance at the University of Hamburg. Her research topics include decision-making in the European Union, environmental policy and transnational collective goods, as well as negotiation analysis. Usually, she employs a rational choice perspective. Her work has been published in journals like *Rationality and Society*, *Political Communication*, *European Journal of Political Research*, *European Journal of International Relations*, and *Public Administration*.**

**Katharina Holzinger was Jean Monnet Fellow at the Robert Schumann Centre for Advanced Studies of the European University Institute, Florence (2002-2003). She also held positions at the Social Science Research Center in Berlin (WZB) and the Max Planck Institute for Research on Collective Goods, Bonn.**

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# Social Studies of Finance

IHS Course, April 4-8, 2005

by Herbert Kalthoff  
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Herbert Kalthoff

Within the last few years, economic sociology has witnessed the emergence of a field of sociological inquiry oriented towards the investigation of forms of knowledge and practices observable on international financial markets and in the banking industry. This field, known as the Social Studies of Finance, strives for the transfer of the methodological and theoretical insights developed by the Social Studies of Science and Technology in its research on the interactive and technical fabrication of results ('facts') within science laboratories. This new field is not homogeneously structured; rather, studies refer to different approaches within the sociology of science and technology and theories of social practices as well. Compared with (traditional) economic sociology, the main differences are the emphases placed on (1) the central role of economic knowledge, (2) the performativity of economic representations, and (3) locally situated practices embedded in forms of knowledge. Studies within this field of economic sociology are oriented towards an empirical investigation of quite different phenomena as, for instance, the invention of option price theory and the reconfiguration of the Chicago Board Option Exchange which followed its implementation, or the practices of foreign exchange dealers as a global face-to-screen interaction based on a constant display of the market and the moves generated by the traders themselves. It is important to note that empirical investigation means the use of qualitative methods as, for instance, participant observation, expert interviews, conversation and discourse analysis.

Embedded in this field of economic and financial sociology, my empirical study analyzes the credit process in large international (merchant) banks. When international banks grant loans to corporations they are faced with the problem of how to assess whether their loan will be repaid or not. To ascertain the future solvency of corporations, banking employees systematically consider the clients' economic performance and standing from different angles. They first personally visit their (potential) clients in order to gain an impression of the company's conditions and atmosphere and negotiate the company's financial needs. Secondly, they transform documents (e.g. balance sheets, profit and loss accounts), which they receive from their clients and other institutions (e.g. consultants) into their own model of economic representation, which allows them to calculate a whole myriad of economic ratios. Thirdly, they prepare a report intended for in-house documentation that summarizes the inquiries to date: comments on the object to be financed and possible collateral, the customer's credit

standing and internal evaluation (rating), purpose and term of the loan, as well as, finally, different data on the borrower (address, duration of the banking relationship, account number) and handwritten comments by the signing bankers vested with the relevant credit authority.

The study argues among other things that through calculation and its technical devices companies are constituted anew. That is to say that calculation is not just seen as an operation with things already in place, but an activity by which objects (e.g. risk or profit) are brought into existence. In this sense one can state that calculation and its media of expression (e.g. mathematical signs, writing, formulae, etc.) circumscribe economic risk – and in doing so, the market, the business and the return. The negotiations which then take place between subsidiaries and the headquarters of international banks are in turn analyzed as the social place where the interpretation of figures is stabilized and the business – and with it the risk – is constructed. A divided evaluation is made available and documented through recalculations, observations and anticipation; at the same time, the participants are always travelling on the fringes of what is predictable and therefore available as banking knowledge.

What is to be expected from such a sociological approach to economic life worlds? It is to be expected that the black box of financial knowledge, calculation and technology is opened up (at least a bit) – something which traditional economic sociology either did not take into consideration or left to economics. Social Studies of Finance are not restricted to the front stage – market activities and their technological framing – but also take into consideration the social practice of financial regulation on a national or global scale.

**Herbert Kalthoff is Assistant Professor at Constance University, Department of Sociology. His research focuses on the empirical investigation of social practices and forms of knowledge, economic sociology, and qualitative research methods. He is author of "Wohlerzogenheit. Eine Ethnographie deutscher Internatsschulen" (Frankfurt/Main: Campus, 1997); "Zahlenwelten. Studien zur epistemischen Ordnung der Bankwirtschaft" (Stuttgart: Lucius, 2005, forthcoming), "Practices of Calculation. Economic Representations and Risk Management," *Theory, Culture & Society* 22 (2005), No. 2, 69-97, and "Finanzwirtschaftliche Praxis und Wirtschaftstheorie. Skizze einer Soziologie ökonomischen Wissens", *Zeitschrift für Soziologie* 33 (2004), 154-175.**

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# Some Ideas Concerning the Methodological Role of "Mixed Methods"

by Udo Kelle  
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Udo Kelle

Since the mid 1920s the relation between qualitative and quantitative methods of social research has been difficult, often characterized by mutual distrust and demarcations. Nowadays both traditions have developed their own vocabulary and independent infrastructures for scientific discourses comprised of their own workgroups, sections and factions in scientific societies, publishing their own journals and handbooks etc.

These historical developments are traceable to the fact that both traditions have developed different criteria for what is considered good science, and that these criteria often carry contradictory implications: the quantitative tradition appreciates data collection which demands high objectivity and observer-neutrality, a theory-oriented approach towards empirical research and the (statistical) generalizability of results. The primary goals of the qualitative research tradition are the exploration of processes of mutual understanding of the actors in the investigated domain, the investigation of cultural practices and rules and the deep-reaching analysis and description of single cases.

These differing purposes are often very difficult to combine in research practice: Objectivity and generalizability, on the one hand, require a high degree of standardization and the necessity of collecting big samples. The discovery and detailed description of yet unknown social worlds, on the other hand, requires non-standardized interviewing techniques. The difficulty of reconciling such diverging research goals and quality criteria has led to mutual criticism between the two research traditions which unfortunately has not stimulated the willingness of discussants to acknowledge weaknesses in their own approach. Rather it has become customary to counter criticism by highlighting the limitation of the competing approaches. Thus many arguments have been repeated for a number of decades without inspiring constructive debates or methodological progress.

In research practice it is often impossible mutually to substitute qualitative and quantitative methods, since answering many research questions demands techniques from both methodological traditions: certain macro-phenomena can only be described with the help of quantitative methods, whereas the exploration of social practices prevalent in hard-to-access subcultures and milieu clearly requires social research. The attempt to address both

kinds of research goals in one research project poses great challenges for the formulation research questions, for the construction of research designs and for the selection of the right method for data collection and analysis. Nevertheless, since the 1980s we find a growing tendency in research practice to use *Mixed Methods Designs*. Unfortunately, such projects have to face serious difficulties, especially as far as the cooperation between researchers with differing methodological backgrounds is concerned. This cooperation is already hindered by a lack of a common vocabulary for both methodological traditions. The same terms are often used within different traditions to denote different phenomena. At the same time identical phenomena may be called by different names, so that followers of one tradition often have difficulties understanding research goals and research questions formulated within the context of the other traditions.

In the still limited literature about mixed methods designs it is often argued that qualitative and quantitative methods are better suited for certain research questions, so that the combination of methods may help to compensate for weaknesses of one tradition by drawing on the strengths of the other tradition. Unfortunately this discussion lacks a common methodological framework and a consistent terminology.

Obviously it is high time for methodologists from different traditions to establish a cooperation in order to support developments aiming at an integrative methodology of social sciences which at present mainly come from the practice of empirical research. But this ambitious goal will be only reached if the mutual criticism of both traditions can be utilized as a potential for the improvement and further development of methods. For that purpose an honest review and an open-minded discussion about the following questions would be necessary:

1. What are specific strengths of qualitative and quantitative methods, i.e. for which scientific domains and for which types of research questions are qualitative methods especially suited?
2. What are the specific weaknesses of qualitative and quantitative methods, i.e. for which scientific domains and for which types of research questions are they confronted with certain limitations, threats to validity and methodological problems?

3. How can the strengths of qualitative and quantitative methods be used to cope with the weaknesses and limitations of the other method?

Udo Kelle is currently a Professor at the Philipps-University Marburg, Institute for Sociology. After his training in psychology and sociology in Bielefeld and Bremen he worked as a researcher in the Special Collaborative Centre 186 of the "Deutsche Forschungsgemeinschaft." As a visiting researcher in Great Britain and the United States he developed cooperations with colleagues with differing methodological backgrounds. His publications (five books and almost 50 articles) cover

different topics, in the domains of both qualitative and quantitative research methods. His current interests cover the methodological and epistemological foundations of social research, strategies for relating theory and data in research, concepts of causality, and the integration of qualitative and quantitative methods.

From February 14 to 28, 2005 he gave a course on "Theories of Comparative Research" at IHS, Department of Sociology.

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## Multilevel Analysis for Grouped and Longitudinal Data

IHS Course, May 9-13, 2005

by Joop J. Hox  
Utrecht University



Joop J. Hox

Social research often concerns relationships between individuals and the social contexts to which they belong. Individuals and their social contexts can be conceptualized as a hierarchical structure, with individuals nested within groups. Classic examples are educational research, with pupils nested within schools, organizational studies in general, with individuals nested within organizational groups, and cross-national research, with individuals nested within their national units. Such systems can be observed at two (or more) levels, and as a result we have data with group level variables and individual level variables. To analyze such hierarchical structures, we need multilevel modeling, which allows us to study the relationships between variables observed at different levels in the hierarchical structure.

With the advent of powerful multilevel software, multilevel analysis of hierarchical data has become an important tool in social research. Applications range from classical school research, where the central research question concerns the effect of pupil, class, and school characteristics on pupils' school careers, to methodological research that concerns the effect of respondent and interviewer characteristics on the quality of the data that is collected. The common core in all these applications is correctly to combine data that have been collected from units at several hierarchically nested levels.

However, multilevel modeling can also be used to analyze data from longitudinal research, by viewing measurement occasions as being nested within respondents. This has several

"To err is human, to forgive divine; but to put errors in your design is statistical."

- Leslie Kish

advantages compared to more classical approaches to longitudinal data. The two most important advantages are the ease with which incomplete data (for example panel dropout) can be handled, and the possibility to include time-varying predictors in the analysis. In addition, multilevel models have been generalized to cover situations where data do not have a simple multilevel structure, such as cross-classified data or multiple-membership models.

**Joop J. Hox is Professor of Social Science Methodology at the Department of Methodology and Statistics of the Faculty of Social Sciences at Utrecht University. As Methodology chair, he is responsible for the research, development, and teaching carried out at the faculty in the field of social science methods and techniques.**

For details see <http://www.fss.uu.nl/ms/jh/>.

**His research interests focus on two lines of work: data quality in social surveys and multilevel modeling. In survey methodology, he has written articles on nonresponse problems and the effects of data collection mode and interviewers on various aspects of data quality. In multilevel modeling, he has written numerous articles, book chapters, and a monograph. The two lines of research reinforce each other, for instance in using multilevel methods to model complex survey data. He has acted as coordinator for a large international study of interviewer effects on nonresponse, which combines interviewer and respondent-level data from 32 surveys carried out in nine different countries.**

**The IHS course was based on: J.J. Hox (2002). *Multilevel Analysis. Techniques and Applications*. Mahwah, NJ: Lawrence Erlbaum Associates.**

**In Europe, this book is available from <http://www.eurospanonline.com>.**

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## New Department Members



Johannes Berger

**Johannes Berger** joined the **Department of Economics and Finance** as a Research Assistant in March 2005. He graduated in mathematical methods in economics from the Vienna University of Technology. His Master's thesis on "Striving for Status and Optimal Taxation" concerned the effects of consumption externalities on the economy. He is currently involved in building a dynamic macro-economic model of the Austrian economy in order to evaluate the effects of ageing and of different policy scenarios.

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Emmanuelle Causse

**Emmanuelle Causse** joined the **Department of Political Science** in April 2005 as a Project Researcher for the "Dead Letter or Living Rights? – The Practice of EU Social Law in Central and Eastern Europe" project. A graduate of the Political Sciences Institute, Toulouse, she also holds a basic law degree. Additionally, she completed a Master's in European Studies at Aalborg University, Denmark. She wrote her Master's thesis on the role and influence of regions in the European decision-making process. Her work experience includes a Stage at the European Parliament as well as two traineeships in Brussels: one in a regional representation office and the other in a think-tank. Her research interests include human and citizen rights, European governance and sub-national authorities as well as European social policy.

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Petra Furtlehner

**Petra Furtlehner** graduated with a Master's degree in Political Science from the University of Salzburg, where she also completed her Ph.D. Her dissertation was titled "The European Parliament in the European Convention – Highlights of its 50-year-long effort to influence European integration." During her studies she worked for a Member of the European Parliament in Brussels and Austria. In April 2005 she joined the **Department of Political Science** as a Project Researcher working on the "Dead Letter or Living Rights?" project. Her major research interests are European Integration, Political System of the European Union, Policy Implementation, and Social Policy.

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Marianne Schulze

**Marianne Schulze**, an Australian-Austrian human rights lawyer, joined the "Dead Letter or Living Rights?" project at the **Department of Political Science** in April 2005. A graduate of the Vienna University Law School, she recently completed an analysis of human rights issues at the 59th General Assembly of the UN. Before that she completed a Master's in International Human Rights Law at the Center for Civil & Human Rights, University of Notre Dame with interdisciplinary classes in anthropology, heterodox economics, and modern religion. Her research interests include social rights, anti-discrimination, gender equality, civil rights (freedom of speech and religion), and democratization.

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Clemens Wiedermann

**Clemens Wiedermann** joined the **Department of Political Science** in April 2005 as a Project Researcher for the "Dead Letter or Living Rights?" project. He received his Master's degree in Political Science from the University of Vienna in December 2004. He wrote his Master's thesis on the recent reforms in the Austrian pension system. He is about to complete his law studies at the Faculty of Law at the University of Vienna, where he focused on the fields of European Law and Human Rights. His research interests include Europeanisation, European Social Policy, the Enlargement Process, and Implementation Research.

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## Workshop: e-Participation in Europe

Graz, June 5-7, 2005

by Wolfgang Polasek  
IHS, TED SC Member



On the occasion of the biennial meeting of the regional OR Societies of Austria and Italy, a Workshop on "e-Participation in Europe" was held in Graz from June 5 to 7, 2005. The joint Workshop was promoted by the European Science Foundation (ESF) network on "Towards Electronic Democracy" (TED – a project that deals with Internet-Based Complex Decision Support – <http://www.esf.org/ted>), by the Working Group "e-Democracy" of the Austrian Computer Society (OCG), the Institute for Advanced Studies (IHS Vienna), the University of Milan (DICO/LIC), and the Research Group "e-Voting.at." Its main goal was to encourage new developments on e-Participation and bring together people working in academia, politics, and public administration.

On the afternoon of Sunday, June 5, a small crowd of scientists met on the main square (Hauptplatz) to enter the town hall of Graz. There, with a superb view over the main square, the Schlossberg, and Graz's most famous landmark, the clock tower, the three groups of this joint workshop gathered to hear the introductory talk by Dr. Waltraut Kotschy from the Austrian chancellery on "e-government as a starting point for a new deal in the public sector." She explained the new Austrian e-government law that came into force in 2004 and has lifted Austria in the ranking of e-government performance to second place within the EU. The introduction of the new "e-citizen card" will much more easily enable many new services for citizens, the aim being one-stop government. This concept pursues the goal that any e-government service should require only one administrative act by a citizen, i.e. a one-time communication or interaction via the internet.

The second day continued with an official opening by the host faculty of the conference, represented by the dean of the RESOWI faculty, Prof. Lutz Beinsen and by Prof. Ulrike Leopold-Wildburger (Institute of Statistics and Operation Research, University of Graz), and Dr. Fátima Dargam (SimTech / Austria), the organizers of the other two workshops, on the topics of experimental economics and decision support systems.

The first talk was then given by Dr. Frédéric Adam (University College Cork, Ireland) on "Automating organiza-

**"The goal [is] that any e-government service should require only one administrative act by any citizen."**

tional decision making" and the second talk by Douglas Schuler from Seattle on "Civic intelligence and new tools for the civil society." He is co-founder of the Seattle Community Network and a prolific writer on community networking, he gave an overview on e-participation approaches from a US perspective. In the afternoon two invited talks were given: one by Birgit Wilder, an Austrian representative at the European commission on "e-citizen and EU-citizenship: ready to go?" and the second by Prof. Fiorella de Cindio (University of Milan) on "Deliberative community networks." The day concluded with a general talk by Prof. Hermann Maurer (Dean of the Faculty of Computer Science at Graz University of Technology) on "Can we avoid catastrophic failures of computer networks?" As a surprise gift he offered the audience a crime story that he has written on this topic.

After the last talk the participants had the opportunity to attend the Schumpeter lecture of the faculty, which was given by Prof. Amit Bhaduri (Pavia University) on "The present state of economic growth theory." In the evening a reception was held at the Palais Attems in the center of Graz hosted by the Styrian local government.

The third day started with a talk by Prof. Alexis Tsoukias (Université Paris Dauphine, France) on "the EURO and its future." Following this presentation, a second invited talk was given by Prof. Reinhard Riedl (Zurich University) on "e-governance with e-participation." In the afternoon Prof. Jochen Pfalzgraf (University Salzburg) gave a talk on "Modeling knowledge based learning systems," a wide-ranging survey lecture.

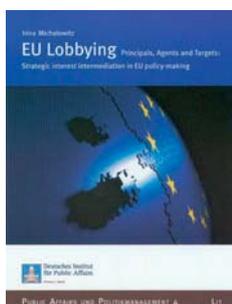
On behalf of the TED steering committee, Prof. Wolfgang Polasek said thank-you for the invitation to the e-government community to a stimulating and future oriented joint workshop and for the delightful hospitality of the local organizers. The joint workshop proceeding can be found under: [www.kfunigraz.ac.at/soowww/eCube/](http://www.kfunigraz.ac.at/soowww/eCube/)

**Wolfgang Polasek is Professor and Senior Researcher in the Department of Economics and Finance at IHS.**

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# EU Lobbying: Professionals with Limited Impact

by Irina Michalowitz  
IHS



**Irina Michalowitz**  
**EU-Lobbying**  
Principals, Agents and Targets.  
Strategic interest intermediation  
in EU policy-making.  
Lit: Münster/Berlin, 2005.

EU Lobbying may be far less influential than is generally expected. This is the finding of a study on EU lobbying strategies, based on original data from 106 interviews with Brussels lobbyists, their clients and with decision-makers, and an online survey in the field of information technology and transport authored by Irina Michalowitz, Assistant Professor at the IHS Department for Political Science.

The study addresses the following questions: Why do companies or interest groups use European associations, in-house lobbyists and political consultants simultaneously, alternatively or partially even opposing each other? What does this mean for the influence lobbying exerts on European political decision-making? Based on the empirical data, two points are particularly striking:

## 1) There is a functional division of labour between lobbyists

This division of labour is well known to their clients, and they use them accordingly. The way lobbyists are used simultaneously, opposingly or alternatively may at times appear irrational but actually constitutes a strategy. Four main purposes of agent use can be detected:

- Contact provision
- Information provision
- Support
- Back-up/direct lobbying.

Along these four functions, two groups of lobbying agents can be distinguished. The first of these are those with a pure mediator- or advisory role – such as political consultants and, to some extent, regional offices. The second group consists of those that are, although carrying out functions for members or employers, at the same time accepted as actors in their own right because they identify themselves with the interest they represent: in-house lobbyists and Euro groups. Struggles seem to arise especially within Euro groups with direct membership when the roles as actors and as agents are confused and when competition between the group secretariat and the group members arises over the question of who steers the organisation.

Clients use agents according to their strengths. Additionally, they use agents simultaneously in order for them to cross-control each other. The purpose is to ensure the greatest possible effort of lobbyists in the client's interest, and to gain sufficient information in order to switch agents in time when unsuccessful.

## 2) The strategy used for lobbying has no apparent influence on the lobbying success

The analysis of lobbying strategies in six cases related to the telecommunications package and to different legislative acts on maritime safety revealed that the quality of a lobbying strategy and the ability to influence the outcome of a legislative act may be un- or only weakly related.

In the six cases, the influence of lobbying of particular private actors via their agents was measured. In order to assess influence, the initial aims of the lobbying targets (i.e. decision-makers) was firstly examined and compared with the interests of the private actors analysed. Secondly, other lobbying activities or impacts relevant in the case were analysed. Thirdly, the interrelations between lobbying actors, agents and lobbying targets were assessed, as was the connection of these interrelations to position shifts or non-shifts of the lobbying targets. Finally, the outcome satisfaction of the lobbying actors analysed was assessed and connected to the lobbying activities of these actors, as well as to those of other actors or agents involved in the case.

In the comparison of these cases, the balance between these factors seemed to determine the degree of success private actors had with their lobbying. However, one additional factor proved to be particularly decisive in the cases analysed: the political will of governmental actors. Lobbying strategies could only be called successful when the initial political will was either in line with the lobbying interests, or when the decision-makers were indifferent to the outcome of legislation. Whenever an opposing political will had already developed in either one of the European institutions analysed, lobbying strategies were unsuccessful.

Hence, the final degree of influence lobbyists can exert may only be secondarily determined by these behavioural patterns. At least in the cases examined, the presence of a political will predominantly determines the outcome of a policy decision: EU lobbying influence may only reach as far as the political elite wants it to.

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# The Role of Domestic Politics in the Implementation of EU Legislation

by Oliver Treib  
IHS

One of the core rationales behind European integration is the conviction that many policy problems may be addressed more effectively by common action at the European level. The success of governance in the European multi-level system, however, crucially depends on the willingness and ability of member states to implement legislation adopted in Brussels. It was the aim of a research group established at the Cologne-based Max Planck Institute for the Study of Societies to shed light on this phase of the policy cycle. Directed by Gerda Falkner, the group of collaborators analyzed the domestic implementation of EU social policy in the fifteen "old" EU member states.

One of the three doctoral dissertations that resulted from this collaboration has just been published. Oliver Treib's study focuses on the legal incorporation of EU standards at the national level. The aim of the book is to explain the varying performance of four countries (Germany, the Netherlands, Ireland, and the UK) in incorporating six selected social policy Directives into domestic legislation.

A prominent strand of literature has pointed to the degree of fit or misfit between European demands and existing national policy traditions as one of the major factors determining implementation performance. The book demonstrates the limited explanatory power of this hypothesis. Instead, it stresses the importance of domestic politics for explaining the outcomes. In particular, it argues that *party political preferences of governments* may override the "misfit logic," thus facilitating smooth implementation even in the face of far-reaching reform requirements or obstructing the fulfillment of minor policy adjustments. Second, the book highlights the fact that the *pressure exerted by powerful interest groups* may have a positive, but often also a negative, impact on transposition outcomes. Third, the author emphasizes the role of domestic issue linkage.

## Congratulations to

**Peter M. Steiner**, who obtained his Ph.D. in Statistics from the University of Vienna in April 2005. In his dissertation "Identification of Mixture Models with Compressed Data: Sufficient EM Strategies for Prototypes Representing Large Data Sets" he proposes a fast two-step procedure for estimating a mixture model with large data sets. The first step consists of compressing the data into prototypes and their representation by sufficient statistics. The second step estimates the mixture by applying the sufficient EM algorithm to the prototypes. He has been member of the IHS, Department of Sociology / equi-Group, since 1997. His research interests include multivariate statistics, (factual) survey design, and forecasting and evaluation in the fields of employment and education.

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Transposition processes frequently become intertwined with other protracted reform processes at the national level. Therefore, the idiosyncratic logics of domestic policy-making have to be taken into account much more systematically than has hitherto been the case.

In sum, the book shows that domestic political concerns crucially shaped the processes of incorporating EU legislation in the four selected countries. The larger project group found this politicized mode of dealing with EU demands also to be typical for other countries such as Austria, Belgium or Spain. In addition to this "world of domestic politics," however, the team also identified two other "worlds of compliance," in which the impact of domestic politics is either superseded by a deeply entrenched culture of law-abidingness ("world of law observance") or by administrative sloppiness ("world of neglect").

With a view to the problem-solving capacity of EU policy-making, the book's findings demonstrate that the realization of supranational decisions is not bound to founder on the stickiness of domestic policy legacies, but is a matter of political will at the national level. At the same time, the fact that governments often act according to their own political logic when implementing EU legislation may create additional obstacles to successful steering which previous research has left largely unexplored.

**Oliver Treib (2004): Die Bedeutung der nationalen Parteipolitik für die Umsetzung europäischer Sozialrichtlinien. Politik, Verbände, Recht: Die Umsetzung europäischer Sozialpolitik, vol. 1. Frankfurt/M.: Campus.**

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## Dr. Maria Schaumayer Award

The **Dr. Maria Schaumayer Award** was founded in 1991 to promote careers of women in Science and Economy. It is awarded biannually for excellent academic results.

**Julia Girardi**, Department of Sociology at IHS, was awarded the 2005 prize for her Master's thesis: "The school building as a 'Third Teacher.' A functional analysis of School Architecture and its impact on learning comparing Sweden and Austria."

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**Claudia Höfner**, Department of Sociology at IHS, was awarded the 2005 prize for her Dissertation in Psychology on the topic of "Contemporary Fatherhood. Attitudes, ideals, hopes, and fears."

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# Lectures & Publications

## Lectures

### Nicole Alecu de Flers

"Theorising the effects of CFSP on national foreign policy and the concept of Europeanisation." Third Plenary Meeting of FORNET (A network of research and teaching on European Foreign Policy), Fondation Universitaire, Brussels, Belgium, April 22-23, 2005.

### Holger Bähr / Gerda Falkner / Oliver Treib

"Old and New Modes of Governance in EU Environmental and Social Policy: Hypotheses, Indicators and Empirical Findings." Presentation of preliminary project results, NEWGOV Consortium Conference, European University Institute, Florence, Italy, May 30-31, 2005.

### Peter Biegelbauer

"Die nationale, die internationale und die rationale Ebene: Lernen aus Erfahrung in der österreichischen Industrie- und Technologiepolitik." Guest lecture, Institute for Political Science, University Salzburg, May 5, 2005.

"Einführung in die Vergleichende Politikwissenschaft." Basic course at the Institute for Political Science, University of Vienna, March - June 2005.

### Gerda Falkner

"Implementation of EU Law: Theory and Practice." Seminar for the Master Programme, Diplomatic Academy Vienna, May 12, 2005.

### Gerda Falkner / Oliver Treib

"Explaining EU Policy Implementation Across Countries: Three Modes of Adaptation." Paper presentation, European Union Studies Association, 9th Biennial International Conference, Austin, Texas, March 31-April 2, 2005.

### Bernhard Felderer

"Small and Large Countries." Verband der Auslandsprese, Vienna, March 30, 2005.

"EU-Enlargement: Chances and Challenges." Siemens Personnel Council Europe, Vienna, April 14, 2005.

"Steuerreform – Allgemeines und Auswirkungen auf Kärnten." Veranstaltung 'Arbeit und Einkommen' der Kärntner Landesregierung, Pörtlach, April 26, 2005.

"Bilanz und Ausblick für die Niederösterreichische Wirtschaft." ecoplus Annual Meeting 2005, April 30, 2005.

### Bettina Haidinger

"Global Care Chains between Austria and Ukraine." International Conference 'Vanishing Borders? Commuting Migration and Domestic Work within Europe', Jagiellonian University, Kraków, Poland, May 20-22, 2005.

"Whose Household? The Gendered Division of Labor and Household Strategies in Transnational Families." International Conference on 'Migration and Domestic Work in Global Perspective.' The Netherlands Institute of Advanced Studies, Wassenaar, May 26-29, 2005.

### Maria M. Hofmarcher

"Finanzierung des österreichischen Gesundheitswesens und Gesundheitssystemvergleiche." Lecture, MBA Programme for Health Care Management Vienna, Medizinische Universität Wien, April 18, 2005.

"Public Governance and Structural Reforms: Public and Private Partnership in Health Care." Lecture, Joint-Vienna-Institute-Seminar, Vienna, April 26, 2005.

"Zahlt sich Prävention aus?" Lecture, Gesundheitsgespräch – "Die Presse" und Pfizer, MUMOK, Vienna, May 19, 2005.

### Michael Jonas

"Einführung in die Soziologie." Seminar, Vienna University of Economics and Business Administration, Vienna, summer term 2005.

### Adusei Jumah

"The Long Run, Market Power and Retail Pricing." Paper presented at the 'Agrar- und Ernährungswirtschaftliches Kolloquium,' Faculty of Agriculture, Christian-Albrechts-University Kiel, May 31, 2005.

"Predicting Inflation in West African countries: Cocoa Prices and Immigrant Remittance Flows." Paper presented at the 25th International Symposium on Forecasting, San Antonio, Texas, USA, June 12-15, 2005.

### Sylvia Kritzinger

"Regional Integration and Domestic Structures: The (Non-)Europeanisation of Political Parties." Institute for International Integration Studies, Trinity College, Dublin, Ireland, March 18, 2005.

"Dreams of Democratization? The European Union and the Barcelona Process." ECPR Joint Sessions, Panel on Post-Cold War Democratization in the Muslim World: Domestic, Regional and Global Trends, Granada, Spain, April 14-19, 2005.

### Klaus Ritzberger

"Trees and Extensive Forms." Guest lecture, Essex University, UK, March 16, 2005.

"Who Controls Allianz?" Seminar presentation, Essex University, UK, March 17, 2005.

### Ulrich Schuh

"Zehn Jahre Mitgliedschaft in der Europäischen Union – eine wirtschaftliche Bilanz." Europa Handelsakademie Bad Aussee, May 10, 2005.

"A Long Run Macroeconomic Model of the Austrian Economy." Presentation at the Project LINK meeting, Mexico City, May 20, 2005.

### Yuri Yegorov

"Tsunami and Investment in Touristic Business." European Geosciences Union, General Assembly, Vienna, April 24-29, 2005.

## Publications

### Gerda Falkner

"The Europeanization of Austria and Ireland: Small is Difficult?," (with Brigid Laffan). In: Simon Bulmer and Christian Lequesne (eds.), Member States and the European Union, Oxford University Press: Oxford, 2005, pp. 209-228.

### Gerda Falkner / Oliver Treib

"Complying with Europe. EU Minimum Harmonisation and Soft Law in the Member States," (with Miriam Hartlapp, Simone Leiber). Cambridge University Press: Cambridge / UK, 2005.

"Europäische Sozialpolitik in der nationalen Praxis." Zeitschrift für Sozialreform, 51(2), 2005, pp. 139-163.

### Bernhard Felderer

"Die Zukunft von Wirtschaft und Staat." In: Andreas Khol, Reinhold Lopatka, Wilhelm Molterer (eds.), zukunft denken. Festschrift für Wolfgang Schüssel, R. Oldenbourg Verlag Wien, Verlag für Geschichte und Politik Wien. Eine Publikation der Politischen Akademie der Österreichischen Volkspartei, Wien 2005, pp. 39-47.

### Jaroslava Hlouskova

"Beating the random walk in Central and Eastern Europe," (with J.C. Cuaresma). Journal of Forecasting, 24(3), 2005, pp. 189-201.

"CEEC growth projections: Certainly necessary and necessarily certain," (with M. Wagner). Economics of Transition, 13(2), 2005, pp. 341-372.

### Helmut Hofer

"Wage Differences Between Men and Women in Austria: Evidence from 1983 and 1997," (with R. Böheim, C. Zulehner). IZA Discussion Paper 1554, Bonn, 2005.

### Helmut Hofer / Robert M. Kunst

"The macroeconomic model LIMA." In: OeNB (ed.), Macroeconomic Models and Forecasts for Austria, OeNB Workshop Proceedings No. 5, Vienna, 2005, pp. 87-116.

### Helmut Hofer / Ulrich Schuh

"A Long-run Macroeconomic Model of the Austrian Economy (A-LMM). Model Documentation and Simulations," (with J. Baumgartner, S. Kaniowski, T. Url). In: OeNB (ed.), Macroeconomic Models and Forecasts for Austria, OeNB Workshop Proceedings No. 5, Vienna, 2005, pp. 170-271.

### Adusei Jumah / Robert M. Kunst

"Modeling Fixed Investment and Its Components: An Application of Non-Linear Error Correction." In: C. Dreger and H.P. Galler (eds.), Advances in Macroeconomic Modeling, Papers and Proceedings of the 4th IWH Workshop in Macroeconomics, Nomos, 2005.

### Sylvia Kritzinger

"European Identity Building from the Perspective of Efficiency." Comparative European Politics, 3/1, 2005, pp. 50-75.

### Lorenz Lassnigg

"Qualität durch Vorausschau. Antizipationsmechanismen und Qualitätssicherung in der österreichischen Berufsbildung," (with J. Markowitsch). Studienverlag: Innsbruck-Wien, 2005.

### Beate Littig

"Socratic Dialogue as a New Means of Participatory Technology Assessment? The case for Xenotransplantation." In: N. Sanitt (ed.): Motivating Science. Science Communication from a Philosophical, Educational and Cultural Perspective, The Pantaneto Press: Luton, 2005, pp. 37-48.

### Wolfgang Polasek

"Business Cycle Fluctuations in Mediterranean Countries (1960-2000)," (with M. Gallegati and M. Gallegati). Emerging Markets Finance and Trade, 40(6), 2004, pp. 28-47.

"Volatility Forecasts and Value at Risk Evaluation for the MSCI North America Index," (with M. Pojarliev). In: D. Baier and K.-D. Wernecke (eds.), Innovations in Classification, Data Science and Information Systems. Springer Verlag: Berlin, 2004, pp. 482-489.

"E-Cognocracy and the participation of immigrants in E-Governance," (with J. M. Moreno-Jiménez). In: M. Böhlen et al. (eds.), TED Conference on e-Government (TCGOV-2005), Trauner Verlag: Linz, 2005, pp. 18-26.

### Klaus Ritzberger

"Trees and Decisions," (with Carlos Alós-Ferrer). Economic Theory, 25(4), 2005, pp. 763-798.

### Mario Steiner

"Qualitativ-praktische Aspekte der Antizipation." In: L. Lassnigg, J. Markowitsch (eds.), Qualität durch Vorausschau, StudienVerlag: Innsbruck, Wien et al., 2005, pp. 123-178.

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Public Relations: <http://www.ihs.ac.at/pr>

- IHS Media Survey, Press Releases, Archive
- IHS News: <http://www.ihs.ac.at/news>

## European Governance Papers

Gerda Falkner (Editor-in-Chief)  
Patrick Scherhauser (Managing Editor)



The IHS Department of Political Science is pleased to announce the release of the European Governance Papers (EUROGOV). EUROGOV is a peer-reviewed online journal focusing on the interdisciplinary field of 'European governance' research. This is to be understood in a broad sense, as used within the CONNEX (Connecting Excellence on European Governance) and NEWGOV (New Modes of Governance) networks funded under the EU's 6th Framework Programme for Research.

As an electronic journal, EUROGOV is freely accessible on the web. Papers are published online as soon as they are accepted.

Please visit our website at [www.connex-network.org/eurogov/](http://www.connex-network.org/eurogov/) to read our first two papers written by three outstanding scholars of European Integration:

**No. C-05-01**

**Beate Kohler-Koch**

European governance and system integration. March 2005.

**No. C-05-02**

**Andreas Follesdal / Simon Hix**

Why There is a Democratic Deficit in the EU:

A Response to Majone and Moravcsik. March 2005

Contact: [eurogov@ihs.ac.at](mailto:eurogov@ihs.ac.at)

## German Economic Review

The *German Economic Review* (GER) is the official journal of the *Verein für Socialpolitik* (German Economic Association), the leading association of German-speaking economists, and is provided to over 3,200 members of the Association. At the same time, the journal aims at a wider international audience and invites participation and subscriptions from economists around the world.

Prof. Bernhard Felderer, managing editor of the *German Economic Review* since the first issue appeared in February of 2000, his fellow editors Paul C. De Grauwe, Urs Schweizer, Ivo Welch, David E. Wildasin, and the journal's internationally composed board of editors, are committed to maintaining a high standard of quality.

The *German Economic Review* publishes original research of general interest in a broad range of economic disciplines, including macro- and microeconomics, public economics, business administration, and finance. Authors are invited to submit papers devoted to policy analysis as well as theoretical and empirical papers. All submissions are peer reviewed by two to three reviewers.

A number of special issues on topics of current or broad interest have appeared. The first special issue "The Years After: German Unification Revisited" by guest editors Hans-Werner Sinn and Rüdiger Dornbusch, appeared in August 2000, followed by "Growth and Trade in the International Economy" edited by Bernhard Felderer and Bjarne S. Jensen (February 2003), and "Corporate Governance Structures" by Stefan Reichelstein and Urs Schweizer (May 2004). The next special issue, dealing with the "Economics of Education Policies and Empirical Evidence" by Stephen Machin and Patrick A. Puhani, will appear in August 2005.

The *German Economic Review* is published in four issues per year in English by Blackwell Publishers, and is available online.

For submission instructions, subscription, and all other information please visit: <http://www.blackwellpublishing.com/journals/GEER>

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## IAO - Your Alumni Organisation

### Looking back on 04/05 IAO activities

It is now two years since the IAO set out to bring IHS alumni together and to provide a platform for networking and relationships. We have initiated a new form of member meetings and new form of panel discussion events, the "Perspectives."

In February, IHS alumni covered major perspectives around the topic: "Venture Capital and Private Equity in Austria und Europe." On the stage were Christian Wildmoser, CVC Capital (Switzerland), Helmut Schühler, TVM, leading biotech and IT VC in Europe and US, Doris Agnetner, RCB Private Equity (Austria) fund of funds investors in Austria und Europe, Christian

Helmenstein, IV Volkswirtschaft (Austria) and Oliver Grabherr, gcp gamma capital partners (Austria).

We had four member meetings during the year, featuring Peter Mayer, Executive Secretary International Union of Forrest Research Organizations (IUFRO), Dietmar Litschel, founder and managing director of CareTec and Michael Babeluk, European Patents and Trademarks attorney.

Next IAO Member Meeting: September 29, 2005. Information also on [www.iao.at](http://www.iao.at)

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## IHS Series

Economics, Political Science, and Sociological Series containing scientific contributions from researchers working for and with IHS. All issues are available in printed version for a charge of € 6 for individuals and € 20 for institutions. For further information or to order, please see: <http://www.ihs.ac.at/library>, write to: [library@ihs.ac.at](mailto:library@ihs.ac.at) or call: +43/1/59991-237

### Economics Series

- No. 169** José María Moreno-Jiménez / Wolfgang Polasek  
E-Cognocracy and the Participation of Immigrants in E-Governance. April 2005.
- No. 170** Nicole Schneeweis / Rudolf Winter-Ebmer  
Peer Effects in Austrian Schools. April 2005.
- No. 171** Edward N. Gamber / Frederick L. Joutz  
The Yield Curve Slope and Monetary Policy Innovations. May 2005.

### Sociological Series

- No. 70** Andrea Leitner  
Gender als mainstream. Doing Gender in Theorie und politischer Praxis. May 2005.
- No. 71** Florian Pichler  
Affection to and Exploitation of Europe. European Identity in the EU. May 2005.

### Political Science Series

- No. 101** Alec Stone Sweet  
European Integration and the Legal System. February 2005.
- No. 102** Katharina Holzinger / Christoph Knill  
Competition, Cooperation and Communication. A Theoretical Analysis of Different Sources of Environmental Policy Convergence and Their Interaction. March 2005.
- No. 103** Sylvia Kritzinger / Irina Michalowitz  
Party Position Changes through EU Membership? The (Non-) Europeanisation of Austrian, Finnish and Swedish Political Parties. April 2005.
- No. 104** Berthold Rittberger / Frank Schimmelfennig  
The Constitutionalization of the European Union: Explaining the Parliamentaryization and Institutionalization of Human Rights. May 2005.

## Forthcoming Events

### Second Annual Workshop: "Current Topics in Macroeconomic Theory and Policy"

IHS Vienna, October 14-15, 2005

Gabriel Lee (IHS and University of Regensburg), David Andolfatto (Simon Fraser University), and Martin Gervais (University of Western Ontario) are once again organizing a two-day conference.

The conference will feature ten papers over a two-day period

covering a wide range of current issues in macroeconomic theory and policy. Further information will be available soon under:

<http://www.wiwi.uni-regensburg.de/lee/links/links.html>

Contact: [gabriel.lee@wiwi.uni-regensburg.de](mailto:gabriel.lee@wiwi.uni-regensburg.de)

### Series of Lectures: "Work-Life Balance. Promises and Reality of a Political Catchword"

October - December 2005

A Series of Lectures of the IHS is being organised by Beate Littig, Department of Sociology in cooperation with the University of Vienna, the Institute of Sociology, and the "Forum Nachhaltigkeit Österreich" and guest speakers.

The lectures will take place every Monday, starting October 3,

2005. Further information and the detailed program will be available soon under the Sociology Research Seminar: [http://www.ihs.ac.at/sociology\\_rs](http://www.ihs.ac.at/sociology_rs)

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## IHS Newsletter

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