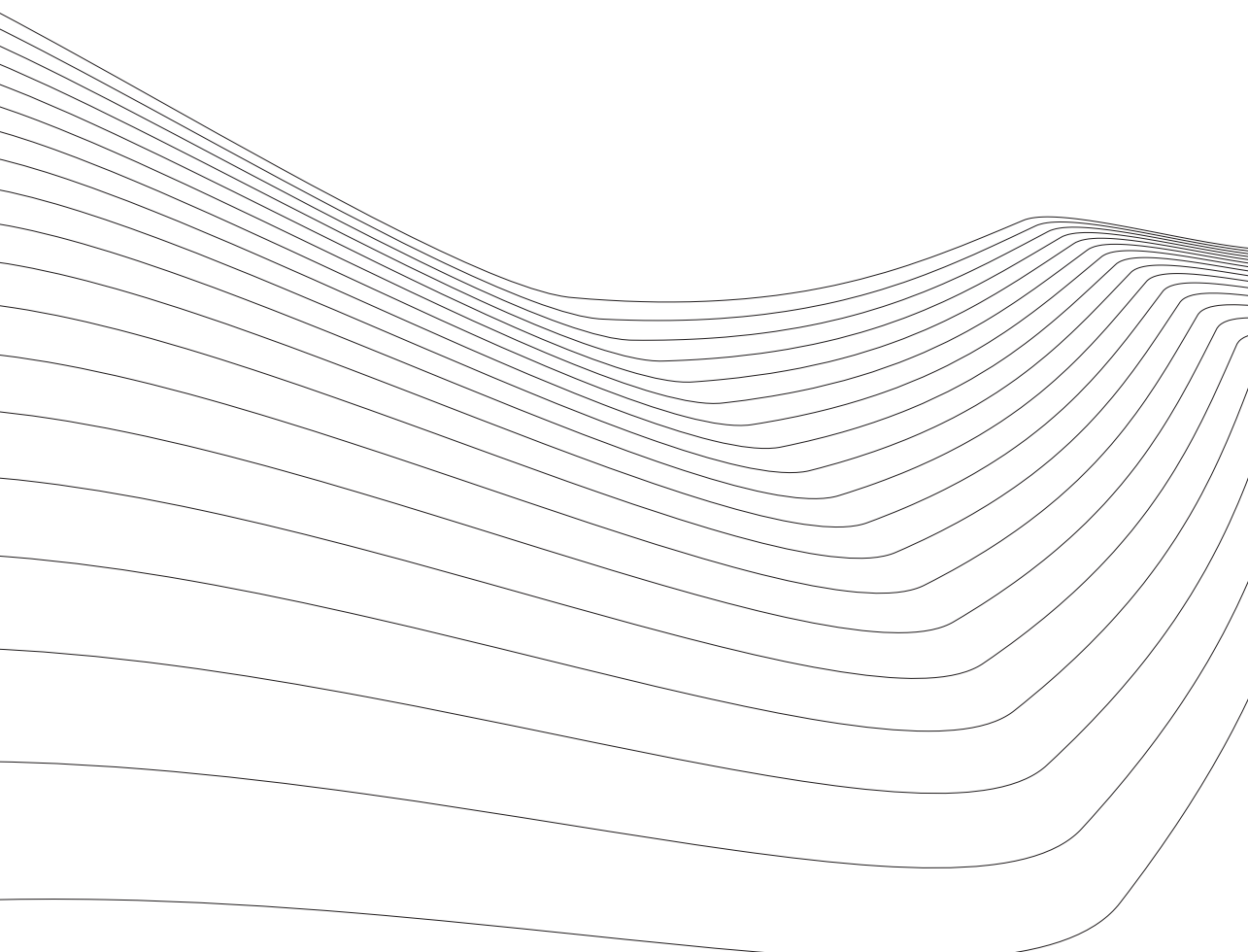


Annual Report

2011



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Editorial

The world is facing turbulent times. In these circumstances, economic research as a basis for political and business advice is more important than ever. So the KOF launched several economic discussions in the academic sector, especially with its regularly held research seminars. The KOF economists published 24 KOF Working Papers, and 36 articles in refereed journals.

The quarterly KOF Forecasts as well as the regularly published KOF indicators, e.g. the KOF Economic Barometer, had a big media echo during the whole year. The director of the institute, Prof. Jan-Egbert Sturm, was highly demanded as a partner for the media, speaker at international and national conferences, and also as interlocutor with companies and authorities. KOF's Forecast Conference attracted around 200 invited guests from the private and public sectors. Last year's speakers were Secretary of State Marie-Gabrielle Ineichen-Fleisch, Director of the State Secretariat for Economic Affairs SECO, and Hans Hess, President of Swissmem. Within the CER-ETH/KOF Lecture series, distinguished scholars like Prof. Alan J. Auerbach and Prof. Tony Venables gave lectures at ETH Zurich.

In 2011, several employees of KOF finished successfully their dissertations and habilitations. Also, one employee obtained the title of a professor. All in all, the employees of the KOF started, continued or successfully finished a range of research projects, events and publications.

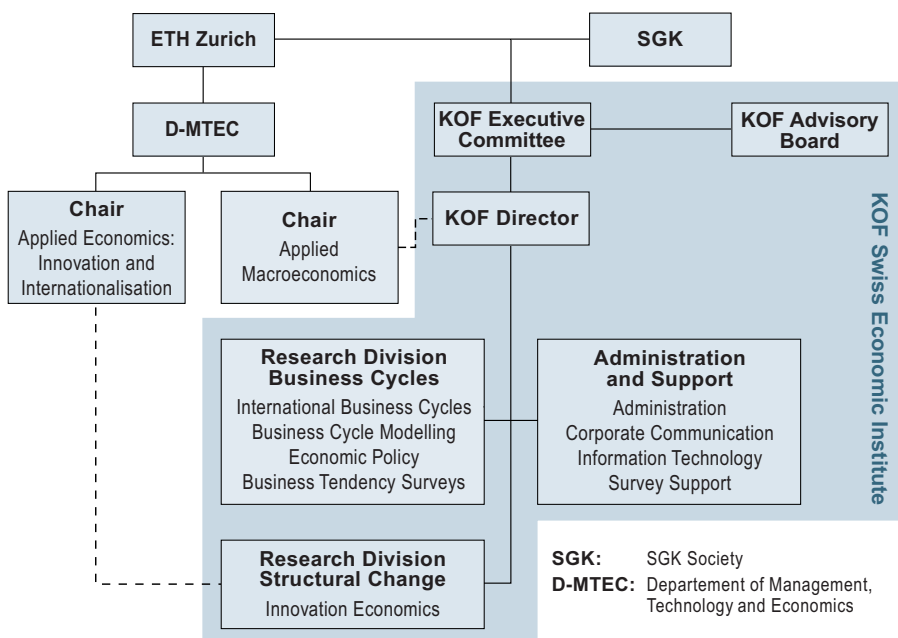
There were also two awards in 2011 that were given to KOF employees or projects: Prof. Peter Egger was awarded with the «Gossen-Preis» of the German Verein für Socialpolitik. This price is given to German-speaking researchers who have become internationally renowned with their research. The web portal «Ökonomenstimme» was awarded with a special price for its engagement in making economic research accessible and more understandable for the public.

2011 was also the year of the re-launch of the KOF website. The website is now in a modern outfit with a better functionality for users.

The 2011 Annual Report is designed to provide a comprehensive overview of the finished and current projects in 2011.

Jan-Egbert Sturm

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ORGANISATION

1.1 KOF Executive Committee



PROF. DR. ROMAN BOUTELLIER
CHAIRMAN



PROF. DR. AYMO BRUNETTI
MEMBER



PROF. DR. JEAN-PIERRE DANTHINE
MEMBER



PROF. DR. HANS GERSBACH
MEMBER

RESPONSIBILITIES

KOF is overseen by an Executive Committee which is made up of an equal number of members drawn from ETH Zurich and the SGK Society. The Director of KOF participates in its meetings in a consultative capacity.

The KOF Executive Committee currently comprises Prof. Dr. Roman Boutellier, Vice President of Personnel and Resources, ETH Zurich; Prof. Dr. Aymo Brunetti, Head of the Economic Policy Directorate, State Secretariat for Economic Affairs (SECO); Prof. Dr. Jean-Pierre Danthine, Member of the Directorate, Swiss National Bank (SNB), Prof. Dr. Hans Gersbach, MTEC ETH Zurich.

The Committee appoints an academic Advisory Committee whose members are proposed by the Director of the Institute.

1.2 KOF Advisory Board



PROF. DR. GEBHARD KIRCHGÄSSNER
CHAIRMAN



JANWILLEM C. ACKET
MEMBER



PROF. DR. DOMINIQUE FORAY
MEMBER



PROF. DR. RUDOLF MINSCH
MEMBER



DR. MARCEL SAVIOZ
MEMBER



DR. PAUL SCHREYER
MEMBER



PETER SIEGENTHALER
MEMBER



PROF. DR. RAINER WINKELMANN
MEMBER

RESPONSIBILITIES

The KOF Advisory Board is a permanent body which supports the Director of the Institute, the Executive Committee and the responsible heads of the two research fields (Business Cycles and Structural Change) in the fulfilment of their tasks, ensures independent quality controls and advises them in conjunction with the long-term research and development planning of KOF. It also helps strengthen contacts between KOF and academic and research bodies as well as with relevant economic policy institutions.

1.3 SGK Society

Executive Board



DR. DANIEL RITZ
PRESIDENT



PROF. DR. AYMO BRUNETTI
MEMBER



PROF. DR. JEAN-PIERRE DANTHINE
MEMBER



FRANÇOIS GANIÈRE
MEMBER



JÜRIG KRONENBERG
MEMBER



DR. BEAT MOSER
MEMBER



BRUNO SAUTER
MEMBER

RESPONSIBILITIES

The SGK Society (an association within the meaning of Art. 60 ff. of the Swiss Civil Code) is responsible for supporting the KOF Swiss Economic Institute at ETH Zurich in the empirical research of economic developments in Switzerland. Within this context it also promotes the realisation of corporate surveys and the economic services rendered by the KOF. Support is provided within the framework of a contractually regulated co-operation with the ETH Zurich. The SGK Society has currently around 250 members.

EXECUTIVE BOARD

The Executive Board of the society comprises the Chairman and further members, and selects the representatives of the society on the KOF Executive Committee. The Director of KOF is a member of the Executive Board with a consultative function.

The Executive Board oversees the ongoing business of the society, and supports the KOF Institute in the acquisition of commissions for research and services.

AUDITING

The accounts of the SGK are audited by the auditors who are elected directly by the SGK General Meeting.

1.4 KOF Swiss Economic Institute, ETH Zurich

Management and Coordination



PROF. DR. JAN-EGBERT STURM
DIRECTOR

Applied econometrics, macroeconomics, monetary policy, political economy, economic policy, director of the institute



PROF. DR. PETER EGGER
RESEARCH DIVISION
STRUCTURAL CHANGE

Applied international economics, applied econometrics, applied regional economics



PROF. DR. MICHAEL GRAFF
RESEARCH DIVISION
BUSINESS CYCLES

Macroeconomics, business cycles, international economics, economic growth and development



DR. HEINZ HOLLENSTEIN
STRATEGY CONSULTANT

Innovation, R&D, information technologies, technological policy, internationalisation, structural changes

RESPONSIBILITIES

KOF is organised as a matrix organisation. Besides having a vertical structure consisting of divisions and sections, many responsibilities are allocated at the horizontal project level. This flexible organisational form requires coordination. For that reason, every project is headed by a project manager and assigned to a division. The division and section heads have regular meetings with the director. Supported by the division heads and the strategy advisor, the director deals with more structural and conceptual issues.

Research Division Business Cycles



PROF. DR. MICHAEL GRAFF
HEAD OF DIVISION

Macroeconomics, business cycles, international economics, economic growth and development



YNGVE ABRAHAMSEN
BUSINESS CYCLES MODELLING

Econometric modelling, macroeconomic analysis, national accounts, demography, national insurance system



DR. ROLAND AEPPLI
ECONOMIC POLICY

Labour market, output and production, macroeconomics



PROF. (ÜAK-TURKEY) DR. ERDAL ATUKEREN
BUSINESS CYCLES MODELLING

Applied macroeconomics, forecasting, development economics, energy economics, auction markets, causality tests



MATTHIAS BANNERT
BUSINESS TENDENCY SURVEYS

Response behaviour, paradata, survey methodology, online surveys



DR. CHRISTIAN BUSCH
INTERNATIONAL BUSINESS CYCLES

Leaving: December 31, 2011



DR. DIRK DRECHSEL
BUSINESS TENDENCY SURVEYS

Construction activity, real estate economics, applied econometrics

Entry: November 1, 2011

DESCRIPTION

The Research Division Business Cycles focuses on theoretical and empirical analyses and forecasts of economic activity in Switzerland. This is largely based on continuous observation and forecasts of the international economy as well as on monthly and quarterly business tendency surveys amongst Swiss firms. This information is analysed and aggregated into a number of coincident and leading composite indicators. In addition, sectoral models as well as a large macroeconomic model of the Swiss economy are referred to for short and medium term forecasts as well as for model-based analyses of economic policy options.

A major function of this activity is to supply timely information on the state of the economy and the expected tendency of the Swiss business cycle to professional economists, decision makers in government and administration, survey participants and, last but not least, the interested general public. To this end, the division produces a large number of periodic publications and press releases, gives external lectures, and answers requests for economic data and assessments from the media and other interested parties. Another major function of KOF – and hence also of the Division Business Cycles – is scientific research for dissemination in academic and related professional circles via publications and participation in international meetings and conferences. The division comprises the sections International Business Cycles, Business Tendency Surveys, Business Cycles Modelling and Economic Policy.

SECTION INTERNATIONAL BUSINESS CYCLES

The section International Business Cycles analyses and forecasts the international economic environment that Switzerland – a small open economy – faces. In particular, this section produces detailed quarterly forecasts of the international economy in real terms as well as of interest rates, exchange rates and inflation. The regional focus is on the EU, the US and East Asia. The results constitute a crucial input into the quarterly KOF forecasts for Switzerland; they are also published as “KOF International Forecasts”. Apart from this, the section conducts in-depth analyses of topics related to business cycles from an international perspective, and it represents KOF at the “Association d’Instituts Européens de Conjoncture Economique” (AIECE) as well as at the “Gemeinschaftsdiagnose” – the joint forecast of the leading economic research institutes from the German-speaking countries.

As before, regional foci will be on the EU, the US and East Asia. Yet, due to the trends in the international economy,



RICHARD ETTER
BUSINESS TENDENCY SURVEYS

Business tendency surveys, qualitative data analysis, business climate indicators, inventory changes



ANDRES FRICK
ECONOMIC POLICY

Public finances, national insurance system, labour market, economic policy



GÜNTHER GREULICH
BUSINESS TENDENCY SURVEYS

Proof-reading service, business surveys



PD DR. JOCHEN K. HARTWIG
INTERNATIONAL BUSINESS CYCLES

International economy, economic growth, productivity, national accounts



DR. EVA M. KÖBERL
BUSINESS TENDENCY SURVEYS

Real-time analysis, applied econometrics, macro-economics, business cycle analysis



DR. MICHAEL J. LAMLA
ECONOMIC POLICY

Inflation forecasts, monetary economics, applied econometrics, political economy, environmental economics



ANDREA LASSMANN
INTERNATIONAL BUSINESS CYCLES

International economy, political economy of trade, firms in international trade



DR. ROLF SCHENKER
BUSINESS TENDENCY SURVEYS

Leaving: January 31, 2011

more effort will be devoted to track and forecasts economic activity in South Asia and Latin America. Given the close relationship between Swiss monetary policy, stock, bond and foreign exchange markets on the one hand and short-term economic developments in the rest of the world – and in particular in Europe – on the other, questions related to these issues will also be addressed by this research section.

SECTION BUSINESS TENDENCY SURVEYS

An essential and – due to its timeliness, representativeness and richness of detail – unique source of information are the monthly and quarterly business tendency surveys conducted amongst Swiss firms. They reflect a broad and at the same time multi-faceted image of the business situation and thus convey crucial information on the state and the tendency of the Swiss economy. The quality of the surveys is carefully monitored; the survey data are systematically evaluated against related statistics, and the sample as well as the weights used in aggregating the survey responses are continuously checked and – if necessary – revised. In addition, the section systematically assesses alternative methods of quantifying the mostly qualitative information from the surveys. Practically all research divisions and sections within KOF draw on this source of micro and macro data. For the division Business Cycles, the identification of coincident and leading indicators in the survey data is of special interest, as these form the basis for our composite indicators for the Swiss economy as a whole as well as for particular sectors and regions. Amongst the composite indicators for the Swiss economy, the KOF Economic Barometer is arguably the most widely noticed.

Increased effort will be made to supply survey data to both economic researchers as well as a broader public. There is an increasing demand for regional and sector-specific analyses and breakdowns of the Swiss business cycle. The same holds with respect to firm (micro) data for use in econometric analyses. Moreover, a clear focus in the years to come will be on analyses of micro (firm) data. Unlike other sources, our data offer the opportunity e.g. to analyse firms' expectations and to compare them with outcomes. A promising way to enrich the data without placing additional burden on the responding firms is to match the survey data with other firm-specific data, which are already available from commercial providers.

Furthermore, KOF is following the strategy of harmonising its business tendency surveys in accordance to the international harmonisation process led by the European Commission and the OECD. This includes not only items to be questioned, but also the wording of the questions,



ANDREA SCHNELL
BUSINESS TENDENCY SURVEYS

Business cycle analysis, business investments, applied econometrics

Entry: April 1, 2011



MICHAEL SIEGENTHALER
ECONOMIC POLICY

Labour market, wages



DR. BORISS SILIVERSTOVS
BUSINESS CYCLES MODELLING

Econometric modelling, applied econometrics, business climate indicators, gravity trade models



DR. BANU SIMMONS-SÜRER
BUSINESS CYCLES MODELLING

Econometric modelling, macroeconomic analysis, quantitative finance, analysis of international capital markets



DR. MARTIN STRAUB
BUSINESS TENDENCY SURVEYS

Leaving: December 31, 2011



DR. MATTHIAS W. UHL
INTERNATIONAL BUSINESS CYCLES

Leaving: December 31, 2011

the definition of branches and the labelling of the periods of each survey wave. Several surveys are already adapted to international standards. Besides international comparability, the harmonisation offers increased opportunities to aggregate identical questions across sectors to overall results for the Swiss economy. Finally, it will be investigated to what extent it is possible also to survey economic tendency in sectors heavily regulated by the government, as e.g. the health sector.

SECTION BUSINESS CYCLES MODELLING

The activities of this section rely heavily on empirically founded research. The main task of the modelling section is to provide appropriate models and estimations of economic volumes and prices at the macro level. The core project is the KOF macroeconomic model, which is used to calculate the quarterly KOF forecasts for the Swiss economy, and needs to be properly maintained. Beside this, various specific models for different purposes are in use. Another field of the section is analysis of statistical data in the macroeconomic field regarding the properties and the exact definition of data used in the modelling process. Our modelling section will extend its research on nowcasting. Different indicators, but also regularities observed in revision processes can deliver important information to gain better insight with respect to the current economic situation in Switzerland. In the future, more emphasis will also be placed on "thick modelling" (model pluralism) at all stages of forecasting as well as the requirement to track, implement and contribute to advances at the international scientific frontier of research on economic forecasting and modelling.

SECTION ECONOMIC POLICY

The section Economic Policy monitors, analyses and comments on the economic policy with special reference to Swiss concerns. Major focal points are the monetary policy of the Swiss National Bank and the fiscal policy of governmental bodies. Among the research interests in the field of monetary policy are inflation expectations and the communication of central banks. The research on fiscal policy is concerned with the assessment of the necessities and possibilities of stabilisation measures. Another focus is the analysis of the labour market (employment and unemployment, wages and income). Relating to the quarterly KOF forecasts for the Swiss economy, this section regularly provides forecasts of inflation prospects, the development of public finances and key labour market variables.

Research Division Structural Change



PROF. DR. PETER EGGER
HEAD OF DIVISION

Applied international economics, applied econometrics, applied regional economics



DR. DR. SPYROS ARVANITIS
INNOVATION ECONOMICS

Innovation, firm-level productivity, market dynamics, competitiveness, structural changes



DR. THOMAS BOLLI
INNOVATION ECONOMICS

Leaving: September 30, 2011



DR. HEINZ HOLLENSTEIN
INNOVATION ECONOMICS

Innovation, R&D, information technologies, technological policy, internationalisation, structural changes



MARIUS C. LEY
INNOVATION ECONOMICS

Business panel, innovation



FLORIAN SELIGER
INNOVATION ECONOMICS

Innovation econometrics, industrial organization
Entry: October 1, 2011



DR. TOBIAS STUCKI
INNOVATION ECONOMICS

Innovation, economics of education, firm-level productivity



DR. MARTIN WÖRTER
INNOVATION ECONOMICS

Innovation, diffusion of technologies (ICT), transfer of knowledge and technologies, market dynamics

DESCRIPTION

Main activity of the research division is the empirical investigation of several structure-oriented research questions that are related with the development of the Swiss economy. Special attention is given to a disaggregated approach at firm and/or industry level that allows deeper insights to the mechanisms of economic growth and structural change. A specific characteristic of the work of the research division is the use of firm data that are collected by postal surveys based on specifically designed questionnaires. A precondition for this is the availability of a well-maintained firm panel. Firm data can also be aggregated at industry or sector level, thus increasing their utilisation potential. At present, the research activities cover following fields of research:

- Generation and diffusion of innovation and new technologies and economic performance,
- Knowledge and technology transfer between firms and universities,
- Human capital formation and economic performance,
- Formation and restructuring of firms,
- Structural change and economic performance at industry and sector level,
- Internationalisation of firm activities.

Administration and Support



PROF. DR. JAN-EGBERT STURM
HEAD OF DIVISION

Applied econometrics, macroeconomics, monetary policy, political economy, economic policy, director of the institute



KATHARINA BLOCH
ADMINISTRATION

Human resources, budget accounting, KOF administration, CIRET administration



MARIE BORNET
BUSINESS TENDENCY SURVEYS

Leaving: March 31, 2011



FABIANO CUCCU
INFORMATION TECHNOLOGY

Leaving: September 30, 2011



DR. JACQUES DÄHLER
INFORMATION TECHNOLOGY

Leaving: August 31, 2011



VERA DEGONDA
CORPORATE COMMUNICATION

Layout



MICHAELA DIEHL
ADMINISTRATION

SGK administration, event management, facility management



CHRISTOPH FELLMANN
INFORMATION TECHNOLOGY

Planning, implementation and maintenance of the survey databases

DESCRIPTION

The two research divisions of KOF are supported by the Division «Administration and Support». Various administrative, graphical, technical, communication and representative activities are gathered here. This large variety of duties is spread over four distinct sections.

The section Administration takes care of human resources and accounting. Furthermore, secretary duties of e.g. the SGK and CIRET are carried out here.

Corporate Communication accompanies all activities directed towards the general public and contact with the media. It includes e.g. preparing the KOF Bulletin, maintaining the KOF website with regard to its content and releasing our press statements. Also other KOF publications, like the quarterly journal KOF Analysen, are finalised here.

The information technology (IT) section does not only facilitate the use of computers and computer-related services within KOF, but also assures that e.g. survey participants are able to fill out their forms electronically.

From a non-technical side, it is Survey Support that makes sure that the manifold survey activities carried out at KOF all run smoothly.



BARBARA FRANK
BUSINESS TENDENCY SURVEYS

Survey administration and enquiring, survey reports



ANNE STÜCKER
CORPORATE COMMUNICATION

KOF Bulletin, business surveys, business climate indicators, media relations, Ökonomenstimme



EDWARD FRIDAEI
INFORMATION TECHNOLOGY

Development, introduction and implementation of new IT and process related systems to KOF



ANNEMARIE ULRICH
CORPORATE COMMUNICATION

Layout



NADIA GENOVA
BUSINESS TENDENCY SURVEYS

Survey administration and enquiring, survey reports



BENJAMIN WOHLWEND
INFORMATION TECHNOLOGY

Leaving: May 31, 2011



DAVID ISELIN
CORPORATE COMMUNICATION

KOF Bulletin, business surveys, business climate indicators, media relations, Ökonomenstimme



NICOLA JORDAN
INFORMATION TECHNOLOGY

Development and maintenance of KOF websites and web applications



FELIX REICHLIN
INFORMATION TECHNOLOGY

Implementation and maintenance of the macro time series databases

Entry: August 22, 2011



URS RIKLIN
BUSINESS TENDENCY SURVEYS

Leaving: May 31, 2011



WILLY ROTH
CORPORATE COMMUNICATION

Maintenance of time series databases, data service, media contacts, business cycles

Chair of Applied Macroeconomics



PROF. DR. JAN-EGBERT STURM
HEAD OF DIVISION

Applied econometrics, macroeconomics, monetary policy, political economy, economic policy, director of the institute



DR. CHRISTOPH C. BASTEN
APPLIED MACROECONOMICS

Labor/public economics, political economics, household finance, applied econometrics
Entry: September 1, 2011



KATHARINA BLOCH
ADMINISTRATION

Human Resources, budget accounting



DR. MARTIN GASSEBNER
APPLIED MACROECONOMICS

International economics, political economy, applied economics



MARIE L. HADAMOVSKY
APPLIED MACROECONOMICS

Applied macroeconomics, political economy, economic growth and institutions



HEINER F. MIKOSCH
APPLIED MACROECONOMICS

International economics and public finance from a political economy perspective



DR. CHRISTOPH MOSER
APPLIED MACROECONOMICS

International finance, international trade, sovereign risk, globalisation and labour market, applied econometrics

DESCRIPTION

Members of the Chair of Applied Macroeconomics conduct mainly empirical and policy-relevant research in the broad field of macroeconomics and political economy. A non-exhaustive list of topics which are being covered include:

- Economic reforms in an international comparison,
- Political and economic linkages between international organisations
- The political consequences of terrorism
- Globalisation and fiscal policy
- Democracy and international trade
- The impact of disasters on international trade
- International competitiveness and labour markets
- Political risk and export promotion
- Macroeconomic and political determinants of pollution
- Determinants and consequences of central bank governor turnovers
- Central bank communication as a policy tool
- How to explain differences in bank efficiency
- Business cycle volatility over time
- The analysis of data revision processes

Research output is disseminated via participation at international conferences and publications in leading academic journals. Furthermore, the Chair organises seminar series, workshops and conferences. Together with the guest program in which scholars from all around the world are invited to visit KOF, this assures a continuous flow of academic input and fosters a research-friendly environment. Its members furthermore offer lectures, tutorials and seminars in the fields of macroeconomics, econometrics, international monetary economics and political economy at the ETH Zurich.

In the future, it is intended to keep a focus on topics combining knowledge from the fields of international macroeconomics and international political economy. For instance, projects relating corruption and migration flows are scheduled to be carried out. Furthermore, a shift towards the use of individual firm or household data linked to business cycle related topics is envisaged.



DR. SAMAD SARFERAZ
APPLIED MACROECONOMICS

Applied econometrics, time series econometrics,
macroeconomics, economic history, demography



JÖRG SCHLÄPFER
APPLIED MACROECONOMICS

Research rankings, globalisation and labour market



DR. ANH N. VO THI
APPLIED MACROECONOMICS

Macroeconomics and banking applied to microfinance
Entry: February 1, 2011

Chair of Applied Economics: Innovation and Internationalisation



PROF. DR. PETER EGGER
HEAD OF DIVISION

Applied international economics, applied econometrics, applied regional economics



SIMON BÖSENBERG
INNOVATION AND
INTERNATIONALISATION

Applied econometrics, labour economics, international taxation
Entry: November 1, 2011



MICHAELA DIEHL
ADMINISTRATION

Human resources, budget accounting, administration



SABRINA DORN
INNOVATION AND
INTERNATIONALISATION

Applied econometrics, empirical international economics



DR. MAXIMILIAN VON EHRLICH
INNOVATION AND
INTERNATIONALISATION

Applied international economics, applied regional economics, applied public economics



MICHAELA KESINA
INNOVATION AND
INTERNATIONALISATION

Applied international economics, applied econometrics



VALERIA MERLO
INNOVATION AND
INTERNATIONALISATION

Applied econometrics, applied international economics, applied public economics

DESCRIPTION

Innovation and internationalisation pursue research mainly in the areas of applied international and public economics and in applied econometrics. Research output is disseminated mainly via two channels: presentations at international conferences and workshops as well as publications in leading academic journals in economics.

The research interests of the Chair can be summarised by the following keywords:

- International economics
- Public economics
- Regional economics
- Applied econometrics
- Industrial economics



SERGEY NIGAI
INNOVATION AND
INTERNATIONALISATION

International trade, international macroeconomics, business cycles, gravity models



DR. DOINA RADULESCU
INNOVATION AND
INTERNATIONALISATION

Applied public economics, calibrated general equilibrium modeling



DR. TOBIAS SEIDEL
INNOVATION AND
INTERNATIONALISATION

Applied international economics, applied regional economics, applied public economics



NORA STRECKER
INNOVATION AND
INTERNATIONALISATION

Public finance, international taxation, applied econometrics



DR. GEORG WAMSER
INNOVATION AND
INTERNATIONALISATION

Public finance, international taxation, applied econometrics, corporate finance

PROJECTS OVERVIEW

2 Projects Overview

2.1 TEACHING AT ETH ZURICH

2.1.1 COMPLETED LECTURES

FINANCIAL CRISES: CAUSES AND CONSEQUENCES

DESCRIPTION

The main objective of this course is to outline the mechanisms underlying financial crises and examine the potential costs involved. All major types of crises are covered, namely sovereign debt crises, banking crises, currency crises and sub-prime crises. Despite the notion that each crisis is different, there are remarkable similarities between countries and over time, which will be highlighted in this course.

INITIATOR: KOF

PROJECT MANAGER: Martin Gassebner, Michael J. Lamla, Christoph Moser, Samad Sarferaz

PROJECT DURATION: February 2011–June 2011

PROJECT-ID: Iss.ab.06-381

PHD COURSE: APPLIED ECONOMETRICS

DESCRIPTION

In this course, we will address three blocs of selected problems:

- i) estimation of fixed and random effects panel data models for single equations and systems of equations
- ii) estimation of models with endogenous treatment effects or sample selection
- iii) estimation of models with interdependent data (so-called spatial models).

The main agenda of this course is to familiarize students with the estimation of econometric problems with three alternative types of problems:

- i) estimation of fixed and random effects panel data models for single equations and systems of equations
- ii) estimation of models with endogenous treatment effects or sample selection
- iii) estimation of models with interdependent data (so-called spatial models).

Students will be able to program estimation routines for such problems in STATA and apply them to data-sets. They will be given a data-set and will have to work out empirical problems in the context of a term paper.

INITIATOR: KOF

PROJECT MANAGER: Peter Egger

COLLABORATOR: Georg Wamser

PROJECT DURATION: September 2011

PROJECT-ID: Ise.ab.03-409

2.1.2 ONGOING LECTURES

DISCOVERING MANAGEMENT

DESCRIPTION

This course offers a general introduction into the field of Entrepreneurship and the practices of professional Business Management. On the basis of a coherent business/management model all essential aspects of successful ventures are discussed in a stepwise and logical order. Special emphasis is placed on the interaction and interplay of all aspects and factors influencing a company result. All lectures are designed as basic introductions to suit the needs and expectations of bachelor students at all levels as well as master and PhD students not belonging to D-MTEC. By giving a coherent overview of Entrepreneurship and its implications, this course is an ideal enrichment of the standard curriculum at ETH Zurich. Interested students are not expected to have previous knowledge in the areas of business or management. This course is offered every semester.

Ten professors of D-MTEC are actively involved in the lectures: P. Baschera, R. Boutellier, F. Fahrni, P. Frauenfelder, G. Grote, V. Hoffmann, P. Schönsleben, D. Sornette, J.-E. Sturm, J. Sutanto, T. Wehner, G. von Krogh.

INITIATOR: ETH Zurich

PROJECT MANAGER: Jan Egbert Sturm

PROJECT DURATION: February 2008 – ongoing

PROJECT-ID: lss.ab.04-366

ECONOMIC GROWTH, CYCLES AND POLICY

DESCRIPTION

This course is intended for students who are interested in macroeconomics and have already taken an introductory course in it (e.g. the course "Principles of Macroeconomics"). Macroeconomics is the branch of economics that studies the overall working of a national economy, i.e., it studies the entire economy dealing with issues of growth, inflation, unemployment, its interaction and with national and international economic policies relating to these. The course is offered once a year in spring.

INITIATOR: ETH Zurich

PROJECT MANAGER: JAN-EGBERT STURM

COLLABORATOR: Heiner Felix Mikosch, Samad Sarferaz

PROJECT DURATION: February 2010 – ongoing

PROJECT-ID: lss.ab.02-364

INTERMEDIATE ECONOMETRICS

DESCRIPTION

The idea of this course is to familiarize students with instrumental variables estimation of linear regression models, and estimation of models with limited dependent variables and of nonlinear regression models. While most of the material covered will pertain to cross-sectional data, we will also work on selected issues with panel data. I will provide STATA programs and show execution thereof. After having participated in this course, students will be able to carry out simple research projects and understand the basics of intermediate econometrics. In particular, they will be able to write simple programs in STATA and will be able to qualify their own and others' regression output relating to problems covered.

INITIATOR: ETH Zurich

PROJECT MANAGER: Peter Egger

COLLABORATOR: Valeria Merlo

PROJECT DURATION: September 2011 – ongoing

PROJECT-ID: lse.ab.01-407

INTERNATIONAL MONETARY ECONOMICS

DESCRIPTION

The core objective of the course is to develop simple macroeconomic models of open economies that can be usefully applied to international economic phenomena ranging from the global financial imbalances, the Chinese exchange rate regime, the European Monetary Union, reform proposals for the international financial architecture to emerging market crises.

INITIATOR: ETH Zurich

PROJECT MANAGER: Christoph Moser

PROJECT DURATION: February 2009 – ongoing

PROJECT-ID: lss.ab.07-329

INTRODUCTION TO ECONOMIC POLICY

DESCRIPTION

This course equips the students with a first approach to the theory of economic policy with a distinction made between the microeconomic approach (regulatory policy, allocation policy, competition policy) and the macroeconomic approach (fiscal policy, monetary policy). Case studies with reference to Switzerland are used to build a bridge from the theory to the practice of economic policy.

INITIATOR: ETH Zurich

PROJECT MANAGER: Jochen Hartwig

PROJECT DURATION: April 2006 – ongoing

HOURS WORKED 2011: 250–500

(included bue.ab.01-162)

PROJECT-ID: bue.ab.01-157

MICROECONOMICS

DESCRIPTION

This course on “Microeconomics” is based on the textbook by H.R. Varian’s “Intermediate microeconomics”. The lectures aim at a better understanding of more formal thinking in microeconomics and its meaning for “real world” economic problems. The course is held on summer terms.

INITIATOR: ETH Zurich

PROJECT MANAGER: Martin Wörter

PROJECT DURATION: September 2007 – ongoing

HOURS WORKED 2011: 250–500

(included bue.ab.01-157)

PROJECT-ID: bue.ab.01-162

PHD COURSE IN PANEL ECONOMETRICS

DESCRIPTION

A three day applied econometrics course, designed to enable students at PhD-level to conduct empirical research in the field of economics. This course focuses on panel data techniques. The methods are illustrated and applied by using the software Eviews and STATA. The course emphasizes the application of econometric methods and results to contemporary topics in empirical economic research. Participants will be equipped with the econometric tools required to analyze panel data. The course is split up into theory sessions, taught in a standard lecture format (mornings) and tutored computer sessions (afternoons), during which the participants have the opportunity to apply their newly acquired knowledge using standard software packages. This course is offered once a year.

INITIATOR: ETH Zurich

PROJECT MANAGER: Jan-Egbert Sturm

PROJECT DURATION: October 2006 – ongoing

PROJECT-ID: lss.ab.05-367

PRINCIPLES OF ECONOMETRICS

DESCRIPTION

This course provides an introduction to fundamental econometric methods. An equal emphasis is placed both on theoretical understanding and on applying methods to real-world problems. This course is intended for students who are interested in econometrics and have already taken introductory courses in economics. Econometrics stands for the application of some specific statistical methods to the field of economics. In econometrics, the starting point is a theoretical model explaining some aspect of the economy. This model is compared with the available statistical facts about the economy. Econometrics uses statistical tests to tackle various questions, including: How well or badly does the model fit the observed facts? Does any other available model fit them any better? In any model, how large is the estimate of the effects of one variable on any other, and how reliable is the estimate? How far into the future, and with what degree of reliability, can the model predict any variable of interest? The course is offered once a year in spring.

INITIATOR: ETH Zurich

PROJECT MANAGER: Jan-Egbert Sturm

COLLABORATORS: Martin Gassebner, Samad Sarferaz

PROJECT DURATION: February 2008 – ongoing

PROJECT-ID: lss.ab.03-365

PRINCIPLES OF MACROECONOMICS

DESCRIPTION

This course helps students to understand the world in which we live in. There are many questions about the macroeconomy that might spark our curiosity. Why are living standards so meagre in many African countries? Why do some countries have high rates of inflation while others have stable prices? Why have some European countries adopted a common currency? These are just a few of the questions that this course will help to answer. Furthermore, this course will give the students a better understanding of the potential and limits of economic policy. As a voter, the students help choose the policies that guide the allocation of society's resources. When deciding which policies to support, they may find themselves asking various questions about economics. What are the burdens associated with alternative forms of taxation? What are the effects of free trade with other countries? What is the best way to protect the environment? How does the government budget deficit affect the economy? These and similar questions are always on the minds of policy makers. This course is offered once a year in autumn. More information can be found on <http://www.kof.ethz.ch/teaching/2011/PoMa/>

INITIATOR: ETH Zurich

PROJECT MANAGER: Jan-Egbert Sturm

COLLABORATORS: Christoph Carl Basten,
Heiner Felix Mikosch

PROJECT DURATION: September 2006 – ongoing

PROJECT-ID: lss.ab.01-362

PUBLIC ECONOMICS

DESCRIPTION

This course will present a unified framework in which public policy & its consequences can be analyzed. We introduce basic concepts used in public economics and some fundamentals of economic modeling. An overview on the public sector will be given by looking at data on public spending. Issues related to public goods, taxation, tax policy, & public policy under fiscal federalism will be emphasized. The primary goal of the course is to familiarize students with basic concepts and principles of public economics. The course aims at providing a basic understanding of how theoretical work may be applied to actual policy problems. Students will get a good overview of recent key contributions in the field and how these relate to empirical observations.

INITIATOR: ETH Zurich

PROJECT MANAGER: Peter Egger

COLLABORATOR: Georg Wamser

PROJECT DURATION: September 2011 – ongoing

PROJECT-ID: lse.ab.01-408

2.2 OTHER TEACHING

2.2.1 ONGOING LECTURES

APPLIED DEVELOPMENT ECONOMICS

DESCRIPTION

This course deals with economic development and developing countries from an applied perspective. After an introduction into the topic, typical characteristics, problems and options related to poorer countries are discussed. Finally, it addresses a number of prominent approaches to explain economic stagnation and development. Taught in spring 2007, 2008, 2009, 2010 and 2011. Scheduled for spring 2012.

INITIATOR: University of St. Gallen

PROJECT MANAGER: Michael Graff

PROJECT DURATION: March 2007 – ongoing

HOURS WORKED 2011: 100–250

(included bue.ab.02-295)

PROJECT-ID: bue.ab.02-293

INTERNATIONAL TRADE AND INVESTMENT

POSTGRADUATE COURSE AT THE
UNIVERSITY OF QUEENSLAND, BRISBANE, AUSTRALIA.

DESCRIPTION

Survey of recent advances in foreign trade and investment topics. Topics include trade theory & policy, international factor movements, theories of international investment, and contemporary trade & investment issues in Australia and the Asia-Pacific region. University of Queensland, Brisbane, Australia. Taught in: term 2, 2008 and 2009, first six weeks; summer terms 2008/2009, 2009/2010 and 2010/2011. Scheduled for summer term 2011/12.

INITIATOR: University of Queensland

PROJECT MANAGER: Michael Graff

PROJECT DURATION: July 2008 – ongoing

HOURS WORKED 2011: 100–250

(included bue.ab.02-293)

PROJECT-ID: bue.ab.02-295

2.3 RESEARCH DIVISION BUSINESS CYCLES

2.3.1 COMPLETED PROJECTS

2.3.1.1 FORECASTS

DOES EXPORT CONCENTRATION CAUSE VOLATILITY?

DESCRIPTION

This study investigates the relative contributions of institutions and export concentration in determining aggregate volatility of output, terms of trade, and exchange rates. Geographically disadvantaged countries often experience a concentrated export structure which makes them more vulnerable to external shocks. Based on a gravity regression, a measure of export concentration is constructed which is based entirely on countries' geographic characteristics. Since this measure is plausibly uncorrelated with other determinants of external volatility, it is used as an instrument for export concentration to obtain instrumental variables estimates of the effect of export concentration on volatility. We find that geographic characteristics are indeed strongly related with export concentration and a gravity equation describes the bilateral trade structure quite well. However, since export concentration ratios are not additively separable across countries we use an inequality decomposition method in order to obtain an aggregate measure of concentration. Results from instrumental variables regressions using constructed export concentration as an instrument for actual export concentration confirm that concentration has a particularly strong effect on volatility in terms of trade but less so on other measures of volatility.

INITIATOR: KOF

PROJECT MANAGER: Christian Busch

PROJECT DURATION: June 2008–December 2011

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.37-309

**FORECASTING AND SIGNAL EXTRACTION
BEYOND TRADITIONAL MAXIMUM
LIKELIHOOD PRINCIPLES
DISSERTATION PROJECT**

DESCRIPTION

Testing whether a series is trend stationary or not is a common problem in economics. Beside the classical and most common used versions like Dickey-Fuller (1979) and Phillips-Perron (1988), several more powerful variants have been developed.

Nevertheless, all these tests have in common that they are based on one-step-ahead forecasting performances. In many application fields, the exclusive consideration of one-step-ahead performances can lead to problems. In this project, we briefly illustrate these issues in the context of real time signal extraction and provide an alternative test which accounts for the special structure of real time procedures.

INITIATOR: ETH Zurich

PROJECT MANAGER: Simone G. Elmer

PROJECT DURATION: January 2007–January 2011

HOURS WORKED 2011: ≤ 100

PROJECT-ID: fbk.fp.07-261

**INTERNATIONAL BUSINESS CYCLES AND
THE STRUCTURE OF SWISS EXPORTS**

DESCRIPTION

This project uses disaggregated panel data for exports to analyse differences in the transmission of international business cycles across trading partners and goods sectors. Using data from Eurostat, we test whether Swiss exports behaved differently during the recent crisis as compared to the rest of the European countries. We focus on two main questions and test whether Switzerland can be regarded as a special case: 1. Have countries with intensive trade with high growth countries (i.e. emerging market countries) recovered more quickly from the recession? 2. Have countries with a low pro-cyclical composition of exports faced a more moderate recession in exports?

INITIATOR: KOF

PROJECT MANAGER: Christian Busch

PROJECT DURATION: July 2010–December 2011

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.57-345

**STRUCTURAL BREAKS IN THE PRODUCTIVITY
LEVEL OF EXPORTS**

DESCRIPTION

This projects searches for structural breaks in the productivity levels of countries' export structures during the process of economic development.

INITIATOR: KOF

PROJECT MANAGER: Christian Busch

PROJECT DURATION: July 2010–December 2011

HOURS WORKED 2011: ≤ 100

PROJECT-ID: fbk.fp.56-343

2.3.1.2 RESEARCH

2.3.1.2.1 BUSINESS CYCLES

ANALYZING CAPITAL INVESTMENT AND UNEMPLOYMENT USING MODERN STATISTICAL METHODS

DISSERTATION PROJECT

DESCRIPTION

Investment in machinery & equipment is a central part of aggregate demand. A detailed analysis of investment in machinery & equipment is vital for evaluating the current state of the economy and for forecasting the business cycle developments. This project aims at deepening the existing knowledge about the determinants of investment in machinery & equipment and empirically testing new approaches.

INITIATOR: KOF

PROJECT MANAGER: Rolf Schenker

PROJECT DURATION: October 2006–February 2011

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.06-79

CAPACITY UTILISATION AND MACRO DYNAMICS FROM A MICRO PERSPECTIVE

DISSERTATION PROJECT

DESCRIPTION

The aim of this doctoral thesis is to analyse the business cycles in Switzerland making use of the broad availability of survey data at KOF Swiss Economic Institute. The main bridge to do so is the investigation of the relationship between macroeconomic phenomena and the underlying individual decision-making processes of firms. The basis for the study is a novel and internationally unique data set that comprises both qualitative (e.g. survey) and quantitative data on individual firms. The information gained from the data can be used to look at macroeconomic questions such as the reactions of firms to demand and supply shocks in terms of prices and capacities and especially the interactive dynamics between those. This complex relationship between micro-level decision-making such as price setting and the macro perspective on, for example, the overall inflation dynamics has attracted a lot of research interest. However, the theoretical claims could very often not be substantiated empirically due to lack of appropriate data. The availability of such data for Switzerland provides a possibility to fill this gap with this doctoral thesis. This can foster the economic understanding of the links between individual decisions and macroeconomic dynamics.

INITIATOR: KOF

PROJECT MANAGER: Eva M. Köberl

PROJECT DURATION: October 2006–April 2011

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.05-318

MACROECONOMIC MODELING OF PRIVATE CONSUMPTION IN SWITZERLAND

DISSERTATION PROJECT

DESCRIPTION

Private consumption accounts for roughly 60 per cent of Switzerland's GDP and is thus an important factor in economic forecasting. This project explores different approaches of modeling private consumption in Switzerland. The approaches are evaluated in the context of a small macroeconomic model.

INITIATOR: KOF

PROJECT MANAGER: Martin Straub

PROJECT DURATION: December 2008–December 2011

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.fp.20-317

2.3.1.2.2 MONETARY POLICY

MEASURING THE ECONOMIC AND FINANCIAL IMPACT OF NEWS SENTIMENT

DISSERTATION PROJECT

DESCRIPTION

Media coverage via the internet has become extremely important in the past decade. Many studies have found that public news influence public opinion. However, the effects of sentiment published in news articles on the masses escaped from the scientists' and researchers' attention. Therefore, we examine methodologically and empirically the use of news sentiment versus qualitative sentiment surveys and its forecasting ability for economic performance and growth. In the first paper, a "Naive Bayes Classifier" algorithm will be used for the sentiment analysis and tested for its forecasting accuracy. Ordinary Least Squares (OLS) regressions as well as a low-frequency spline-GARCH model will be utilised for estimation and tested for accuracy. In the second paper, we use a GARCH-M model in a high-frequency data analysis to test news sentiment on foreign exchange rates. Kalman filters will be applied for data smoothing purposes. Greed and fear are sentimental human characteristics that can influence capital markets in extreme situations. Accordingly, in the third paper, we attempt to formulate a model that assesses when greed and fear, i.e. investor over- and underreaction, are highest and lowest, respectively, by testing news sentiment and the VIX with the stock market index S&P 500 in a OLS model.

INITIATOR: KOF

PROJECT MANAGER: Matthias W. Uhl

PROJECT DURATION: June 2009–December 2011

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.fp.41-324

2.3.2 ONGOING PROJECTS

2.3.2.1 SURVEY ACTIVITIES

CONSULTANCY OF CBA CENTRAL BANK OF AZERBAIJAN

DESCRIPTION

The Central Bank of Azerbaijan is interested in developing and expanding the business tendency surveys. Moreover, they are interested in the search for coincident and leading indicators. KOF helps the CBA in both fields.

INITIATOR: Graduate Institute of International and Development Studies (HEID)

PROJECT MANAGER: Richard Etter

PROJECT DURATION: August 2011 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.65-399

FURTHER DEVELOPMENT OF BUSINESS TENDENCY SURVEYS IN UKRAINE

DESCRIPTION

Ukraine has become more and more of an open market economy. Therefore, the conditions for the introduction and conduct of business tendency surveys (BTS) are now in place. The Institute for Economic Research and Policy Consulting (IER) has been conducting surveys in the manufacturing industry and in banking sector for several years already. The next step is to establish a survey in the hotel and catering sector.

INITIATORS: Schweizerischer Nationalfonds, SCOPES

PROJECT MANAGER: Richard Etter

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.09-89

KOF CONSENSUS FORECAST

DESCRIPTION

KOF Swiss Economic Institute has been conducting the traditional "Business Economists' Consensus (BEC) Survey" since September 2007. Economists from the private sector and the academics are asked about their forecasts of the key figures of the Swiss economy (e.g., GDP growth and inflation for the current and the next year). The results are published as "KOF Consensus Forecast" on a quarterly basis.

INITIATOR: KOF

PROJECT MANAGER: Andrea Schnell

COLLABORATORS: David Iselin, Martin Straub, Anne Stücker

PROJECT DURATION: September 2007 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.uf.19-262

SURVEY DELIVERY FOR UBS

DESCRIPTION

UBS stops its own survey activities and obtains the results of all KOF surveys from January 2012 onwards. This project defines the necessary prearrangements and the continuous data delivery for UBS.

RESULTS

Establishment of necessary IT-adjustment, setup of survey design (weighting) and continuous data delivery from 2012 onwards.

INITIATOR: UBS AG

PROJECT MANAGER: Eva M. Köberl

COLLABORATORS: Richard Etter, Willy U. Roth

PROJECT DURATION: May 2011 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.uf.20-400

QUALITATIVE INVESTMENT SURVEY

DESCRIPTION

The qualitative investment survey is a useful tool for forecasting investment at an early stage. This annual survey is conducted in autumn. It contains questions about investment plans and goals as well as motivations for direct investments abroad. The results provide a good indicator of the firms' mood. The sample is the same as the one used for the innovation surveys and covers the entire business sector (manufacturing, construction, and services). The results of the survey are published in a survey report. KOF has now decided to adapt the survey to the joint harmonised EU programme. This means to extend it with a quantitative question, and to modify some of the existing questions. The survey will newly be conducted in spring and in fall. Furthermore, the results will also be available for the statistical regions (BFS-Regionen).

INITIATOR: KOF

PROJECT MANAGER: Andrea Schnell

PROJECT DURATION: January 1996 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.uf.12-228

SURVEY ON ARCHITECTS AND ENGINEERS

DESCRIPTION

Until spring 2011, the survey was carried out quarterly in collaboration with the "Schweizerischer Ingenieur- und Architektenverein (SIA)". Since April 2011, the survey is carried out monthly with a revised questionnaire and on the basis of NOGA 2008. The survey is conducted in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from the overall results for Switzerland, there are cantonal and regional results as well.

INITIATOR: Schweizerischer Ingenieur- und Architektenverein (SIA)

PROJECT MANAGER: Richard Etter

COLLABORATOR: Dirk Drechsel

PROJECT DURATION: January 1996 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.uf.10-206

SURVEY ON CONSTRUCTION

DESCRIPTION

Until spring 2011, the survey was carried out quarterly. Beginning with April 2011, the survey is carried out monthly with a revised questionnaire and on the basis of NOGA 2008. The survey is conducted in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from overall results for Switzerland, there are cantonal and regional results as well. The panel and the weightings are regularly updated.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

COLLABORATOR: Dirk Drechsel

PROJECT DURATION: January 1994 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.uf.02-201

SURVEY ON FINANCIAL ACTIVITIES

DESCRIPTION

Since July 2010, the survey is carried out monthly in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

COLLABORATOR: Matthias Bannert

PROJECT DURATION: January 2010 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.uf.01-237

SURVEY ON HOTEL AND CATERING

DESCRIPTION

The survey is carried out quarterly in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from the overall results for Switzerland, there are cantonal and regional results as well.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

COLLABORATORS: Michael Graff, Martin Straub

PROJECT DURATION: October 1988 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbk.uf.05-202

SURVEY ON MANUFACTURING INDUSTRY

DESCRIPTION

The survey is carried out monthly in two modes: on paper or online. An additional questionnaire is sent to the firms on a quarterly basis. The results distinguish between branches as well as export-intensity. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from the overall results for Switzerland, there are cantonal and regional results as well.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

COLLABORATORS: Günther Greulich, Andrea Schnell

PROJECT DURATION: August 1955 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.uf.07-204

SURVEY ON RETAIL INDUSTRY

DESCRIPTION

This survey is conducted monthly in cooperation with the "Bundesamt für Statistik (BFS)". The survey concerns nationwide and cantonal evaluations of quantitative turnover figures in retail industry as well as nationwide and cantonal evaluations of qualitative statements. The survey can be filled out on paper or online. The sample of small firms is renewed and checked every second year. The participating firms obtain regular reports on the results.

INITIATOR: Bundesamt für Statistik (BFS)
 PROJECT MANAGER: Eva M. Köberl
 COLLABORATOR: Martin Straub
 PROJECT DURATION: May 2005 – ongoing
 HOURS WORKED 2011: >4000
 PROJECT-ID: fbk.uf.03-211

SURVEY ON SERVICE INDUSTRIES

TRANSPORTATION, INFORMATION, COMMUNICATIONS,
 AND ECONOMIC AND PERSONAL SERVICES

DESCRIPTION

The survey is carried out quarterly in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from the overall results for Switzerland, there are cantonal and regional results as well. The panel and the weightings are regularly updated.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: KOF
 PROJECT MANAGER: Richard Etter
 COLLABORATORS: David Iselin, Anne Stücker
 PROJECT DURATION: October 2006 – ongoing
 HOURS WORKED 2011: 250–500
 PROJECT-ID: fbk.uf.04-82

SURVEY ON WHOLESAL

DESCRIPTION

In collaboration with "VSIG – Handel Schweiz", the survey is carried out quarterly in two modes: on paper or online. The firms are asked about past and future developments as well as for an appreciation of the actual situation mainly by qualitative questions. The participating firms regularly receive a report with comments and charts. Apart from the overall results for Switzerland, there are cantonal and regional results as well.

RESULTS

The results of this survey provide input to other projects on a regular basis.

INITIATOR: VSIG Handel Schweiz
 PROJECT MANAGER: Richard Etter
 COLLABORATOR: Günther Greulich
 PROJECT DURATION: July 2006 – ongoing
 HOURS WORKED 2011: 100–250
 PROJECT-ID: fbk.uf.06-203

2.3.2.2 FORECASTS

JOINT ECONOMIC FORECAST FOR GERMANY

DESCRIPTION

In collaboration with the Munich-based ifo Institute, KOF Swiss Economic Institute participates in the semiannual “joint economic forecast” for Germany. KOF and ifo are one of four consortia which were appointed by the German Federal Ministry of Economics and Technology to carry out this project during the 2010–2012 period.

INITIATOR: KOF

PROJECT MANAGER: Jochen Hartwig

COLLABORATORS: Christian Busch, Matthias W. Uhl

PROJECT DURATION: September 2007 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.fp.33-255

KOF INTERNATIONAL FORECASTS

DESCRIPTION

In view of the great importance of international markets for the Swiss economy, KOF Swiss Economic Institute publishes quarterly forecasts for the USA, Japan, and the four biggest EU-economies. The tables provide annual as well as quarterly data for both real and monetary variables.

INITIATOR: KOF

PROJECT MANAGER: Michael J. Lamla

COLLABORATORS: Christian Busch, Jochen Hartwig, Matthias W. Uhl

PROJECT DURATION: April 2006 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbk.pb.05-248

KOF MACROECONOMETRIC MODEL

DESCRIPTION

The KOF macroeconometric model is used for the preparation of the quarterly Swiss macroeconomic forecasts and for simulation and policy analysis purposes. The model is regularly maintained and updated.

The model equations and estimation periods were updated in 2011 in view of the availability of the new official definitive data. Previously, single equations were used to estimate and forecast exports and imports of services as aggregates. In 2011, exports and imports of services variables were further broken down to their components (such as commodity trade, royalties and licences, financial services, etc.) and a bottom-up approach to forecast the aggregate values was introduced.

RESULTS

The model structure is revised for the Spring and Autumn forecasts. For the Winter and Summer forecasts, the model version from the previous forecast remains essentially unchanged. Data and scenario updates are made in all cases. In addition to its central role in the forecasting process, the KOF macroeconometric model is also used in economic policy relevant third-party projects and by KOF staff in their academic work.

INITIATOR: KOF

PROJECT MANAGER: Yngve Abrahamsen

COLLABORATORS: Erdal Atukeren, Boriss Siliverstovs, Banu Simmons-Süer

PROJECT DURATION: January 2004 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.oh.01-69

NOWCASTING AND FORECASTING THE SWISS ECONOMY

DESCRIPTION

This project intends to perform a forecasting evaluation of the models used for computing early estimates of current quarter GDP (nowcasting) and short-term forecasts of Swiss GDP up to two quarters ahead. The produced forecasts are intended to complement those based on the KOF Macro-econometric model during regular quarterly KOF forecasts.

RESULTS

The possible future research directions for this project are: building up small-scale factor models for GDP prediction; investigation of sensitivity of forecast accuracy to alternative quantification methods of the qualitative survey indicators; Bayesian estimation of forecasting models.

INITIATOR: KOF

PROJECT MANAGER: Boriss Siliverstovs

PROJECT DURATION: April 2008 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.fp.19-306

SHORT-TERM FORECASTING MODEL FOR SWITZERLAND'S ELECTRICITY TRADE

DESCRIPTION

The aim of this project is to forecast Swiss electricity exports and imports in MWh and CHF terms on a monthly basis. This project is contracted by the Swiss Federal Customs Office (OZD).

RESULTS

We forecast Switzerland's electricity trade on a monthly basis using a time series modelling framework. Our results provide input for the Swiss Federal Customs Office (OZD). A KOF Analysis publication (eventually a journal article) summarising the experience with this forecasting project is planned.

INITIATOR: KOF

PROJECT MANAGER: Erdal Atukeren

COLLABORATORS: Yngve Abrahamsen, Andrea Lassmann, Banu Simmons-Süer

PROJECT DURATION: October 2007 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.36-273

QUARTERLY MACROECONOMIC ANALYSIS

FORECASTS FOR THE SWISS ECONOMY

DESCRIPTION

KOF Swiss Economic Institute calculates and presents updated macroeconomic forecasts for the Swiss economy in March, June, September, and December. The main release is the autumn forecast with a broad analysis of various sectors of the economy. The spring release provides a broad, but less extensive information. The winter and summer releases make short updates of the previous releases. The project is a core activity of KOF.

INITIATOR: KOF

PROJECT MANAGER: Yngve Abrahamsen

COLLABORATORS: Roland Aepli, Erdal Atukeren, Christian Busch, Richard Etter, Dirk Drechsel, Andres Frick, Michael Graff, Günther Greulich, Jochen Hartwig, David Iselin, Michael J. Lamla, Andrea Lassmann, Willy U. Roth, Andrea Schnell, Boriss Siliverstovs, Banu Simmons-Süer, Martin Straub, Anne Stücker, Jan-Egbert Sturm, Matthias W. Uhl

PROJECT DURATION: July 2007 – ongoing

HOURS WORKED 2011: >4000

PROJECT-ID: fbk.pb.02-251

2.3.2.3 INDICATORS

ECONOMIC INDICATORS FOR ZURICH

DESCRIPTION

Commissioned by the Statistical Office of the City of Zurich, KOF Swiss Economic Institute calculates economic indicators for the city and the economic region of Zurich. The regionalisation is realised for the surveys in construction, retail trade, wholesale trade, hotel and catering as well as other service branches.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

PROJECT DURATION: October 2006 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.15-258

IDENTIFICATION OF COINCIDENT AND LEADING INDICATORS

DESCRIPTION

For the division Business Cycles, the identification of coincident and leading indicators in the KOF survey data and in other sources is of special interest as they form the basis for our composite indicators for the Swiss economy as a whole as well as for particular sectors and regions. Hence, we are continuously monitoring the available data for potential coincident and leading indicators.

RESULTS

Amongst the composite indicators for the Swiss economy, the KOF Economic Indicator is conceivably the most widely watched.

INITIATOR: KOF

PROJECT MANAGER: Michael Graff

COLLABORATORS: Matthias Bannert, Richard Etter, Eva M. Köberl, Andrea Schnell, Boriss Siliverstovs, Martin Straub

PROJECT DURATION: January 1999 – ongoing

HOURS WORKED 2011: 100–250

(included fbk.fp.10-84, fbk.fp.10-259 and fbk.fp.10-111)

PROJECT-ID: fbk.fp.10-90

INDICATORS FOR THE REGIONS / CANTONS OF SWITZERLAND

DESCRIPTION

This project involves the search for coincident and leading synthetic indicators for the development of employment in Switzerland and in Swiss Cantons and regions. The synthetic indicators are based on selected, early available survey results of KOF Swiss Economic Institute. Ideally, the items should cover the employment or the business situation (actual and future) of a firm.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

COLLABORATORS: Michael Graff, Boriss Siliverstovs

PROJECT DURATION: December 2004 – ongoing

HOURS WORKED 2011: 100–250

(included fbk.fp.10-90, fbk.fp.10-259 and fbk.fp.10-111)

PROJECT-ID: fbk.fp.10-84

INDICATORS OF EMPLOYMENT FOR THE CANTON OF GENEVA

DESCRIPTION

The construction of this quarterly indicator is, in principal, similar to employment indicator for Switzerland. However, we take into consideration the survey results for Geneva. If these are not available, we use the survey results for the region of the lake of Geneva, and in case those are also not available, we make use of the results for Switzerland as basis.

INITIATOR: KOF

PROJECT MANAGER: Richard Etter

PROJECT DURATION: January 2008 – ongoing

HOURS WORKED 2011: 100–250

(included fbk.fp.10-90, fbk.fp.10-84 and fbk.fp.10-111)

PROJECT-ID: fbk.fp.10-259

INDICATORS OF FISCAL POLICY

DESCRIPTION

The state and development of public finances can be characterised by a number of different indicators. To estimate the impact of budgets on aggregate demand, the KOF in its quarterly forecasts calculates a simple indicator of fiscal impulse. The aim of the project is to compare this indicator theoretically and empirically with alternative measures suggested in the literature.

RESULTS

Contrary to standard opinion, a recent paper by Schaltegger/Weder (2010) comes to the conclusion that fiscal policy in Switzerland was counter-cyclical. A critical look is taken at their method, and it is contrasted with the fiscal indicator regularly calculated for the KOF forecasts, which supports the view of a predominantly pro-cyclical fiscal policy.

INITIATOR: KOF

PROJECT MANAGER: Andres Frick

PROJECT DURATION: July 2006–December 2012

HOURS WORKED 2011: 100–250

(included fbk.fp.10-84, fbk.fp.10-90 and fbk.fp.10-259)

PROJECT-ID: fbk.fp.10-111

KOF-«BAUBLATT»-INDICATOR

FORECAST OF THE DEVELOPMENT OF THE CONSTRUCTION INVESTMENTS

DESCRIPTION

The information published by the authorities about the building permit applications submitted and the approvals issued is compiled weekly by the magazine "Baublatt". Since most construction projects in Switzerland are dependent on state approval, it makes sense to use this data for the forecasts of expected developments in construction investments. KOF Swiss Economic Institute has therefore evaluated the information collected by "Baublatt" about the building permit applications and the approvals and examined its forecasting characteristics for construction investments.

RESULTS

On the basis of construction approvals, KOF Swiss Economic Institute has developed two indicators which allow a forecast to be made about the expected nominal investments in residential construction as well as for the overall construction investments over the following eight months. Both of these KOF-"Baublatt"-indicators are published quarterly and show the expected expenditures on investments in million CHF as well as the corresponding rates of change from the previous year.

INITIATOR: KOF

PROJECT MANAGER: Dirk Drechsel

COLLABORATORS: Yngve Abrahamsen,
Kateryna Markhanova

PROJECT DURATION: August 2005 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.uf.14-170

KOF ECONOMIC BAROMETER

LEADING ECONOMIC INDICATOR FOR SWITZERLAND

DESCRIPTION

The KOF Economic Barometer is designed as a leading indicator for the year-on-year growth rate of Swiss GDP. It is published at the end of each month. The present version makes use of 25 indicator series and aggregates them according to a multi-sectoral structure. In particular, a financial sector module and a construction sector module are estimated separately from the “core GDP” module, which is by construction a residual, but covers the largest share of economic activity in Switzerland. The core GDP module relies on three measurement models: Swiss industry, Swiss consumption, and export destination EU.

The aggregation of the indicators is accomplished by principal component extractions for each module or measurement model, respectively. The first principal components are then scaled to the year-on-year growth rate of the sector that they are reflecting. After this, the modules are aggregated according to their share in GDP. Finally, the barometer is sent to a recursive filter to eliminate seasonal patterns and noise.

The performance of the barometer is carefully monitored, and the indicators that show weakening correlation or weakening leads with their target series are abandoned or replaced. Moreover, due to the revisions to Swiss national accounting standards and the breakdown of the value-added according to sectors, the barometer is occasionally re-fitted to the revised target series.

INITIATOR: KOF

PROJECT MANAGER: Michael Graff

COLLABORATORS: Richard Etter, Eva M. Köberl, Boriss Siliverstovs

PROJECT DURATION: April 2006 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.pb.01-81

KOF EMPLOYMENT INDICATOR

DESCRIPTION

In this project, the KOF Swiss Economic Institute Employment Indicator for Switzerland is constructed using the business tendency surveys data collected at KOF. The indicator precedes the publication of the official employment statistics and displays excellent out-of-sample forecasting properties of full-time-equivalent employment year-on-year quarterly growth rates up to two quarters ahead. The actual values of the KOF Employment Barometer are regularly released at the KOF webpage on a quarterly basis.

INITIATOR: KOF

PROJECT MANAGER: Boriss Siliverstovs

COLLABORATORS: Richard Etter, David Iselin, Anne Stücker, Michael Siegenthaler

PROJECT DURATION: November 2008 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.22-330

KOF MONETARY POLICY COMMUNICATOR FOR THE EURO AREA

INDICATOR FOR MEASURING ECB COMMUNICATION

DESCRIPTION

The KOF Monetary Policy Communicator for the Euro Area (KOF MPC) provides a quantitative measure of ECB communication. It translates the ECB President's statements concerning risks to price stability as made during the monthly press conference into an index. By aggregating forward-looking statements concerning price stability, the KOF MPC contains information about the future path of ECB monetary policy.

RESULTS

The KOF MPC anticipates changes in the main refinancing rate by two to three months. Since Nov 8, 2007, the indicator is published on the day of the Governing Council meeting at 17:30 CET.

INITIATOR: KOF

PROJECT MANAGER: Michael J. Lamla

PROJECT DURATION: November 2007 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.39-337

2.3.2.4 RESEARCH

2.3.2.4.1 BUSINESS CYCLES

BUSINESS CYCLE TRANSMISSION AT THE FIRM LEVEL

DISSERTATION PROJECT

DESCRIPTION

Business tendency surveys (BTS) are widely used in empirical economic research and serve as a basis for important political and economic decisions. Although it is safe to assume that respondents' behaviour influences the data generating process of survey research, the effects of response behaviour in business surveys have not been addressed comprehensively in the literature yet.

This doctoral dissertation project addresses these effects in order to improve data quality, e.g. by suggesting weighting schemes with respect to response behaviour. The identification of cruising behaviour or the effects related to the answer mode is one of the main objectives.

Since it is more difficult in BTS than in other kinds of surveys to ask behaviour related questions, the analysis focuses on the so-called "paradata", i.e., the data generated about the data generating process – such as the response times.

INITIATOR: KOF

PROJECT MANAGER: Matthias Bannert

PROJECT DURATION: October 2009 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbk.fp.44-332

FEATURES OF THE SWISS BUSINESS CYCLE

DESCRIPTION

Being situated in the middle of Europe and surrounded by EU member states, Switzerland is neither a member of the EU nor the European monetary union. This special situation gives rise to several aspects that influence the national business cycle in a (possibly) different way than other comparable countries. We first suggest a chronology of the classical business cycle in Switzerland using different methodologies. We then analyse possible international interconnectedness of business cycles across countries worldwide. We then turn to the analysis of components that are special for Switzerland in comparison to other (European) countries. The focus lies on the effects on labour market key indicators like the unemployment rate or wage development. We hence analyse the effects of immigration on inflation as well as the natural rate of unemployment from the supply side. Another important aspect of the Swiss economy is its intense trade activity predominantly with the US and adjacent EU member states. As Switzerland is not a member of the Euro zone but has its own currency (Swiss franc), its strong dependency on exchange rate developments may influence the export structure. We hence analyse the effect of exchange rate movements across export destinations and industries. Lastly, we take a closer look at fiscal policy decisions in Switzerland. It is still under debate whether the fiscal policy is counter- or procyclical. We intend to shed more light on this question.

INITIATORS: CIRET, KOF

PROJECT MANAGER: Michael Graff

COLLABORATORS: Andres Frick, Eva M. Köberl,

Michael J. Lamla, Andrea Lassmann, Boriss Siliverstovs

PROJECT DURATION: January 2011–December 2012

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbk.fp.63-395

PITFALLS AND OPPURTUNITIES OF CAUSALITY TESTS

DESCRIPTION

This project involves the examination and applications of the notion of causality in Granger's sense. In addition, various recent extensions of the concept of Granger-causality are also being examined. One of them is the notion of causality-in-variance. Its methodological grounds and implications are investigated and empirical applications in economics and finance will follow.

RESULTS

First, the causality-in-variance tests were applied to business confidence and stock returns in Greece, Italy, Portugal and Spain. It is found that there is some evidence of volatility spillovers but the relationship between business confidence and stock market returns might differ substabtially across the countries. Secondly, the effect of manufacturing and non-manufacturing sector business confidence in the US on US stock market regimes were investigated by using a time-varying Markov regime-switching model. The results indicate that especially the manufacturing sector business confidence mediates the regime switches. The results will be appearing in an Applied Financial Economics article. The work on Breitung-Candelon short-term and long-term causality tests are in progress and will be one of the key areas of this project's research in 2012.

INITIATOR: KOF

PROJECT MANAGER: Erdal Atukeren

PROJECT DURATION: January 2006 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.28-226

REAL-TIME DATA ANALYSES

DESCRIPTION

This project comprises analyses of economic real time data in Switzerland and elsewhere. The focus is, firstly, on the characteristics of the revision process, i.e. on the reliability of early data releases. Secondly, we investigate whether early data releases are efficient in the sense that information available in real time can help produce estimates that are significantly closer to later releases of the target series.

RESULTS

So far, we examined whether real-time estimates of the output gap as published by the OECD can be improved by referring to measures of physical capital capacity utilisation from business tendency surveys. These data relate directly to the stress on the current capacity to produce goods and services and are not revised. Our real-time panel data set comprises 22 countries at both an annual and quarterly frequency with data vintages from 1995 to 2009. We show that the real-time output gaps are informationally inefficient in the sense that survey data available in real time can help produce estimates that are significantly closer to later releases of output gap estimates. Sensitivity analyses confirm that this finding is robust.

INITIATOR: KOF

PROJECT MANAGER: Michael Graff

COLLABORATORS: Yngve Abrahamsen, Jochen Hartwig, Jan-Egbert Sturm

PROJECT DURATION: October 2010 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.48-349

2.3.2.4.2 INTERNATIONAL ECONOMICS

FIRMS AND INTERNATIONAL TRADE

DISSERTATION PROJECT

DESCRIPTION

Research in international trade has focused on analysing the role of firms in international trade. This research is based on micro datasets that track production and trade at the firm level. It has been shown that trading firms differ substantially from firms that solely serve the domestic market. For instance, exporters are larger, more productive, more skill- and capital-intensive, and they pay higher wages than non-exporting firms. Furthermore, exporting firms have a higher ex-ante productivity. The dissertation empirically analyses similar research questions using micro-data on Swiss foreign trade and the KOF Swiss Economic Institute's firm database. In addition, the project takes into account Switzerland's geographical and institutional characteristics that will offer new insights and complement the existing literature.

INITIATOR: KOF

PROJECT MANAGER: Andrea Lassmann

PROJECT DURATION: July 2007–December 2012

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.fp.34-247

INTERNATIONAL DIFFERENCES IN THE LEVEL AND STRUCTURE OF TAXATION

DESCRIPTION

International differences in taxation are important factors in the quest for national competitive advantage. They also raise issues of unfair competition and differences in the (in)equality of the distribution of incomes and wealth.

RESULTS

An international comparison of taxes in Switzerland needs to take institutional differences into consideration. In Switzerland health insurance and the part of old age provision that is capital funded are classified as private insurances and therefore not included in social security contributions. Also, the revenue from sales of public goods and services, which is not classified as taxes, is high in Switzerland. Accounting for this leads to the unexpected conclusion, that the burden on the average household income is slightly above the average of the OECD and equivalent to the EU15. However, the tax rate on corporate income is below average. Due to the federalistic structure of the Swiss tax system with large differences in tax rates, the tax burden of firms and individuals can be greatly reduced by the appropriate choice of location.

INITIATOR: KOF

PROJECT MANAGER: Andres Frick

PROJECT DURATION: September 2009 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.11-328

INTERNATIONAL TRADE AND ECONOMIC GROWTH

DESCRIPTION

This project involves several sub-projects. First, we test whether there is export-led or import and consumption-led growth in Switzerland. The second sub-project has a rather methodological flavour. We focus on an alternative characterisation of the export growth variable (e.g., an export shock – the shock being defined as in the oil price shock literature by J. Hamilton). The third sub-project is concerned with the new developments in emerging markets, such as a new group of countries coined as CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa). The fourth sub-project is the re-examination of the exports-economic growth relationship in view of the global financial crisis.

RESULTS

This project led to a publication in KOF Analyses and a number of presentations. In 2011, a paper on the CIVETS economies was completed. The paper investigates the interdependence and contagion among CIVETS countries using causality-in-mean and causality-in-variance tests in addition to rolling-correlation analysis. It is under review at an academic journal.

INITIATOR: KOF

PROJECT MANAGER: Erdal Atukeren

COLLABORATOR: Jochen Hartwig

PROJECT DURATION: October 2006 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.26-223

MACROECONOMIC EFFECTS OF OIL PRICE SHOCKS**2.3.2.4.3 LABOUR MARKET****DESCRIPTION**

This project investigates the effects of oil price fluctuations on macroeconomic performance with special focus on Switzerland. The first stage of the project investigated the causal relationships between oil price shocks and macroeconomic variables in Switzerland. In the second stage, the KOF macroeconometric model. The third stage will involve broadening the scope of the study to the OECD countries.

RESULTS

The first two stages are completed. The results of the second stage is published in a journal article in the International Journal of Sustainable Economy in 2011. The work on the relationship between oil prices and machinery and equipment investment has been in progress in 2011. In 2012, it is planned to put the findings together in the form of an analysis / working paper (and eventually a journal article).

INITIATOR: KOF

PROJECT MANAGER: Erdal Atukeren

PROJECT DURATION: March 2003 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.25-222

THE LONG-TERM EVOLUTION OF REAL WAGES IN SWITZERLAND**DESCRIPTION**

This research project is designed to examine the growth of real wages in Switzerland in a long-term perspective. In particular, we shall investigate the following issues: 1. What is the long-run relationship between real wages and productivity over the last six decades? 2. In how far can the observed medium to long-term growth of real wages be explained by a combination of economic variables, such as long-term demand trends for particular labour inputs, the accumulation of other factors of production and overall productivity increases, and socio-demographic characteristics like age, educational attainment, migration and labour market participation trends? 3. Do labour market institutions such as trade unions, labour laws etc. have a long-term impact on the growth of real wages? 4. In how far can the observed short to medium term fluctuations of the growth of real wages be attributed to the business cycle? 5. What are the driving factors of the long-term (steady state) of the growth of real wages in Switzerland during the next decades, and what is our numerical forecast (point estimate based on the most likely scenario and an assessment of the uncertainty that goes along with it) of the average annual growth rate?

INITIATOR: KOF

PROJECT MANAGER: Michael Graff

COLLABORATORS: Roland Aeppli, Michael Siegenthaler

PROJECT DURATION: November 2010–October 2013

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbk.fp.50-352

2.3.2.4.4 MONETARY POLICY

BANK CREDITS AND MONETARY TRANSMISSION

DESCRIPTION

This project investigates the issue of bank-lending channel in Switzerland in the context of a credit-crunch period following the 2007/2008 sub-prime crisis. Using survey data to reflect loan supply and demand factors, we investigate the dynamic behaviour of aggregate loans in a VAR setting.

RESULTS

Our findings indicate that higher interest rates lead to tightened loan approvals and liquidity is a binding constraint as the contraction in deposits exceeds the reduction in loan growth following a monetary shock. Thus, banks' actions seem to aggravate (ameliorate) the initial effects of higher (lower) interest rates on aggregate demand.

INITIATOR: KOF

PROJECT MANAGER: Banu Simmons-Süer

PROJECT DURATION: January 2010 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbk.fp.54-377

EXPECTATION FORMATION

HABILITATION PROJECT

DESCRIPTION

Expectations are a key ingredient to every macroeconomic model. However, still very little is known about how they are formed. This is partly due to the fact that for a very long time the industry standard was the rational expectation framework which implies the same best possible expectation across individuals over time. This standard has been criticized heavily and there are promising paths to bypass the existing shortcomings, e.g. concepts of partial information. This project targets the formation of expectation and analyses what factors affect expectation formation and lead to an updating of the information set or the change in the predictor set. More specifically, investigate the response of the inflation expectations or the dispersion and uncertainty of inflation expectation to monetary policy and central bank communication, uncertainty and media.

INITIATOR: KOF

PROJECT MANAGER: Michael J. Lamla

PROJECT DURATION: January 2008 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbk.fp.40-383

SECTOR AND CYCLE EFFECTS ON STOCK RETURNS

DESCRIPTION

This new project aims to analyse the sector and business cycle effects on stock returns. Using a combination of panel estimation methods with Fama-French factor models, the robustness of the estimated parameters is investigated.

RESULTS

The first set of estimation results indicate that sector and cycle effects are significant in explaining annual stock returns.

INITIATOR: KOF

PROJECT MANAGER: Banu Simmons-Süer

PROJECT DURATION: September 2010 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: fbk.fp.62-379

2.4 RESEARCH DIVISION STRUCTURAL CHANGE**2.4.1.2 RESEARCH****2.4.1 COMPLETED PROJECTS****2.4.1.2.1 INNOVATION AND TECHNOLOGY****2.4.1.1 SURVEY ACTIVITIES****INNOVATION SURVEY: LIECHTENSTEIN****DESCRIPTION**

The University of Liechtenstein conducts a survey on "User Innovations" among firms in Liechtenstein. The KOF Swiss Economic Institute acts as a scientific consultant for survey design, survey implementation, and econometric analysis of the results. More concretely, the survey addresses three broad questions: (a) how firms organise the selection and the interaction with external users for the purpose of new product development, (b) whether there exist industry-specific conditions that make user innovations more likely to occur, (c) whether the firms that systematically interact with external users for the purpose of new product development have a higher innovation performance compared to the firms that do not interact with users.

RESULTS

The results strongly support the hypotheses: (i) that external end users have the potential to essentially improve the innovative performance of firms; (ii) that the technique of interaction during the innovation process and the characteristics of involved external users matter as well. The more firms make use of emphatic design and select specific users to acquire hard-to-articulate customer needs, the stronger is the relationship between access to external end users' knowledge and firm innovation success measured in sales of innovative products.

INITIATOR: University Liechtenstein

PROJECT MANAGER: Martin Wörter

COLLABORATORS: Spyridon Arvanitis

PROJECT DURATION: February 2009–May 2011

HOURS WORKED 2011: ≤100

PROJECT-ID: fbs.fp.44-323

INNOVATION ACTIVITIES IN SWITZERLAND – DETERMINANTS, IMPACT, TECHNOLOGY POLICY BOOK PROJECT**DESCRIPTION**

This book, which is written in German, deals with innovative activities emphasising empirical findings in general and, particularly, for Switzerland. In the latter case, the empirical evidence stems, to a high extent, from research carried out by KOF staff members. The book covers many topics of innovation economics. It contains the following sections:

- a) Concept and measurement of innovation
- b) Determinants of input and output of innovation activities
- c) "National Innovation System" approach; specificities of the "Swiss Innovation System"
- d) R&D co-operation
- e) Knowledge transfer between science and industry
- f) Internationalisation of R&D
- g) New enterprises
- h) Impact of innovation on firm productivity
- i) Impact of innovation on the firms' labour demand (as a whole, by level of qualification)
- k) Technology policy

The book is targeted to a broader public that is interested in the matter and, more specifically, to economists in public administration, economic associations, media, research divisions of companies, etc. It might also be of interest for teachers and students of economics and social sciences at the bachelor or similar level of higher education.

INITIATOR: KOF

PROJECT MANAGER: Heinz Hollenstein

COLLABORATORS: Spyridon Arvanitis

PROJECT DURATION: January 2009–September 2011

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.39-299

INNOVATION AND BUSINESS CYCLE DEVELOPMENT**DESCRIPTION**

The latest economic downturn painfully showed its far-reaching economic consequences. With this investigation we try to clarify the relationship between economic development and innovation activities and furthermore we try to identify characteristics that reduces firms' responsiveness to such business cycle movements. Methods used: econometric estimations based on matched innovation and investment data and in-dept interviews.

RESULTS

Innovation activities and the economic development are pro-cyclically in Switzerland on average. However, we further found that firms can benefit from low opportunity costs through anti-cyclical R&D investments if:

- 1) they are confronted with stronger demand effects
- 2) they have a relatively large sales share of R&D expenditures
- 3) they have external R&D relationships
- 4) they have rather low average labour costs
- 5) they are not exposed to intensive price competition
- 6) they are relatively large
- 7) they belong to high-tech industries.

INITIATOR: University Liechtenstein

PROJECT MANAGER: Martin Wörter

COLLABORATORS: Spyridon Arvanitis,
Marius C. Ley

PROJECT DURATION: May 2010–May 2011

HOURS WORKED 2011: ≤100

PROJECT-ID: fbs.fp.57-361

2.4.1.2.2 STRUCTURAL CHANGE**DETERMINANTS OF TRAINING AND THE PERFORMANCE OF NEW FIRMS
DISSERTATION PROJECT****DESCRIPTION**

The dissertation comprises three papers. All three studies are based on firm-level survey data that were collected by the KOF Swiss Economic Institute. The first study analyzes the impact of changes within the firm structure on the apprenticeship training system. The other two studies focus on new firms. While the second paper analyzes the impact of financial constraints on firm success, the third study investigates the innovation capability of firm founders.

RESULTS

The dissertation has already been successfully defended and is waiting for publication.

INITIATOR: KOF

PROJECT MANAGER: Tobias Stucki

PROJECT DURATION: July 2008–December 2011

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.31-302

THE SWISS DISEASE

FACTS AND ARTEFACTS

DESCRIPTION

This project was initiated to investigate a claim made by Kehoe and Prescott in 2002 that Switzerland and New Zealand experienced “great depressions” in the last two decades. We question the appropriateness of the measure used by Kehoe and Prescott (GDP per working-age person) and propose a more accurate measure to compare economic performance on a consistent basis, i.e., GDP per hour-worked which is also adjusted for terms of trade changes and investment in intangibles. After the initial stage, the project now focuses on the long-term determinants of economic growth in Switzerland in general.

RESULTS

We find that the difference in the economic performances of the US and Switzerland is less pronounced than that suggested by Kehoe and Prescott. The large difference in performance calculated by using data from databases such as the Penn World Tables, is mainly a statistical artefact due to problems in measuring labor input and, indeed, GDP itself. Once allowances are made to adjust input and output measures for institutional differences and changes, the labor productivity differential between the US and Switzerland is negligible – if anything, during the period for which comparable data are available, the increase in real GDP produced per hours worked was higher in Switzerland than in the US. Finally, with our more adequate data, Switzerland does not meet Kehoe and Prescott’s conditions for a “great depression”. These results were published in an article in the Review of Economic Dynamics in 2005.

INITIATOR: KOF

PROJECT MANAGER: Yngve Abrahamson

COLLABORATORS: Roland Aeppli, Erdal Atukeren, Michael Graff, Jochen Hartwig

PROJECT DURATION: January 2004–December 2011

HOURS WORKED 2011: 100–250

PROJECT-ID: fbs.fp.16-63

2.4.1.2.3 OTHER RESEARCH

INTERNATIONALISATION OF THE ECONOMIC ACTIVITIES OF SWISS FIRMS

A STUDY BASED ON SURVEY DATA

DESCRIPTION

Research in this field since long is a core activity of the “innovation research group” which resulted in a series of publications. The project is divided in two parts:

A. Descriptive analysis: The aim is to identify the specificities of the internationalisation of service firms, taking manufacturing companies as reference. The research is based on data for about 1900 firms of the Swiss economy collected by means of a survey in Spring 2010. The analysis focuses on sectorial differences with respect to many attributes such as: frequency and intensity of foreign presence, first time investment abroad, host regions of FDI, mode of foreign activities (cooperation, equity-based), type of business functions located abroad (distribution, procurement, manufacturing, R&D, combinations of these forms), two-way flows of several types of goods/services between parent firms and their affiliates, motives of foreign presence differentiated by business functions, etc.

B. Microeconomic analysis: We analysed 3 topics:

- a) determinants of FDI by (combinations of) business function(s);
- b) determinants of the choice of host regions of FDI;
- c) impact of FDI, differentiated by several attributes (e.g. host region), on the innovativeness and the productivity of the parent company.

RESULTS

A. Descriptive analysis: Internationalisation of services and manufacturing are quite different in terms of the characteristics mentioned above (although there are also many commonalities). Overall the service sector is less internationalised (but some knowledge-intensive service industries are internationalised to a similar degree as manufacturing). Moreover, soft modes of internationalisation (cooperations) and distributive activities are more frequent in services than in manufacturing. Multiple activity in terms of host regions or business functions is less frequent in the service sector.

B. Microeconomic analysis:

- a) The pattern of explanation of FDI, in general as well as by business functions, is quite similar for the firms of the two sectors. Main difference: The estimates for manufacturing firms quite significantly differ between combinations of business functions, whereas this is not really the case in services.

- b) The choice of specific host regions of Swiss FDI could explained quite well (see the project “Innovation Activities”, part 2).
- c) In both sectors, FDI positively affect the innovativeness of parent firms, but does not influence their productivity. However, differentiating the impact of FDI by regional orientation, business functions etc. shows, in many instances, positive productivity effects as well (e.g. FDI in USA or Asia). We did not find evidence for direct positive spillovers from parent firms to other companies of the Swiss economy.

INITIATOR: KOF, Staatssekretariat für Wirtschaft (SECO)

PROJECT MANAGER: Heinz Hollenstein

COLLABORATORS: Spyridon Arvanitis, Marius C. Ley, Tobias Stucki

PROJECT DURATION: April 2010–April 2011

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.54-322

POTENTIAL OF CLEANTECH IN THE MANUFACTURING AND THE SERVICE SECTOR IN SWITZERLAND

DESCRIPTION

Aim of this project was the assessment of the relative position of the Swiss economy with respect to cleantech worldwide in technological terms. To this end, first, we defined the cleantech sector (a) based on the OECD environmental patent classification and (b) based on a definition developed specifically for this study in order to take into consideration also service industries. Second, we investigated the degree of cleantech specialization of Switzerland ('revealed technological advantage') as compared to 13 other countries (including China) as well as the factors on industry level that determine the cleantech specialization (including political factors such as the national Kyoto goals). Third, we compared the innovation profile of firms with cleantech and firms that are not engaged in cleantech based of innovation firm data of the KOF Microdata Panel. This study was conducted in cooperation with Dr. Christian Soltmann, Eidgenössisches Institut für Geistiges Eigentum (IGE), Bern.

RESULTS

The share of cleantech patents on total patents increased from 2.5% to 4.1% between 2000 and 2008. Machinery with a cleantech patent share of 30% is the most important industry in this field, followed by the chemical industry. Not all countries contribute equally to this technological upswing. Switzerland is among the group of countries that show a degree of specialisation below average. In contrast, Denmark, Austria, and Japan are the countries with the highest degree of specialisation worldwide. Fabricated metal products, basic metals, and machinery are industries that show the greatest share of cleantech-patents in Switzerland followed by non-metallic mineral products, basic chemical, and vehicles. Only fabricated metal products and non-metallic mineral products show a cleantech-patent share that is above average in an international comparison of industries. The field of cleantech is defined also on firm level based on the environment-related innovation goals of a firm. According to that criterion, 23.5% of Swiss enterprises with more than 5 employees can be assigned to the cleantech sector; the figures for the manufacturing, service, and construction sector are 32.0%, 14.2%, and 16.0% respectively. As to the factors determining cleantech specialization we found that especially capital intensity, the openness of an industry in terms of export and import behaviour, and the employment share of energy-intensive industries on country level are of great importance.

INITIATOR: Economiesuisse, Dachverband der Schweizer Wirtschaft

PROJECT MANAGER: Spyridon Arvanitis

COLLABORATORS: Thomas Bolli, Arlette Frener, Marius C. Ley, Tobias Stucki, Martin Wörter

ADVISOR: Prof. Dr. Lucas Bretschger, ETH Zürich

PROJECT DURATION: January 2011–August 2011

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.60-402

PRODUCTIVITY AND EFFICIENCY OF HIGHER EDUCATION INSTITUTIONS

DISSERTATION PROJECT

DESCRIPTION

The dissertation aims at measuring and analysing the determinants of the productivity and efficiency of the cantonal Universities (Universitäten), the Universities of Applied Sciences (Fachhochschulen), and the Swiss Federal Institutes of Technology (ETHs). Furthermore, an international comparison is envisaged.

RESULTS

This dissertation has been defended. It consists of four chapters discussing the production process and the measurement of knowledge capital. Concretely, the first chapter uses a KOF survey among Swiss university departments in 2005 to analyze the relationship between the share of budget financed by private or public third-party funds on the productivity of universities. The findings suggest a positive impact of public third-party funding on publication productivity while private funds increase productivity in respect to both publications and technology transfer. The second chapter exploits data about universities on the level of scientific fields. Constructing a panel data set for the years 1995 to 2007 allows analyzing the development of productivity over time and account for unobserved heterogeneity. Overall, the estimated productivity remained constant until around 2002 and decreased afterwards. The third chapter provides first micro-level evidence of technical efficiencies in 273 top universities across 29 countries between 2007 and 2009. A comparison of different approaches yields relatively stable results. The last chapter differs somewhat in its focus. While the first three chapters analyze the production process of knowledge capital, this part analyzes the measurement of the outcome, namely labor quality, revealing that it has grown at a rate of 0.5% per year from 1991 to 2006. The main sources are education and age.

INITIATOR: KOF

PROJECT MANAGER: Thomas Bolli

PROJECT DURATION: July 2008–September 2011

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.33-303

2.4.2 ONGOING PROJECTS

2.4.2.1 SURVEY ACTIVITIES

COST SURVEY IN THE PHARMACY SECTOR (ROKA)

DESCRIPTION

The cost survey in the pharmacy sector (RoKA) has been conducted on behalf of the Swiss Pharmacists' Association (pharmaSuisse) since 1999. It gathers structural data as well as business indicators. Participation is compulsory for all members of pharmaSuisse. In addition to evaluating the results for pharmaSuisse, KOF Swiss Economic Institute provides all participants with an individual benchmark. These individual benchmarks compare the participants' own data with a hypothetical reference pharmacy (average of participants of the same size and region) as well as with the cantonal and Swiss averages. Furthermore, special evaluations can be made for pharmacy chains upon request.

RESULTS

For the survey of the year 2010, the questionnaire was again slightly modified. This also required some changes in the programming of the online survey. Furthermore, a contact form and a request management tool were integrated into the electronic platform. The survey 2010 gathered data for the business year 2009, which were as usual evaluated and shortly commented for pharmaSuisse. The participants of the survey received the benchmarks for their pharmacies.

INITIATOR: pharmaSuisse

PROJECT MANAGER: Martin Straub

COLLABORATORS: Carole Berset, Nicola Jordan, Cédric Nyvit

PROJECT DURATION: January 2006–December 2012

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.uf.01-346

ENTERPRISE PANEL SURVEY

DESCRIPTION

This permanent project is dedicated to the maintenance and the continued development of the KOF Enterprise Panel. The Panel's address database needs to be kept up-to-date continuously especially following the each annual wave of the KOF Investment Survey in autumn. The current year has been marked by a major update of the basic firm data of the KOF Enterprise Panel based 2008 Business Census.

RESULTS

The year 2011 has been marked by a major update of the firm-level data associated with the KOF Enterprise Panel. With support from the Swiss Federal Office of Statistics and based on their 2008 Business Census, data related to economic activity and employment for 4400 firms already featured in the Panel has been updated. 1700 firms have been eliminated from the sample due to inactivity or continued non-response. A random sample of 2300 firms not previously held in the Panel has been drawn in order to compensate for this loss and for drop-outs accumulated over the previous years. As a result, the size of the entire sample has reached its long-term design level of 6600 enterprises again (3000 belonging to the manufacturing and to the service sectors, respectively; and 600 construction sector firms).

INITIATOR: KOF

PROJECT MANAGER: Marius C. Ley

COLLABORATORS: Spyridon Arvanitis, Honorata S. Kaczykowski-Patermann, Flavio Schönholzer

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.uf.02-185

INNOVATION ACTIVITIES IN THE SWISS ECONOMY 2009–2011

AN ANALYSIS OF THE RESULTS OF THE SWISS INNOVATION SURVEY 2011

DESCRIPTION

Since 1990, KOF collects data on various aspects of innovative activities and on variables that may be used in explaining the observed patterns of innovation, its economic impact, etc. The data allow:

- a) a regular assessment of the innovation performance, etc. over time and across countries
- b) the construction and extension of a firm panel
- c) econometric analyses of many topics in innovation economics.

The current 3-year period (2010-2012) of a contract with Seco (which since 1989 has been regularly extended), covers the following tasks:

- 1) 8th wave of the Swiss Innovation Survey (autumn 2011), based on a questionnaire that is further developed to get a higher match with the one used in the Community Innovation Survey (CIS)
- 2) extending the firm panel by one additional cross-section
- 3) descriptive analysis of innovation performance, obstacles to innovation, R&D co-operation, etc. across industries and firm size classes as well as over time and, as far as possible, across countries
- 5) microeconomic analysis of these data dealing with selected topics to be agreed upon with the project principal.

Additional questions on the use of nanotechnology, the use of modern ICT, and workplace organization have been added to the questionnaire.

RESULTS

The questionnaire has been revised and it has been sent out to the firms of the updated sample of the panel (adjustment to the Census 2008 data; for this update see project fbs.uf.02-185).

INITIATOR: SECO

PROJECT MANAGER: Martin Wörter

COLLABORATORS: Spyridon Arvanitis, Marius C. Ley, Florian Seliger, Tobias Stucki, Martin Wörteri

PROJECT DURATION: April 2010–March 2013

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbs.fp.55-353

INNOVATION IN THE HEALTH CARE SECTOR

DESCRIPTION

This project aims to expand the knowledge base about innovation in the health care sector. To this end, we construct a survey for Swiss hospitals together with our advisory board. Thereby, we expand the existing data in respect to the relevance, the motives and the consequences of innovation and R&D activities in Swiss hospitals.

RESULTS

In 2010, we read the corresponding literature, construct the questionnaire after consulting our advisory group and tested the survey successfully in three hospitals. In autumn 2011, we conducted the survey. We will analyze the answers in the course of 2012.

INITIATOR: KOF

PROJECT MANAGER: Florian Seliger

Spyridon Arvanitis, Marius C. Ley

PROJECT DURATION: January 2010–December 2012

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.56-354

KNOWLEDGE AND TECHNOLOGY TRANSFER BETWEEN UNIVERSITIES AND ENTERPRISES

DESCRIPTION

The research activities in this field refer to three main topics:

- a) technology proximity between firms and universities, firm size, and technology transfer, and
- b) technology diversification, product innovations, and technology transfer
- c) the relationship between competition and R&D cooperation with universities and competitors.

Part (a) and (b) have been investigated already in the previous year.

Part (c): Here we assume that more competitors reduce the incentives for horizontal cooperation as it diminishes the gains from “collusion”. Furthermore we reasonably assume that the value of synergies and spillovers created by cooperation depends on competition intensity. This way, we identify two distinct and opposing incentives for cooperation. While synergies foster R&D cooperation, spillovers may hinder cooperation. We mainly hypothesize that university cooperation corresponds to quality competition, while horizontal cooperation relates to price competition.

We are testing these hypotheses based on Swiss firm-level panel data controlling for simultaneity of cooperation decisions and endogeneity of competition.

RESULTS

Our empirical analysis supports the relevance of distinguishing between competition dimensions and cooperation partners, respectively. We find that price competition matters for both university and horizontal cooperation and it takes the form of an inverted U-shape. On the contrary, quality competition only matters for university cooperation and the relationship shows a U-form. Moreover we see that the number of principal competitors is significantly related only to cooperation between competitors and the relationship shows an inverted U-form. Hence, markets with a medium number of competitors are more receptive for horizontal cooperation.

INITIATOR: KOF

PROJECT MANAGER: Spyridon Arvanitis

COLLABORATOR: Martin Wörter

PROJECT DURATION: June 2006 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbs.fp.12-187

VISCOM STRUCTURAL CHANGE SURVEY

DESCRIPTION

VISCOM and the union Syndicom asked KOF to do a survey in the graphical industry relating to the following questions: How is the situation in the graphical industry? How can the companies cope with the international competition.

RESULTS

The KOF has conducted a survey among companies in the graphical arts industry for the industry association VISCOM and the union Syndicom. The Swiss companies in the graphical industry have suffered during the latest recession, however, they are positive for the future, and they expect an improvement of their business situation. This refers both to the development of sales as well as the future number of employees. The companies consider the price pressure, as well on a local, regional or national level, to be very strong. This forces the company to adjust their advantages to non-price factors. In addition, parts of the production process are being outsourced. A shift is occurring in the demand for labour. The demand for employees with higher qualifications will rise. This would require current educational courses to adapt. Not all companies are satisfied with the courses' current situation. Many companies would also like to see changes in the collective bargaining agreement (CBA), in which direction, however, these changes should go, is not clear.

INITIATOR: VISCOM

PROJECT MANAGER: David Iselin

COLLABORATORS: Heinz Hollenstein, Anne Stücker, Kushtrim Veseli

PROJECT DURATION: January 2010–December 2012

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.59-393

2.4.2.2 RESEARCH

2.4.2.2.1 INNOVATION AND TECHNOLOGY

GENERATION AND DIFFUSION OF ENERGY TECHNOLOGIES IN SWITZERLAND

DISSERTATION PROJECT

DESCRIPTION

Firm-level data regarding the generation and diffusion of energy technologies, as commissioned by the Swiss Federal Office of Energy (SFOE) and collected by KOF Swiss Economic Institute in Spring 2009, is used to investigate the following: (a) determinants of innovation activity in the field of energy technologies, and (b) determinants of the adoption of already existing technologies in this field.

INITIATORS: KOF, SECO

PROJECT MANAGER: Marius C. Ley

PROJECT DURATION: July 2008 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.30-300

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AND WORKPLACE ORGANISATION

DESCRIPTION

The use of modern ICT (Information and Telecommunication Technology) essentially improves firms' efficiency. Efficiency gains are related to the diffusion-level of modern ICT. The KOF Swiss Economic Institute monitors and analyses the within-firm and between-firm effects of ICT. More concretely, we focus on the mutually reinforcing performance effects of workplace organization and the use of modern ICT on the diffusion patterns of ICT (including international comparisons). Furthermore, KOF provides international expertise on ICT investigations. KOF also takes part in an international comparison among OECD countries (coordinated by the OECD) about the enabling function of ICT use for innovative behaviour of firms.

RESULTS

The first set of estimation results indicate that sector and cycle effects are significant in explaining annual stock returns.

Some results of the OECD comparison study indicate that in fact sophisticated ICT elements considerably increase productivity of firms. That is true for the Swiss case but also for a number of other OECD member countries. Particularly, this is clearly the case for e-sales for Swiss firms as a Master Thesis in cooperation with the University of Zurich demonstrated. Based on the innovation and ICT survey in 2008 we could publish some main ICT indicators for Switzerland. They show that the diffusion of important ICT Elements (homepage, e-commerce, WLAN) increased among Swiss firms between 2005 and 2008. In line with these results important obstacles for e-commerce, like "customer readiness for e-purchasing" lost importance. ICT diffusion data have been delivered to UNCTAD and BFS respectively.

INITIATOR: KOF

PROJECT MANAGER: Martin Wörter

COLLABORATORS: Spyridon Arvanitis, Heinz Hollenstein

PROJECT DURATION: September 2003 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbs.fp.11-113

INNOVATION ACTIVITIES

DESCRIPTION

In 2011, this permanent project dealing with selected topics in innovation economics concentrated on the following elements:

- 1) Using Swiss firm data from the KOF Internationalisation Survey 2010, we analyse a firm's decision to invest in a specific host region. As a novelty in this field of research we include as explanatory variables a) the two-way flows of goods/services between parent firms and their affiliates and b) the motives for FDI. We determine for each of the 9 host regions the dominant form of FDI (vertical, horizontal, distribution-oriented).
- 2) Based on comparable firm-level survey data for Austria and Switzerland, we analyse: a) the determinants of the propensity of firms to invest in R&D abroad; b) the factors determining the choice between cooperative and equity-based engagements abroad; c) whether the two modes differ with respect to their impact on firm performance.
- 3) We analyse the impact of "green innovations" on productivity using patent data at industry level for a panel of OECD countries.
- 4) Empirical results with respect to the relationship between competition and innovation still are ambiguous. In this study, we perform, in parallel, panel estimates of this relationship for Switzerland and Germany, using firm-level data from the respective Innovation Surveys.

RESULTS

Project element 1: The estimated models perform quite well in explaining the choice of firms of specific host regions of Swiss FDI. The explanation of the regional pattern in terms of horizontal, vertical, and distribution-oriented FDI is convincing. Some regions attract (exclusively) horizontal FDI (e.g. North America), some others focus on vertical FDI (e.g. South East Asia/India) and some are recipients of both types of FDI (Eastern Europe, China); Europe is the most attractive target for distribution-oriented FDI. The analysis clearly shows that within-firm flows of goods/services and several types of motives for FDI are highly relevant variables to explaining a firm's decision to invest in a specific host region and to identify the type of FDI dominating in each region.

INITIATOR: KOF

PROJECT MANAGER: Heinz Hollenstein

COLLABORATORS: Spyridon Arvanitis, Tobias Stucki
Martin Wörter

PROJECT DURATION: August 2006 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.13-183

INVESTIGATION OF KNOWLEDGE AND TECHNOLOGY TRANSFER BETWEEN CORPORATIONS AND SCIENCE INSTITUTIONS IN SWITZERLAND

A STUDY BASED ON FIRM- AND INSTITUTE-LEVEL DATA, ESPECIALLY OF THE INSTITUTIONS OF THE ETH-DOMAIN

DESCRIPTION

This study aims at the investigation of a) extent and b) economic relevance of knowledge and technology transfer (KTT) between science institutions (institutions of the ETH-domain, Universities and Universities of Applied Sciences) and private corporations in Switzerland. A first investigation of these research questions has been conducted in 2005, so it is a further goal of the current study to compare results with those of the 2005 study.

INITIATOR: ETH-Rat

PROJECT MANAGER: Spyridon Arvanitis

COLLABORATORS: Marius Christian Ley, Kushtrim Veseli,
Martin Wörter

PROJECT DURATION: February 2011–March 2012

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.61-404

NETWORKS OF INNOVATION

DESCRIPTION

Currently, this project comprises the following strains of research:

- a) the complementarity/substitutability of internal and external R&D strategies in terms of firm performance – in collaboration with the UNU-Merit (Netherlands);
- b) the meaning of technology specialization and the knowledge base of a firm for their innovation performance; and
- c) the relationship between competition, technological opportunities and entrepreneurship – in cooperation with WIFO (Austria).

RESULTS

- a) We set up a common model for both countries, the Netherlands and Switzerland. First econometric estimations have been conducted indicating complementarity between internal and external R&D strategies.
- b) Econometric estimations show that knowledge diversification is positively related with the patent activities of firms and negatively related with the "sales share of innovative products". However, the form of the relationships are not clear so far (e.g. U shaped, inverted-U shaped, or linear).
- c) The findings so far confirm a robust inverse-U relationship, where a higher number of competitors increases the firm's innovation effort, but at a diminishing rate. Technology potential, demand growth, firm size, and exports have a positive effect, foreign ownership a negative impact on innovation. Splitting the sample by firm types, the inverse-U shape is steeper for creative than adaptive entrepreneurial regimes.

INITIATOR: KOF

PROJECT MANAGER: Martin Wörter

COLLABORATOR: Spyros Arvanitis

PROJECT DURATION: August 2006 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: fbs.fp.07-188

TECHNOLOGY POLICY IN SWITZERLAND

DESCRIPTION

The activities in this field refer to:

- a) general analysis of Swiss technology policy in the context of expert reports (e.g., for the OECD or for the European Commission);
- b) quantitative investigations of the impact of concrete technology programmes or measures based on econometric methods; and
- c) expert reports on specific policy questions (e.g., report on the profile of potential client firms of the Innovation Agency CTI).

RESULTS

The survey article was finished by the end of 2011.

INITIATOR: KOF

PROJECT MANAGER: Spyridon Arvanitis

COLLABORATOR: Martin Wörter

PROJECT DURATION: August 2006–July 2012

HOURS WORKED 2011: ≤100

PROJECT-ID: fbs.fp.09-190

2.4.2.2 STRUCTURAL CHANGE**NEW FORMATION AND RESTRUCTURING OF FIRMS IN SWITZERLAND****DESCRIPTION**

Firm restructuring and market mobility (as measured by market entries and exits) are two main factors determining the pace and direction of structural change. We plan to pursue three main research topics in this context:

- a) an analysis of the determinants of survival and post-entry performance of “management buyouts” that took place between 2006 and 2008;
- b) an investigation of the impact of “mergers” on the performance of merged firms, also referring to the period 2006–2008;
- c) a study on the impact of market mobility (market entry and exit of firms) on productivity at industry level for the period 1991–2008. Special attention will be given to innovation activities at firm level in all three part-studies.

For the studies (a) and (b), data will be collected by a postal survey of firms based on the addresses provided by the Federal Office for Statistics (BFS). For study (c), we will use data from the Federal Census (Eidg. Betriebszählung) for the years 1991, 1995, 1998, 2001, 2005 and 2008.

RESULTS

In 2011, we conducted a survey on the impact and characteristics of mergers.

INITIATOR: KOF

PROJECT MANAGER: Tobias Stucki

COLLABORATOR: Spyros Arvanitis

PROJECT DURATION: January 2011–December 2012

HOURS WORKED 2011: 1000–2500

PROJECT-ID: fbs.fp.41-334

2.4.2.3 HEALTH CARE**HEALTH ECONOMICS AND HEALTH POLICY****DESCRIPTION**

Since 2005, KOF Swiss Economic Institute increasingly deals with topics related to health economics. One focus has been on identifying the determinants of health expenditure (growth), another focus has been on testing the effects of (improvements in) health on economic growth.

RESULTS

Results of the research done in this project have been published in a book which appeared in 2005 with vdf Hochschulverlag, Zurich, and in articles for the Journal of Health Economics (2008), the Journal of Macroeconomics (2010), and Applied Economics (2011).

INITIATOR: KOF

PROJECT MANAGER: Jochen Hartwig

COLLABORATOR: Jan-Egbert Sturm

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbs.fp.14-197

SEMI-ANNUAL FORECASTS FOR SWISS HEALTH CARE EXPENDITURES**DESCRIPTION**

Contracted by Merck Sharp & Dohme-Chibret (MSD), KOF Swiss Economic Institute publishes forecasts for Swiss health care expenditures twice a year. The forecasts for the three breakdowns “by functions”, “by providers”, and “by financing” are made on the basis of an econometric model.

INITIATOR: Merck Sharp & Dohme-Chibret AG

PROJECT MANAGER: Martin Straub

COLLABORATOR: Jochen Hartwig

PROJECT DURATION: January 2004 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: fbs.fp.01-67

2.4.2.2.4 OTHER RESEARCH

ANALYSIS OF THE EUROPEAN SPACE INDUSTRY 2008–2010

DESCRIPTION

The aim of the study is to perform a business and competitive analysis and assessment of the European space industry, its main sectors of activity and their evolution over time. The empirical part is based on (a) a survey among firms with space-related activities in the period 2008–2010, (b) an existing dataset on the space activities in the period 2005–2007, and (c) secondary data from other sources (e.g., OECD). Besides a detailed descriptive analysis the KOF part of the project includes also an econometric analysis of the available firm data in order to investigate the factors determining the innovation and economic performance at firm level in this field. The project is conducted in cooperation with IE Business School, Madrid.

INITIATOR: European Space Authority
 PROJECT MANAGER: Spyridon Arvanitis
 COLLABORATORS: Arlette Frener, Tobias Stucki, Kushtrim Veseli, Martin Wörter
 PROJECT DURATION: January 2011–July 2012
 HOURS WORKED 2011: 500–1000
 PROJECT-ID: fbs.fp.62-403

GROWTH AND PRODUCTIVITY AT THE MACRO-ECONOMIC AND THE INDUSTRY LEVELS

DESCRIPTION

In this project, the measurement and the determinants of growth of value added and productivity are investigated. The approach is very broad and pertains to both Switzerland and the international economy and to the macro-economy as well as to disaggregated industries.

INITIATOR: KOF
 PROJECT MANAGER: Jochen Hartwig
 PROJECT DURATION: January 2006 – ongoing
 HOURS WORKED 2011: 100–250
 PROJECT-ID: fbs.fp.15-198

ISSUES IN THE ESTIMATION OF GRAVITY MODELS OF TRADE

DESCRIPTION

The aim of our project is to develop appropriate econometric techniques for modelling sectoral trade flows. These include joint estimation of models involving sectoral trade flows, where the interdependence of trade flows between different sectors is explicitly modelled; modelling of sectoral trade flows allowing for endogenous tariffs; proper addressing stochastic interdependence among industry-level trade flows (within and across countrypairs); modelling of bounded intra-industry trade shares allowing for excess of 0.

RESULTS

One doctoral grant has been allocated by SNF for the project 'Empirical Methods for Bilateral Trade Flows and Intra-industry Trade Shares at the Sector Level'. Main applicant P. Egger, co-applicants B. Siliverstovs and D. Schumacher.

INITIATOR: KOF
 PROJECT MANAGER: Peter Egger
 COLLABORATORS: Sabrina Dorn, Boriss Siliverstovs
 PROJECT DURATION: August 2009 – ongoing
 HOURS WORKED 2011: ≤100
 PROJECT-ID: fbs.fp.49-307

RESEARCH MONITORING

DESCRIPTION

The KOF runs the web portal: forschungsmonitoring.org that was initiated by the Committee for Research Monitoring of the "Verein für Socialpolitik". It comprises extensive publication records from (business) economists working in Germany, Austria, and Switzerland. The data is used by researchers for bibliometric projects. Also KOF Swiss Economic Institute calculates for the "Handelsblatt" newspaper its individual as well as faculty rankings for academics in economics. The ranking measures research output by a bibliometric method and is well-known in the profession. Currently, the project team looks for further collaborators and determine the project's scale for the long run, which might include a version 2.0 of the web portal.

INITIATORS: Handelsblatt, Verein für Socialpolitik
 PROJECT MANAGER: Matthias Bannert
 COLLABORATOR: Jörg Schlöpfer
 PROJECT DURATION: August 2009 – ongoing
 HOURS WORKED 2011: 500–1000
 PROJECT-ID: fbs.fp.52-338

2.5 NETWORK

2.5.1 ONGOING PROJECTS

AIECE

DESCRIPTION

As a member of the AIECE (Association of European Conjunction Institutes), the KOF contributes to the semiannual General Report on the outlook for the European and the world economy.

INITIATOR: KOF

PROJECT MANAGER: Christian Busch

COLLABORATORS: Yngve Abrahamsen, Andres Frick, Jochen Hartwig, Michael J. Lamla, Matthias W. Uhl

PROJECT DURATION: January 2004 – ongoing

HOURS WORKED 2011: 250–500

(included bue.to.02-269)

PROJECT-ID: bue.to.02-266

ERAWATCH

DESCRIPTION

ERAWATCH/Trendchart is a network of organisations and research institutions that maintain an information system regarding the national and regional research structures in the EU, associated countries (including CH), and a number of important trade partners (e.g. USA, Japan, China). This system should improve the understanding of the national and regional research systems and their economic surroundings, thereby providing the information basis for evidence-based research policy. Hence, it should facilitate the realisation of a “European Research Area (ERA)” as a uniform research location. The KOF provides information about Switzerland to the coordinator, Technopolis, based in the Netherlands.

RESULTS

The analytical country reports for the years 2007–2010 as well as the specialisation report have been delivered to Technopolis (available at: <http://erawatch.jrc.ec.europa.eu/>) Furthermore, the “Erawatch/Trendchart Baseload Inventory” has been established and maintained.

This includes information about important policy documents, support measures, research organisations, and information sources. In addition, the Erawatch/Trendchart network meetings establish a discussion platform.

INITIATOR: European Commission

PROJECT MANAGER: Florian Seliger

COLLABORATORS: Spyridon Arvanitis, Martin Wörter

PROJECT DURATION: November 2005–July 2012

HOURS WORKED 2011: 250–500

PROJECT-ID: fbs.fp.04-169

EUROCONSTRUCT

DESCRIPTION

KOF Swiss Economic Institute is the Swiss member of the Euroconstruct Network and regularly provides an in-depth analysis of the Swiss construction sector. The results are included in a country and a summary report and presented at the semiannual Euroconstruct conferences.

INITIATORS: KOF, SECO

PROJECT MANAGER: Yngve Abrahamsen

COLLABORATOR: Dirk Drechsel

PROJECT DURATION: July 2001 – ongoing

HOURS WORKED 2011: 250–500

PROJECT-ID: fbk.to.01-218

IMF ARTICLE IV CONSULTATION

DESCRIPTION

IMF makes an annual visit to Switzerland within the framework of the Article IV consultations. The visit at KOF Swiss Economic Institute is normally at the beginning of the tour and the KOF staff present their current views on the economic situation in Switzerland. In this framework, the economic policy and its long-term implications are highlighted beyond the discussion of the short-run macroeconomic forecasts.

INITIATOR: KOF

PROJECT MANAGER: Yngve Abrahamsen

COLLABORATORS: Roland Aeppli, Richard Etter, Andres Frick, Michael Graff, Jochen Hartwig, Michael J. Lamla, Jan-Egbert Sturm

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: 250–500

(included bue.to.02-266)

PROJECT-ID: bue.to.02-269

2.6 INTER-DIVISIONAL PROJECTS

2.6.1 ONGOING PROJECTS

2.6.1.1 EVENT SERIES

BROWN BAG SEMINAR SERIES

DESCRIPTION

The KOF Brown Bag Seminars give KOF researchers the opportunity to present their work to their colleagues. The seminars take place on Mondays over lunchtime. On average, around 20 presentations are given per year.

INITIATOR: KOF

PROJECT MANAGER: Jochen Hartwig

COLLABORATORS: Martin Gassebner

PROJECT DURATION: January 2007 – ongoing

HOURS WORKED 2011: 1000–2500

(included bue.wb.01-380 and bue.wb.01-382)

PROJECT-ID: bue.wb.01-280

CER-ETH/KOF LECTURES

DESCRIPTION

The CER-ETH/KOF Lecture is a joint project of the CER Institute at the ETH Zurich and the KOF. Well-known external speakers are chosen for the lectures. The lecture is held at least twice a year, i.e. once each semester. The aim is to present economic subjects to a larger audience.

INITIATOR: KOF

PROJECT MANAGER: Jan-Egbert Sturm

COLLABORATORS: Michaela Diehl, Anne Stücker

PROJECT DURATION: January 2008 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: bue.wb.02-384

CIRET CONFERENCES AND WORKSHOPS

CENTRE FOR INTERNATIONAL RESEARCH ON ECONOMIC TENDENCY SURVEYS

DESCRIPTION

The annual meetings of CIRET – Council and general assembly – have taken place in Moscow on September 16–17, 2011. There has been a pre-event with two keynote lectures on “On the use of business tendency surveys in business cycle analysis” by Jan-Egbert Sturm (president of CIRET and of KOF ETH, Zurich) and on “A General to Specific Approach for Selecting the Best Business Cycle Indicators” by Gianluca Cubadda (Università di Roma “Tor Vergata”, Rome, Italy). The following workshop had the title “National Business Cycles in the Global World” with 14 contributions. The papers showed the interlinks between the countries as well as the country-specific situations particularly in the last recession.

INITIATOR: CIRET

PROJECT MANAGER: Katharina Bloch

COLLABORATOR: Richard Etter

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: bue.to.03-410

KOF RESEARCH SEMINAR

DESCRIPTION

In the seminar series guest researchers at the KOF Swiss Economic Institute present one of their current research projects. Therefore, the guest gets valuable feedback from the KOF, while the KOF gets an insight at the frontier of current research.

INITIATOR: KOF

PROJECT MANAGER: Martin Gassebner

PROJECT DURATION: March 2006 – ongoing

HOURS WORKED 2011: 1000–2500

(included bue.wb.01-280 and bue.wb.01-382)

PROJECT-ID: bue.wb.01-380

KOF-ETH-UZH INTERNATIONAL ECONOMIC POLICY SEMINAR

DESCRIPTION

In the seminar series which is held jointly with Prof. Woitek and Prof. Hoffman from the University of Zurich, distinguished international researchers present their current research.

INITIATOR: KOF

PROJECT MANAGER: Martin Gassebner

PROJECT DURATION: November 2010 – ongoing

HOURS WORKED 2011: 1000–2500

(included bue.wb.01-280 and bue.wb.01-380)

PROJECT-ID: bue.wb.01-382

KOF WIRTSCHAFTSFORUM

DESCRIPTION

On behalf of the Swiss Society of Business Cycle Research, KOF Swiss Economic Institute organises an economic forum ("KOF Wirtschaftsforum") four times a year. The discussions focus around key issues of the global and Swiss economy and cover major topics of economic policy.

INITIATOR: KOF

PROJECT MANAGER: Christian Busch

COLLABORATOR: Michaela Diehl

PROJECT DURATION: January 2009 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: bue.to.01-326

2.6.1.2 EDITORSHIPS

INTERNET PLATFORM "ÖKONOMENSTIMME" POLICY PORTAL FOR ECONOMIC DISCUSSIONS

DESCRIPTION

In March 2010, KOF Swiss Economic Institute has successfully launched the policy portal "Ökonomenstimme" (www.oekonomenstimme.org) with 34 founding members, among them some of the best-known economists from Austria, Germany and Switzerland. "Ökonomenstimme" aims at being the focal point of the economic discussion in the German-speaking countries. The platform is modelled after the English-speaking portal "VoxEU". Partners of "Ökonomenstimme" are the portal "VoxEU" with its founder Prof. Baldwin and Prof. Kirchgässner, Professor at the University of St. Gallen and Chairman of the KOF Advisory Board.

RESULTS

Since its introduction in March 2010, on average over 3000 people visit the website every week and we observe an upward trend. We have an ongoing inflow of new contributions from both, founding members, and "new" authors. Our media partners (Handelsblatt, Die Presse, NZZ) have published several articles in their print editions, electronic newsletters and on their websites. We also had several joint articles in English and German with our partner Vox, as well as with our Italian and French partners.

INITIATOR: KOF

PROJECT MANAGER: David Iselin, Anne Stücker, Jan-Egbert Sturm

COLLABORATORS: Matthias Bannert, Nicola Jordan

PROJECT DURATION: June 2009 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: bue.pb.05-335

JOURNAL OF BUSINESS CYCLE MEASUREMENT AND ANALYSIS (JBCMA)

DESCRIPTION

The Journal of Business Cycle Measurement and Analysis is jointly published by the OECD and CIRET to promote the exchange of knowledge and information on theoretical and operational aspects of economic cycle research, involving both measurement and analysis. Researchers in the field of business cycle measurement and analysis are encouraged to submit their papers to the Editor-in-Chief at KOF Swiss Economic Institute, Michael Graff, who is in charge of the double-blind review process. Under the heading "Report" additional contributions, including topics such as sample design, data collection and validation, dissemination and evaluation of survey results, are published. Reports are reviewed by members of the Editorial Board.

RESULTS

Since the 2008 volume, the journal releases two issues per year.

INITIATOR: CIRET

PROJECT MANAGER: Michael Graff

COLLABORATOR: Michaela Lischer

PROJECT DURATION: January 2004 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: zdb.pb.01-54

KOF ANALYSES

DESCRIPTION

The KOF Swiss Economic Institute publishes the quarterly journal "KOF Analyses" (in German). The winter, spring and summer issues contains articles on research studies from KOF economists on current topics (in total: 8 contributions a year). The autumn issue is dedicated exclusively to the presentation of the KOF macroeconomic forecasts. The spring issue also contains a chapter on the spring forecasts, whereas the winter and the summer issue indicate some (small) modifications of the preceding in-depth forecasts.

INITIATOR: KOF

PROJECT MANAGER: Heinz Hollenstein

PROJECT DURATION: October 2007 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: bue.pb.04-270

KOF BULLETIN

MONTHLY NEWSLETTER WITH THE LATEST ECONOMIC DEVELOPMENT IN THREE LANGUAGES (G, E, F)

DESCRIPTION

The KOF Bulletin targets a wide public and provides news about the economy from the reporting month which is concisely summarised and put into a general context. The focus is on the results of the KOF-Surveys. Readers are informed about the current economic situation and the outlook for the coming months.

The KOF Bulletin also provides information about the latest research news from the two KOF areas: "Business Cycle Research" and "Structural Change". Information about the latest events and job vacancies are also provided. In order to make it accessible to a wide audience, the KOF Bulletin is issued in German, French, and English. It is sent simultaneously in all three versions. The KOF Bulletin can also be downloaded free-of-charge as a PDF file from the KOF website.

INITIATOR: KOF

PROJECT MANAGER: David Iselin, Anne Stücker

COLLABORATORS: Yngve Abrahamsen, Roland Aeppli, Christian Busch, Richard Etter, Andres Frick, Michael Graff, Jochen Hartwig, Michael J. Lamla, Andrea Lassmann, Willy Urs Roth, Andrea Schnell, Martin Straub, Jan-Egbert Sturm, Matthias W. Uhl

PROJECT DURATION: October 2007 – ongoing

HOURS WORKED 2011: 2500–4000

PROJECT-ID: bue.pb.03-252

2.7 CHAIR OF APPLIED MACROECONOMICS

2.7.1 COMPLETED PROJECTS

2.7.1.1 RESEARCH

DEVIATIONS FROM RATIONALITY – ANALYSIS OF INFLATION PERCEPTIONS AND EXPECTATIONS

DISSERTATION PROJECT

DESCRIPTION

Empirical analysis of survey data on households' inflation perceptions and expectations has shown that criteria for rationality are often not fulfilled. Therefore, theories explaining deviations from rationality such as behavioral approaches or theories of rational inattention have become increasingly important. This dissertation analyzes specific approaches both empirically and theoretically. The empirical analysis is conducted for a number of European economies using the EC Joint Harmonized Survey of Consumers to obtain survey data for inflation perceptions and expectations. Furthermore, a unique data set on media reports about inflation in Sweden is obtained from the media research institute Mediatenor. The theoretical analysis builds on the models of sticky information and incorporates a micro-founded switching mechanism that allows to endogenize the share of rational agents each period. The dissertation project is conducted in cooperation with the German Research Foundation (Deutsche Forschungsgesellschaft, DFG) and the University of Hamburg.

RESULTS

The first empirical paper analyzes the formation of inflation perceptions in a panel of European countries, testing for loss aversion and availability of frequently bought goods' prices. The second empirical paper evaluates the relation between inflation perceptions and expectations in the case of Sweden, focusing on the role of media reports and on differences between low-inflation and high-inflation periods. The theoretical part of the dissertation focuses on models of sticky information. In the first theoretical paper, the share of agents that use the most recent information set each period is endogenized by allowing agents to choose between recent and costly or outdated and costless information. The second theoretical paper incorporates this decision process into the model solution, allowing for feedback from time-variation of the share of rational agents to the model economy.

INITIATOR: KOF

PROJECT MANAGER: Lena Dräger

PROJECT DURATION: October 2008–October 2011

PROJECT-ID: lss.fp.06-390

RIGIDITIES, INSTITUTIONS AND THE MACROECONOMY

DISSERTATION PROJECT

DESCRIPTION

This project studies the effect of institutions on macroeconomic outcomes. A first paper analyzes the labor market effects of the European Monetary Union. A second paper shows that membership in international organizations is an important determinant of FDI. A third paper studies how the degree of competition in an economy affects firms' price setting. Finally, a fourth paper questions the institutions view by showing that political leaders substantially affect public deficits.

INITIATOR: KOF

PROJECT MANAGER: Heiner F. Mikosch

PROJECT DURATION: May 2007–December 2011

PROJECT-ID: lss.fp.03-319

2.7.2 ONGOING PROJECTS

2.7.2.1 RESEARCH

CORRUPTION AND MIGRATION

DISSERTATION PROJECT

DESCRIPTION

This empirical study considers the effect of corruption on migration behaviour in several European and OECD economies. Unlike frequently indicated, the study indicates that income differences are not the sole factor driving migration; instead, the corruption level in the country of origin and that in the destination country prove to be important in explaining migration behaviour.

INITIATOR: KOF

PROJECT MANAGER: Marie L. Hadamovsky

PROJECT DURATION: August 2010 – ongoing

PROJECT-ID: lss.fp.01-368

DEMOGRAPHY AND THE BUSINESS CYCLE

HABILITATION PROJECT

DESCRIPTION

Analysing economic and demographic interactions is a formidable task, which can be tackled using Bayesian time series econometrics. This project employs Bayesian state space models and provides possible estimates for economic activity and alternative measures for Historical National Accounts. Furthermore the relationship between the estimated aggregate economic variables and demographic time series is investigated focussing on short term reactions of vital rates to changes in economic variables. The project's main objective is to shed light on the effects of business cycle fluctuations on health related variables as proxy measures of social welfare.

INITIATOR: KOF

PROJECT MANAGER: Samad Sarferaz

PROJECT DURATION: November 2009 – ongoing

PROJECT-ID: lss.fp.05-386

GLOBALISATION AND SOCIAL SECURITY

DISSERTATION PROJECT

DESCRIPTION

This empirical project investigates various connecting and transmitting channels between globalisation and social security. Social security must adapt to migrating workers and the change in distribution of income due to the integration of markets.

INITIATOR: KOF

PROJECT MANAGER: Jörg Schläpfer

PROJECT DURATION: September 2008 – ongoing

PROJECT-ID: lss.fp.02-374

INTERNATIONAL POLITICAL ECONOMY

HABILITATION PROJECT

DESCRIPTION

This project expands the knowledge on international political economy on two fronts. On the one hand, the economics of terrorism are analyzed. In particular, economic and political causes and consequences of terrorism are scrutinized. On the other hand, political aspects of international economics, in particular international trade and foreign direct investment, are analyzed.

INITIATOR: KOF

PROJECT MANAGER: Martin Gassebner

PROJECT DURATION: January 2008 – ongoing

PROJECT-ID: lss.fp.04-373

ON THE STABILITY OF MICROFINANCE INSTITUTION EFFICIENCY ESTIMATES

DESCRIPTION

This project uses a panel data set of microfinance institutions to compare several identification strategies of cost efficiency. Concretely, we contrast the non-parametric DEA with the SFA and a distribution-free identification based on time-invariant heterogeneity estimates. Furthermore, we analyze differences across space in terms of production functions and unobserved heterogeneity.

RESULTS

Preliminary results suggest that the production process of financial output differs little across regions, while it varies in respect to the depth of outreach. While we find substantial differences in terms of estimated level of efficiencies across methodologies, rank correlations remain fairly high, suggesting relative insensitivity in respect to the estimation methodology.

INITIATOR: Schweiz. Nationalfonds, Abt. I

PROJECT MANAGER: Anh Vo Thi Ngoc

COLLABORATORS: Thomas Bolli

PROJECT DURATION: August 2010 – ongoing

PROJECT-ID: lss.fp.07-398

2.8 CHAIR OF APPLIED ECONOMICS: INNOVATION AND INTERNATIONALISATION

2.8.1 COMPLETED PROJECTS

2.8.1.1 RESEARCH

INTERNATIONAL ECONOMICS: THEORY OF NEW TRADE AND MULTINATIONAL FIRMS

DESCRIPTION

The primary goal of the course is to familiarize students with recent work in international economics. While traditional text books are largely concerned with models where production cost differences between countries (through differences in factor productivity or in relative factor endowments) are the main source of gains from trade, I will assume that students are familiar with these concepts and only briefly touch on them. The focus will be on models where the main reason for trade are consumer preferences and their love of variety and its major impediments are transport costs. Covering models of trade only, of trade and multinational firms, and of factor mobility and agglomeration, students will get a good overview of key contributions in international economics within the last quarter of a century.

INITIATOR: KOF

PROJECT MANAGER: Peter Egger

PROJECT DURATION: February 2011–June 2011

PROJECT-ID: lse.ab.01-406

2.8.2 ONGOING PROJECTS

2.8.2.1 RESEARCH

CORPORATE TAXES AND INTRA-FIRM TRADE

DESCRIPTION

This project aims to shed light on the role of corporate taxes for vertical integration decisions of multinational corporations. The idea is that tax differentials across countries render transfer pricing attractive to minimize the overall tax burden of the firm. Since the benefit of transfer pricing increases in the tax gap, one should observe a larger number of multinational firms that are vertically integrated. Alternatively, firms could purchase intermediate inputs at arm's length from an independent supplier precluding transfer pricing. Hence, the share of vertically integrated multinationals as well as the share of intra-firm trade should increase in the tax differential. These hypotheses are derived in a simple heterogeneous-firms model and should be tested on the grounds of reduced-form regressions. It is also intended to structurally estimate the model using data on US multinational firms.

INITIATOR: KOF

PROJECT MANAGER: Tobias Seidel

PROJECT DURATION: January 2010 – ongoing

PROJECT-ID: lse.fp.04-363

DYNAMIC GRAVITY EQUATION AND SELECTION INTO TRADE DETERMINING POLICIES

DISSERTATION PROJECT

DESCRIPTION

My thesis considers the empirical estimation of a dynamic gravity equation as well as the extension of the gravity approach to account for selection into trade determining policies. As such a policy we consider a variety of different exchange rate agreements. The current paper employs matching econometrics where a follow up extending the Heckman approach to multiple treatments and outcome equations in the gravity setting is planned.

INITIATOR: KOF

PROJECT MANAGER: Sabrina Dorn

PROJECT DURATION: May 2010 – ongoing

PROJECT-ID: lse.fp.05-370

ENERGY AND INTERNATIONAL TRADE

DISSERTATION PROJECT

DESCRIPTION

My dissertation deals with the analysis and structural estimation of partial and general equilibrium models in international trade. One particular focus of my work is on the modelling of energy as a factor of production and the consequences of trade liberalization and other fundamental changes on outcome such as factor prices, trade, productivity, and welfare. In my work, I consider the calibration and simulation of such models as well as their econometric implementation.

INITIATOR: KOF

PROJECT MANAGER: Michaela Kesina

PROJECT DURATION: May 2010 – ongoing

PROJECT-ID: Ise.fp.06-369

LABOUR TAXATION, EXECUTIVE COMPENSATION, CORPORATE GOVERNANCE AND FIRM PERFORMANCE

DESCRIPTION

In this project we use firm- and director-level data to shed light on a number of different research issues. On the one hand, we intend to analyse three research issues that link executive compensation and the taxation of high-income earners. First, to which extent does the combination of labour and profit taxes affect the migration decisions of skilled people. Second, to which extent are high tax rates on well-paid labour borne by firms or employees. Finally, the third question we wish to address is to which extent labour and profit taxes affect the location decisions of firms.

On the other hand, using a unique data set and different empirical techniques, the project aims at analysing different aspects of the link between corporate governance, executive compensation and firm performance. Since the firm's providers of funds are part of the firm's stakeholders we will study how different governance and monitoring mechanisms can partially align the interests of shareholders with those of managers. Furthermore, we will look into the role of boards of directors as an important body in the firm's governance. The questions we address relate for instance to the effect of the Directors & Officers' insurance for the design of compensation contracts and accordingly for the relationship between managers and shareholders or to the issue whether executive compensation is rather sector or industry driven or is it really the performance of individual firms that determine it.

INITIATOR: KOF

PROJECT MANAGER: Doina M. Radulescu

COLLABORATOR: Nora Strecker

PROJECT DURATION: November 2010–November 2013

PROJECT-ID: Ise.fp.02-358

LABOUR TAXATION, EXECUTIVE COMPENSATION, LOCATION DECISIONS OF FIRMS, AND MIGRATION

DISSERTATION PROJECT

DESCRIPTION

In this dissertation, I use firm- and director-level data to shed light on a number of different research issues. The dissertation analyses three research issues that link executive compensation and the taxation of high-income earners. First, to which extent does the combination of labour and profit taxes affect the migration decisions of skilled people. Second, to which extent are high tax rates on well-paid labour borne by firms or employees. Finally, the third question addresses the extent labour and profit taxes affect the location decisions of firms.

INITIATOR: KOF

PROJECT MANAGER: Nora Strecker

PROJECT DURATION: November 2010–November 2013

PROJECT-ID: Ise.fp.02-405

REGIONAL DEVELOPMENT

DESCRIPTION

This project analyzes the factors shaping economic geography. The study consists of a theoretical part that derives various mechanisms driving the location decisions of firms and an empirical part assessing the significance of agglomeration economies such as productivity spillovers. In addition to analyzing the mechanisms causing an uneven regional development, the project focuses on the political responses to regional disparities. Most federations rely on a system that allows for transfers across jurisdictions. The study investigates the effectiveness of these transfers and determines the optimal size of regional transfer programs as well as the optimal allocation of transfers across regions.

INITIATOR: KOF

PROJECT MANAGER: Maximilian von Ehrlich

PROJECT DURATION: March 2010 – ongoing

PROJECT-ID: lse.fp.03-356

TAX POLICY AND HETEROGENEOUS FIRMS

STRUCTURAL ESTIMATION OF TAX EFFECTS ON THE DIFFERENT MARGINS OF FIRM ACTIVITY

DESCRIPTION

Recent theoretical work on firm behaviour in economics recognizes the existence and the importance of heterogeneity of firms with regard to their production costs or their fixed costs which are specific to the mode of market entry. While this view is now common in fields such as industrial economics, international economics, and even to some extent in macroeconomics, it is relatively new in public economics. This is surprising, since some key concepts of taxation such as the effective marginal or the effective average corporate tax rate on profits depend crucially on characteristics such as the composition of fixed costs (e.g., machinery versus buildings) and finance which we know vary tremendously across firms. Yet, it is still common practice for empirical researchers in public finance to use country-level effective tax rates as determinants of firm-level activity and to disregard adjustments of the distribution of firms active in response to changing tax policies.

INITIATOR: KOF

PROJECT MANAGER: Georg Wamser

PROJECT DURATION: December 2010–November 2013

PROJECT-ID: lse.fp.01-360

USING GRAVITY EQUATION TO SOLVE TRADE COMOVEMENT PUZZLE

DESCRIPTION

There are a number of empirical studies that examine how bilateral trade affects business cycle correlations between two countries. The empirical investigations reveal a strong positive relationship between the two. Standard international business cycle models, however, are unable to quantitatively mimic this relationship. This phenomenon is referred to as trade comovement puzzle. I derive an equation that links business cycle synchronization to trade intensity using second-order Taylor series expansion of a standard gravity equation and show that previous empirical results were largely driven by inappropriate estimations. The derived specification explains why the trade intensity coefficient is specific to country pairs. The results of a simple calibrated model also suggest that the trade comovement puzzle is driven by inappropriate estimation techniques.

INITIATOR: KOF

PROJECT MANAGER: Sergey Nigai

PROJECT DURATION: October 2010 – ongoing

PROJECT-ID: lse.fp.07-371

PUBLICATIONS

3 Publications

3.1 ARTICLES IN REFEREED JOURNALS

- Abrahamsen, Y. and J. Hartwig (2011): Inventory Investment and Production in Europe During the “Great Recession”: Is There a Pattern?, *International Journal of Production Economics*, 132(2), 174–177.
- Arvanitis, S. and H. Hollenstein (2011): How Do Different Drivers of R&D Investment in Foreign Locations Affect Domestic Firm Performance? An Analysis Based on Swiss Panel Micro Data, *Industrial and Corporate Change*, 20(2), 605–640.
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4 Presentations

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- Arvanitis, S. (2011): Innovation, Diffusion of Innovation and Technology, and Impact of Innovation on Productivity – A Microeconomic Approach, Guest Lecture at the University of Aegean, Karlovasssi-Samos, Greece, May 26.
- Arvanitis, S. (2011): Knowledge and Technology Transfer between Universities and Firms in Switzerland: The Firms' View, Guest Lecture at the Economics Department of the University of Patras, Patras, Greece, June 7.
- Arvanitis, S. and T. Stucki (2011): What Determines the Innovation Capability of Firm Founders?, 38th EARIE Conference, Stockholm, Sweden, September 3.
- Arvanitis, S., C. Rammer and M. Wörter (2011): Innovation, Competition and Incentives for R&D, Workshop, VESTING Intern. Programmes, Zurich, Switzerland April 27.
- Bolli, T. (2011): On the Stability of Microfinance Institution Efficiency Estimates, On the Stability of Microfinance Institution Efficiency Estimates, Paris, France, September 22.
- Bolli, T. (2011): The Global Production Frontier of Universities, Meeting SSES 2011, Lucerne, Switzerland, June 10.
- Bolli, T. and M. Farsi (2011): The Temporal Variation in the Productivity of Swiss Universities, European Workshop on Efficiency and Productivity Analysis, Verona, Italy, June 23.
- Busch, C. and A. Lassmann (2011): Rags to Riches, Young Swiss Economist Meeting 2011, Berne, Switzerland, January 22.
- Conrad, C., M.J. Lamla and K. Yu (2011): Non-Linearities in Taylor Rules, SSES Annual Meeting, Lucerne, Switzerland, June 9.
- Dombrovsky, V., K.A. Kholodilin and B. Siliverstovs (2011): Using Personal Car Register for Measuring Economic Inequality in Countries with a Large Share of Shadow Economy: Evidence for Latvia?, "The Shadow Economy, Tax Evasion and Money Laundering" conference, Münster, Germany, July 29.
- Egger, P. (2011): Structural Estimation of Gravity Models with Market Entry Dynamics, CESifo Area Conference on Global Economy, München, Germany, February 11.
- Egger, P. and C. Keuschnigg (2011): Innovation, Trade and Finance, CESifo Area Conference on Global Economy, München, Germany, February 12.
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- Egger, P. and J. Bergstrand (2011): What Determines BITs?, CESifo Area Conference on Global Economy, München, Germany, February 11.
- Egger, P. and M. Köthenbürger (2011): Disproportionate influence? Special-interest politics under proportional and majoritarian electoral systems, Jahrestagung 2011 des Vereins für Socialpolitik, Frankfurt, Germany, September 5.
- Egger, P., H. Egger and D. Nelson (2011): International Trade and Income Distribution: The Effect of Corporate Governance Regimes, CESifo Area Conference on Global Economy, München, Germany, February 12.
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- Frick, A. (2011): Steuerparadies Schweiz: Für wen?, Brown Bag Seminar, Zürich, Schweiz, 11. Juli.
- Frick, A. (2011): The KOF "Fiscal Impulse" Indicator for Fiscal Stance, Brown Bag Seminar, Zurich, Switzerland, July 25.
- Gassebner, M. (2011): Does Terror Migrate? A Test, Research Committee on Development Economics, Berlin, Germany, June 25.
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- Gassebner, M. (2011): Sticks and Carrots in International Terrorism, Beyond Basic Questions, Brussels, Belgium, June 18.
- Gassebner, M. (2011): Sticks and Carrots in International Terrorism, Political Economy of International Organizations, Zurich, Switzerland, January 27.
- Gassebner, M. (2011): Sticks and Carrots in International Terrorism, Silvaplana Workshop in Political Economy, Pontresina, Switzerland, July 25.
- Kancs, D. and B. Siliverstovs (2011): R&D and Endogenous Productivity of Heterogeneous Firms, Conference on Corporate R&D – CONCORD 2011, Sevilla, Spain, October 6.
- Kesina, M., P. Egger and B. Baltagi (2011): Firm-level Productivity Spillovers in China's Chemical Industry: A Spatial Hausman-Taylor Approach, CESifo Venice Summer Institute Conference on China and the Global Economy Post Crisis, Venice, Italy, July 19.

- Kuzin, V., M. Demetrescu and B. Siliverstovs (2011): Spurious Monthly Oscillations and Mixed-Frequency Data, Asian Meeting of Econometric Society, Seoul, South Korea, August 11.
- Lamla, M.J. and J.-E. Sturm (2011): Interest Rates Announcements, Communication and Inflation Expectations, Macro and Financial Econometrics Conference, Heidelberg, Germany, September 29.
- Lamla, M.J. and S. Sarferaz (2011): Updating Inflation Expectations, Bundesbank Research Seminar, Frankfurt, Germany, April 29.
- Lamla, M.J. and S. Sarferaz (2011): Updating Inflation Expectations, Jahrestagung Verein für Socialpolitik, Frankfurt, Germany, September 6.
- Ley, M. (2011): Public Support for Energy Efficient Technology in Switzerland, EUNIP International Workshop on Evaluating Innovation Policy, Florence, Italy, May 5.
- Merlo, V. (2011): Unobserved profit shifting – a finite mixture approach, GRK 801 Closing Conference, Munich, Germany, January 10.
- Mikosch, H. and J.-E. Sturm (2011): Has the EMU Reduced Wage Growth and Unemployment? Testing a Model of Trade Union Behaviour, SSES Annual Meeting, Lucerne, Switzerland, June 9.
- Montagnoli, A., O. Napolitano and B. Siliverstovs (2011): Interest rate pass-through in Italian regions, European Conference on Banking and the Economy, Winchester, UK, September 29.
- Moser, C. (2011): Discussion, Conference on Globalization and Labour Market Outcomes, Geneva, Switzerland, June 24.
- Moser, C. (2011): Political Appointees and the Firm Value: Evidence from the United States, Brown Bag Seminar, University of Konstanz, Konstanz, Germany, December 6.
- Moser, C. (2011): The Contribution of Trade to Wage Inequality: The Role of Skill, Gender, and Nationality, Linked Employer and Employee Data (LEED) Workshop, Porto, Portugal, June 17.
- Moser, C. (2011): The Contribution of Trade to Wage Inequality: The Role of Skill, Gender, and Nationality, Sinergia Seminar, Zurich, Switzerland, December 8.
- Moser, C. (2011): The Contribution of Trade to Wage Inequality: The Role of Skill, Gender, and Nationality, Swiss Society of Economics and Statistics, Lucerne, Switzerland, June 9.
- Moser, C. (2011): Who Benefits from Regional Trade Agreements? The View from the Stock Market, IO and Trade Seminar, LMU Munich, Munich, Germany, November 15.
- Moser, C. (2011): Who Benefits from Regional Trade Agreements? The View from the Stock Market, Tübingen, Germany, February 18.
- Peneder, M. and M. Wörter (2011): Competition, technological opportunities, and entrepreneurship, 9th Annual International Industrial Organization Conference, Boston, USA, April 10.
- Peneder, M. and M. Wörter (2011): Competition, technological opportunities, and entrepreneurship: estimating a simultaneous system, CONCORD Conference, Seville, Spain, October 6.
- Radulescu, D. and P. Egger (2011): A Test of the Bolton-Scheinkman-Xiong Hypothesis of Hof Speculation Affects the Vesting Time of Options Granted to Directors, Royal Economic Society Annual Meeting, London, UK, April 19.
- Radulescu, D., P. Egger and R. Rees (2011): Corporate Governance and Managerial Incentives: evidence from the Market of D&O Insurance, CESifo Area Conference on Public Sector Economics, Munich, Germany, April 9.
- Radulescu, D., P. Egger and R. Rees (2011): Corporate Governance and Managerial Incentives: evidence from the Market of D&O Insurance, EGRIE Annual Meeting, Vienna, Austria, September 20.
- Radulescu, D., P. Egger and R. Rees (2011): Corporate Governance and Managerial Incentives: Evidence from the Market of D&O Insurance, IIPF Annual Conference, Ann Arbor, USA, August 8.
- Radulescu, D., P. Egger and R. Rees (2011): Corporate Governance and Managerial Incentives: evidence from the Market of D&O Insurance, International Institute of Public Finance, Ann Arbor, USA, August 9.
- Radulescu, D., P. Egger and R. Rees (2011): Corporate Governance and Managerial Incentives: evidence from the Market of D&O Insurance, SSEA Annual Meeting, Lucerne, Switzerland, June 9.
- Siliverstovs, B. (2011): Dating Business Cycles in a Historical Perspective: Evidence for Switzerland, CIRET workshop, Moscow, Russia, September 15.
- Siliverstovs, B. (2011): Dating Business Cycles in a Historical Perspective: Evidence for Switzerland, DIW Macroeconomic Workshop, Berlin, Germany, December 2.
- Siliverstovs, B. (2011): Dating Business Cycles in a Historical Perspective: Evidence for Switzerland, ifo Dresden Macroeconomics and Business Cycles Workshop, Dresden, Germany, November 17.
- Siliverstovs, B. (2011): Dating Business Cycles in a Historical Perspective: Evidence for Switzerland, Research seminar, Department of Economic Studies, University of Naples "PARTHENOPE", Naples, Italy, November 29.
- Siliverstovs, B. (2011): Do Surveys Help in Predicting GDP: A Real-Time Evidence for Switzerland, 15th International Conference on Macroeconomic Analysis and International Finance, Rethymno, Greece, May 26.
- Siliverstovs, B. (2011): Do Surveys Help in Predicting GDP: A Real-Time Evidence for Switzerland, Scottish Economic Society annual meeting, Perth, UK, April 4.

- Silverstovs, B. (2011): On the prediction of GDP revisions: Evidence for Switzerland, 5th CSDA International Conference on Computational and Financial Econometrics (CFE'11), London, UK, December 17.
- Silverstovs, B. (2011): The Real-Time Predictive Content of the KOF Economic Barometer, Swiss Society of Economics and Statistics annual meeting 2011, Lucerne, Switzerland, June 9.
- Sturm, J.-E. (2011): Comments on: Public debt and economic growth in Italy, JF. Balassone, M. Francese & A. Pace, 67th Annual Congress of the International Institute of Public Finance, Ann Arbor, USA, August 8.
- Sturm, J.-E. (2011): Do political business cycles exist in real time data?, 4th Workshop "Beyond Basic Questions", Brussels, Belgium, June 17.
- Sturm, J.-E. (2011): Does membership on the UN Security Council influence IMF conditionality?, Jahrestagung 2011 des Vereins für Socialpolitik, Frankfurt, Germany, September 6.
- Sturm, J.-E. (2011): Does UN Security Council membership influence IMF decisions?, SFB 884 Seminar Series, Mannheim, Germany, February 28.
- Sturm, J.-E. (2011): Does UN Security Council membership influence IMF decisions?, CentER, Tilburg, The Netherlands, March 21.
- Sturm, J.-E. (2011): Explaining IMF Lending Decisions after the Cold War, 67th Annual Congress of the International Institute of Public Finance, Ann Arbor, USA, August 8.
- Sturm, J.-E. (2011): Explaining IMF Lending Decisions after the Cold War, CESifo Area Conference on Macro, Money and International Finance, Munich, Germany, February 25.
- Sturm, J.-E. (2011): Explaining IMF Lending Decisions after the Cold War, EPCS 2011, Rennes, France, May 1.
- Sturm, J.-E. (2011): On the use of business tendency surveys in business cycle analysis, CIRET/KOF/HSE Workshop on National Business Cycles in the Global World, Moscow, Russia, September 15.
- Sturm, J.-E. (2011): Using Real-Time Data to Test for Political Budget Cycles, Seminar, Tilburg, The Netherlands, November 23.
- Von Ehrlich, M. (2011): Absorptive Capacity and the Growth Effects of Regional Transfers, 1st European Meeting of the Urban Economics Association, Barcelona, Spain, September 1.
- Von Ehrlich, M. (2011): Absorptive Capacity and the Growth Effects of Regional Transfers, Faculty Seminar University of Lugano, Lugano, Switzerland, December 12.
- Von Ehrlich, M. (2011): Too much of a good thing? On the growth effects of the EU's regional policy, Annual Conference of the Royal Economic Society, London, UK, April 19.
- Von Ehrlich, M. (2011): Too much of a good thing? On the growth effects of the EU's regional policy, Faculty Seminar Vienna University of Economics and Business, Vienna, Austria, April 6.
- Von Ehrlich, M. (2011): Too much of a good thing? On the growth effects of the EU's regional policy, 26th Annual Congress of the European Economic Association, Oslo, Norway, September 28.
- Von Ehrlich, M. (2011): Too much of a good thing? On the growth effects of the EU's regional policy, 67th Annual Conference of the International Institute for Public Finance, Ann Arbor, USA, August 10.
- Von Ehrlich, M. (2011): Too much of a good thing? On the growth effects of the EU's regional policy, Annual Conference of the Swiss Society of Economics and Statistics, Lucerne, Switzerland, June 9.
- Wamser, G. (2011): The Impact of CFC Legislation on Multinational Firms, London, UK, April 19.
- Wörter, M. (2011): Innovation, Competition, and Incentives for R&D, SSES Annual Meeting 2011, Lucerne, Switzerland, June 10.
- Wörter, M. (2011): Persistence of R&D activities, VESTING International Programme Visit, Zurich, Switzerland, April 27.

4.2 NON-ACADEMIC PRESENTATIONS

- Abrahamsen, Y. et R. Etter (2011): Prévisions automne 2011, Séance du Croisé, Genève, Suisse, septembre 27.
- Arvanitis, S. (2011): Cleantech im Industrie- und Dienstleistungsbereich in der Schweiz, KOF Wirtschaftsforum, Zürich, Schweiz, 2. Dezember.
- Arvanitis, S. (2011): Kreativität und Innovation: Problemschilderung aus ökonomischer Sicht, Workshop "Kreativität und Innovation", Bern, Schweiz, 10. November.
- Arvanitis, S. (2011): Potenziale für Cleantech im Industrie- und Dienstleistungsbereich in der Schweiz: Resultate der KOF-Studie, Workshop der Economiesuisse, Zürich, Schweiz, 16. August.
- Arvanitis, S. and M. Wörter (2011): Knowledge and Technology Transfer between Universities and Private Enterprises in Switzerland – Results of the KOF Firm and Institute Survey 2011, Workshop ETH Board, Bern, Switzerland, December 9.
- Arvanitis, S., H. Hollenstein and T. Stucki (2011): Die Internationalisierung des Dienstleistungssektors der Schweizer Wirtschaft, Seco-Tagung, Bern, Schweiz, 5. April.
- Bolli, T. and M. Wörter (2011): Competition and R&D Cooperation with Universities and Competitors, Symposium on transatlantic EU – U.S cooperation on innovation and technology transfer, Vienna, Austria, March 22.
- Etter, R. (2011): Business Tendency Surveys and Indicators for Azerbaijan, Workshop in Baku, Baku, Azerbaijan, October 3.

- Iselin, D. (2011): Zur Zukunft der grafischen Industrie, Workshop der Sozialpartner der grafischen Industrie, Oberhofen am Thunersee, Schweiz, 4. November.
- Lamla, M.J. und A. Lassmann (2011): Der Einfluss der Wechselkursentwicklung auf die schweizerischen Warenexporte; KOF Wirtschaftsforum, Zürich, Schweiz, 24. März.
- Lamla, M.J. und A. Lassmann (2011): Der Einfluss der Wechselkursentwicklung auf die schweizerischen Warenexporte: eine disaggregierte Analyse, SNB Brown Bag Seminar, Zürich, Schweiz, 5. Juli.
- Sturm, J.-E. (2011): Arbeitskräfte ohne Grenzen – zur aktuellen Wirtschaftslage der Schweiz, Podiumsdiskussion, Bern, Schweiz, 12. Oktober.
- Sturm, J.-E. (2011): Botschaft über die Massnahmen zur Abfederung der Frankenstärke, Kommissionssitzung des Ständerats, Bern, Schweiz, 7. September.
- Sturm, J.-E. (2011): Das konjunkturelle Umfeld der Bauindustrie, Forum 2011 der Allianz der Bauindustrie-Organisationen, Zürich, Schweiz, 17. März.
- Sturm, J.-E. (2011): Das konjunkturelle Umfeld, Service-Tagung 2011, Service "Made in Western Europe", Zürich, Schweiz, 31. März.
- Sturm, J.-E. (2011): Die KOF und ihre Aufgaben: ein Ein- und Ausblick, Vortrag ETHZ Alumni, Zürich, Schweiz, 15. November.
- Sturm, J.-E. (2011): Die Schweizer Konjunktur in einem turbulenten Umfeld, KOF Baulunch, Adliswil, Schweiz, 12. Dezember.
- Sturm, J.-E. (2011): Die Schweizer Wirtschaft – Aussichten und Prognosen für die Bauwirtschaft, Windays 2011, Biel, Schweiz, 24. März.
- Sturm, J.-E. (2011): Die Wechselkursabhängigkeit der Schweizer Wirtschaft, Strategieguppensitzung, Luzern, Schweiz, 12. September.
- Sturm, J.-E. (2011): Die wirtschaftlichen Grenzen der Schweiz, 15. Zermatter Symposium, Zermatt, Schweiz, 29. August.
- Sturm, J.-E. (2011): Ein konjunktureller Blick auf den Schweizer Arbeitsmarkt, Weiterbildungstag, Zürich, Schweiz, 3. November.
- Sturm, J.-E. (2011): KOF Frühjahrsprognose 2011, KOF Wirtschaftsforum, Zürich, Schweiz, 24. März.
- Sturm, J.-E. (2011): Konjunktur: Eingetrübte Aussichten, Zukunft Ostschweiz, St. Gallen, Schweiz, 21. November.
- Sturm, J.-E. (2011): Mit einem starken Franken leben: Perspektiven für die Schweiz und ihrer Industrie, Herbsttagung 2011 FiD – Familienunternehmen im Dialog, Bad Ragaz, Schweiz, 19. November.
- Sturm, J.-E. (2011): Prognose 2012, Wirtschaftspapier, Pfäffikon ZH, Schweiz, 18. Oktober.
- Sturm, J.-E. (2011): Prognose Herbst 2011: Weltwirtschaft bremst – Wechselkursuntergrenze verhindert Schlimmeres, KOF Prognosetagung 2011, Zürich, Schweiz, 27. September.
- Sturm, J.-E. (2011): Stabile Schweizer Konjunktur in turbulentem Umfeld, KOF Baulunch, Kloten, Schweiz, 11. Mai.
- Sturm, J.-E. (2011): The 2011 EEAG Report on the European Economy, Fundación BBVA, Madrid, Spain, March 15.
- Sturm, J.-E. (2011): The Swiss Economy: Stable in Turbulent Times, 4. Investor Conference 2011, Geneva, Switzerland, June 22.
- Sturm, J.-E. (2011): The Swiss Economy: Stable in Turbulent Times, 4. Investor Conference 2011, Zurich, Switzerland, June 21.
- Sturm, J.-E. (2011): The Swiss Economy: Stable in Turbulent Times, Lunch Meeting, Zurich, Switzerland, March 28.
- Sturm, J.-E. (2011): The Swiss Economy: Stable in Turbulent Times, Lunch Meeting, Geneva, Switzerland, April 1.
- Sturm, J.-E. (2011): Vorstellung des EEAG-Reports 2011, Konzept "Vorstellung des EEAG-Reports 2011" in der Schweiz, Swiss Re Center for Global Dialogue, Rüslikon, Schweiz, 1. März.
- Sturm, J.-E. (2011): Währungspolitik: Gestern – Heute – Morgen, Market Outlook 2012, Zürich, Schweiz, 10. November.
- Sturm, J.-E. (2011): Weltwirtschaft – wie weiter?, NZZ Podium, Zürich, Schweiz, 10. Februar.
- Sturm, J.-E. (2011): Weltwirtschaft bremst – Wechselkursuntergrenze verhindert Schlimmeres, Herbstanlass 2011, Burgdorf, Schweiz, 20. Oktober.
- Sturm, J.-E. (2011): Weltwirtschaft bremst – Wechselkursuntergrenze verhindert Schlimmeres, Lunch Meeting, Zürich, Schweiz, 30. September.
- Sturm, J.-E. (2011): Wie entwickelt sich die Schweiz in den nächsten Jahren?, Kaminfeuersgespräche, Zürich, Schweiz, 16. November.
- Sturm, J.-E. (2011): Wirklichkeit des Wachstums: Eine Betrachtung von Trend vs. Zyklen für die Schweiz, UBS Immobilienforum, Zürich, Schweiz, 23. September.
- Sturm, J.-E. (2011): Wirtschaftsaussichten Schweiz und Europa, Thurgauer Prognoseforum 2011, Lilienberg, Schweiz, 24. Oktober.
- Sturm, J.-E. (2011): Wirtschaftsperspektiven: Auch Licht oder nur Schatten?, GKB Vortrag, Chur, Schweiz, 16. November.
- Sturm, J.-E. (2011): Wohin geht die Konjunktur in CH/ Europa /Welt, 14. PFS Ausbildungstag, Aarau, Schweiz, 9. November.
- Wörter, M. (2011): Competition and Persistence of R&D, MTEC Seminar, Zurich, Switzerland, October 24.
- Wörter, M. (2011): Potenzial des Cleantech-Sektors in Industrie und Dienstleistungen, Projektpräsentation economiesuisse, Zürich, Schweiz, 20. Mai.
- Wörter, M. (2011): Update Studie Cleantech, Plattform Wirtschaft-Technologie-Umwelt (WTU), Zürich, Schweiz, 24. Mai.

5 Reviews for Academic Journals

- Arvanitis, S. (2011): Research Policy; Technovation (2x); J. Techn. Transfer; SBEJ; Open Econ.; Industry+Innovation (2x); Int. J. of Inform.Technol. & Managem.; Wiley (book)
- Egger, P. (2011): American Economic Journal: Applied Economics, American Economic Journal: Economic Policy, American Economic Review, American Journal of Agricultural Economics, American Journal of Political Science, Annals of Regional Science, Canadian Journal of Economics, Comparative Economic Studies, Eastern Economic Journal, Economic Journal, Economics E-Journal, Economics Letters, *Economica*, Economic Inquiry, *Empirica*, *Empirical Economics*, Environmental and Resource Economics, European Economic Review (old and new), European Integration online Papers, European Journal of Political Economy, Fiscal Studies, German Economic Review, International Economic Journal, International Economic Review, International Journal of Industrial Organization, International Regional Science Review, International Tax and Public Finance, *Jahrbücher für Nationalökonomie und Statistik*, Journal of Applied Econometrics, Journal of Comparative Economics, Journal of Conflict Resolution and Peace Management, Journal of Economic Surveys, Journal of Development Economics, Journal of Development Studies, Journal of Econometrics, Journal of Economic Development, Journal of Economic Surveys, Journal of Environmental Economics and Management, Journal of Economic Geography, Journal of Industry, Competition and Trade, Journal of International Economics, Journal of International Trade and Economic Development, Journal of Political Economy, Journal of Public Economics, Journal of Urban Economics, Letters in Spatial and Resource Sciences, National Tax Journal, North American Journal of Economics and Finance, Papers in Regional Science, Perspektiven der Wirtschaftspolitik, Public Choice, Quarterly Journal of Economics, Regional Science and Urban Economics, Regional Studies, Review of Economics and Statistics, Review of International Economics, Review of World Economics/Weltwirtschaftliches Archiv, Scandinavian Journal of Economics, Scottish Journal of Political Economy, Structural Change and Economic Dynamics, The World Economy, World Development, Zeitschrift für Arbeitsmarkt und Berufsforschung. Columbia FDI Profiles, Elsevier, Kluwer Academic Publishers, MIT Press. Deutsche Forschungsgemeinschaft (DFG), Economic and Social Research Council (ESRC), Fond zur Förderung der wissenschaftlichen Forschung, Jubiläumsfonds der Österreichischen Nationalbank, National Science Foundation (NSF), The Leverhulme Trust
- Gassebner, M. (2011): B.E. Journal of Economic Analysis & Policy; Defence and Peace Economics; European Economic Review; European Journal of Political Economy; International Economic Review; Journal of Conflict Resolution; Journal of Money, Credit and Banking; Public Choice
- Graff, M. (2011): Economic Inquiry, South African Journal of Economics
- Hartwig, J.: Economic Journal, *Empirical Economics*, German Economic Review, Health Economics, Health Policy, International Journal of Health Care Finance and Economics, Journal of Development Studies, Review of International Political Economy, Spatial Economic Analysis
- Hollenstein, H. (2011): Research Policy (2), International Business Review (3), Small Business Economics (2), Industry and Innovation (2), *Empirica – Journal of European Economics*
- Lamla, M.J.: ECB Working Paper Series, Journal of International Money and Finance, European Economic Review (2), Applied Economics
- Moser, C. (2011): Economics Letters, Journal of Labour Market Research, Review of International Organizations, Review of World Economics
- Silverstovs, B. (2011): *Empirical Economics*; Canadian Journal of Economics; International Review of Applied Economics; Book: Understanding Credit Derivatives; Journal of Business Cycle Measurement and Analysis; International Journal of Climatology
- Sturm, J.-E. (2011): Review of World Economics; The Berkeley Electronic Journal of Macroeconomics; CE-Sifo Economic Studies; Contemporary Economic Policy; Constitutional Political Economy; European Economic Review; European Journal of Political Economy (5x); German Economic Review; International Tax and Public Finance; Journal of International Money and Finance; Journal of Financial Stability; Journal of Regional Science; Journal of Public Economics (2x); Journal of Productivity Analysis; Public Choice (4x); South African Journal of Economics
- Wörter, M.: Review of Industrial Organization; Research Policy; Journal of Industry, Competition, and Trade; International Small Business Journal; *Empirical Economics*

6 Committees

- Egger, P. (2011): German Economic Association (Verein für Socialpolitik), Board Member; CES Council, LMU München, Member; Global Economy Area CESifo, München, Coordinator; CEPR, London, Research Fellow; The World Economy, European Issue Editor; Letters in Spatial and Resource Sciences, Associate Editor; Annals of Regional Science, Associate Editor; Empirica, Associate Editor; Empirical Economics, Associate Editor; European Journal of Political Economy, Associate Editor; European Economic Review, Associate Editor.
- Graff, M. (2011): Kerstenetzky Award Judging Committee; Bildungsökonomischer Ausschuss des Vereins für Socialpolitik; Ausschuss für Entwicklungsländer des Vereins für Socialpolitik.
- Sturm, J.-E. (2011): IWH Institut für Wirtschaftsforschung Halle, Germany, Member of the Scientific Advisory Board; Public Choice, Member of the Editorial Board; LIK (consumer price index) revision 2010 in Switzerland, President; Swiss Society of Economics and Statistics (SSES), Board Member; European Journal of Political Economy published by Elsevier, Member of the Editorial Board; Statistikrat (governing board) of LUSTAT – Statistik Luzern, Luzern, President; CIRET, President; Expertenteam Konjunktur (Bund), Member; MTEC-LEE Building (ETH Zurich), Member; Swiss Economic Forum, Member; Kommission für Wirtschaftspolitik (Bund), Member; WISTA (BFS) Expert Group on Economic Statistics at Statistics Switzerland, Member; Support Group Research for the Benefit of SMEs of the Rector's Conference of the Swiss Universities (CRUS), Member; User Advisory Council of the Ifo Institute for Economic Research, Munich, Germany, Member; Scientific Advisory Board of Media Tenor – Institute for Media Analysis, Zürich, Member; European Economic Advisory Group (EEAG) at CESifo, Board Member; Journal of Business Cycle Measurement and Analysis, Member of the Editorial Board; E-Journal of Economics-Business Cycle Analysis, Member of the Editorial Board

ADMINISTRATION

7 Administration

7.1 OVERVIEW SERVICES

7.1.1 ONGOING PROJECTS

CENTRE FOR INTERNATIONAL RESEARCH ON ECONOMIC TENDENCY SURVEYS (CIRET) OFFICE – ADMINISTRATION

DESCRIPTION

The annual meetings of CIRET – council and general assembly – have taken place in Moscow on September 16–17, 2011. There has been a pre-event with two keynote lectures on “On the use of business tendency surveys in business cycle analysis” by Jan-Egbert Sturm (president of CIRET and of KOF ETH, Zurich) and on “A General to Specific Approach for Selecting the Best Business Cycle Indicators” by Gianluca Cubadda (Università di Roma “Tor Vergata”, Rome, Italy). The following workshop had the title “National Business Cycles in the Global World” with 14 contributions. The papers showed the interlinks between the countries as well as the country-specific situations particularly in the last recession.

INITIATOR: CIRET

PROJECT MANAGER: Richard Etter

COLLABORATORS: Katharina Bloch

PROJECT DURATION: January 2005 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: zdb.to.01-171

INFORMATION SERVICE

DESCRIPTION

KOF Swiss Economic Institute provides information on general business questions and in particular economic questions over the telephone and above all by e-mail to media representatives, institutions, companies as well as private individuals. Expert opinions are also requested on topical economic forecasts and key business parameters such as GDP growth, inflation or unemployment.

INITIATOR: KOF

PROJECT MANAGER: Willy Roth

COLLABORATORS: Yngve Abrahamsen, Michaela Diehl, David Iselin, Anne Stücker, Jan-Egbert Sturm

PROJECT DURATION: January 2007 – ongoing

HOURS WORKED 2011: 250–500

(included zdb.dd.04-275)

PROJECT-ID: zdb.dd.04-282

GENERAL SERVICES

DESCRIPTION

KOF Swiss Economic Institute renders a range of publicly accessible services as well as a number of services for which a fee is levied.

- Monthly electronic newsletter “KOF Bulletin” (issued since the autumn of 2007) – www.kof.ethz.ch/bulletin
- Quarterly data service “KOF International Forecasts” (since the autumn of 2007, it has replaced the six-monthly special study “Economy: International Economy, Interest and Exchange Rates”) – www.kof.ethz.ch/international_forecasts
- General data service (partially online via the KOF data portal www.kof.ethz.ch/datenportal and in particular the KOF globalization index via: <http://globalization.kof.ethz.ch>)
- Conferences and seminars
- Expert opinions
- Lecture service
- Economic consultancy

In addition, KOF Swiss Economic Institute also issues regular media reports such as the Economic Barometer, Economic Surveys, Economic Forecasts, Investment Surveys, KOF Globalization Index, and KOF Monetary Policy Indicator.

INITIATOR: KOF

PROJECT MANAGER: Willy Roth

COLLABORATORS: Michaela Diehl, David Iselin, Anne Stücker

PROJECT DURATION: January 2007 – ongoing

HOURS WORKED 2011: 250–500

(included zdb.dd.04-282)

PROJECT-ID: zdb.dd.04-275

KOF MICRODATA BASE

MATCHING OF FIRM-LEVEL DATA FROM BUSINESS CYCLE AND INNOVATION SURVEYS

DESCRIPTION

Firm-level data from different, regularly conducted surveys should be matched. Different structures of existing data bases and the lack of unique firm identifier motivates this project. Data quality and data consistency are a precondition for investigating (policy oriented) research questions thoroughly. Thus matching data from different KOF surveys is an important duty. Currently the KOF innovation panel data (1990–2008) can be used by KOF external researchers in the KOF microdata center

RESULTS

In the meanwhile a number of KOF external researchers from several Swiss universities are using KOF innovation panel data. In sum, 3 Master students, 7 doctoral students, and 2 post-docs are working with KOF innovation data. The researchers are coming from the University of Fribourg, EPFL, University of St.Gallen, University of Basel, University of Zurich, University of Tessin, and ETH Zurich.

INITIATOR: KOF

PROJECT MANAGER: Martin Wörter

COLLABORATORS: Spyros Arvanitis, Richard Etter, Christoph Fellmann, Edward Fridael, Michael Graff, Marius Ch. Ley

PROJECT DURATION: May 2008 – ongoing

HOURS WORKED 2011: ≤100

PROJECT-ID: zdb.oh.11-304

KOF WEBSITE**DESCRIPTION**

KOF will launch a completely overhauled website. The enhancements focus around usability, personalized content and navigation. The website features a new design and will make use of a Content Management System (CMS). We use the same Python based system as in Oekonomenstimme.org which was successfully launched in spring 2010. Hence the respective subparts of the website can be directly maintained by the responsible persons respectively the institute's Corporate Communication Team. Further we intend to integrate additional functionality formerly provided by other applications directly to the web CMS. The new website should be launched within the first quarter of 2011. Currently we are working on the content of the website and test of the recently implemented functionality.

RESULTS

The design process has been finished and varying templates for different views have been created for the use with content management system. The content management system has been installed and configured on the webserver.

INITIATOR: KOF

PROJECT MANAGER: Matthias Bannert, David Iselin, Anne Stücker

COLLABORATORS: Nicola Jordan, Benjamin Wohlwend

PROJECT DURATION: September 2009 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: zdb.oh.08-347

EXCLUSIVE SERVICES FOR SGK-MEMBERS**DESCRIPTION**

Members of the Swiss Society for Business Cycle Research (SGK) receive the following services:

1. The new quarterly report "KOF Analysen" which has replaced – together with the electronic newsletter KOF Bulletin – the former report "Konjunktur" since 2007. KOF Analysen includes:
 - KOF's current economic forecasts – analysis and forecasting of the international economic conditions and developments in the Swiss economy.
 - All issues contain analyses by KOF staff on various current topics, while the autumn issue is entirely devoted to KOF's business cycle forecasts. The spring issue contains an expanded chapter about the KOF's early-year forecast, and in the winter and summer issues, there are summaries of the new quarterly forecast updates.
2. The right to participate at the KOF Economic Forum meetings (KOF Wirtschaftsforum) held by the SGK.
3. Brief information and answers to macroeconomic questions and data free of charge. Contact, Willy Roth: roth@kof.ethz.ch.

INITIATOR: KOF

PROJECT MANAGER: Michaela Diehl

COLLABORATORS: Willy Roth

PROJECT DURATION: January 2007 – ongoing

HOURS WORKED 2011: 500–1000

PROJECT-ID: zdb.oh.06-274

CORPORATE COMMUNICATION

DESCRIPTION

KOF Swiss Economic Institute is the leading Economic Institute in Switzerland, up to date and with long traditions. Being an institution of ETH, KOF constitutes a bridge between science and economy. The KOF homepage is being improved to incorporate the latest technical developments, to refresh the design and to adjust the content. Along with the change of the KOF-brand comes a change of the corporate communication policy. The interaction with the media is now more proactive. The corporate communication team overlooks all the outgoing publications and pushes the "brand" KOF.

INITIATOR: KOF

PROJECT MANAGER: Willy Roth

COLLABORATORS: Vera Degonda, David Iselin, Willy Roth, Anne Stücker, Jan-Egbert Sturm, Annemarie Ulrich

PROJECT DURATION: April 2006 – ongoing

HOURS WORKED 2011: 1000–2500

PROJECT-ID: zdb.oh.10-257

DATA SERVICE

DESCRIPTION

During the course of the year, the databases built up by KOF Swiss Economic Institute using economic time series are continually updated and expanded. In particular, the mutation rate is also raised, and the topicality of the available data is continuously increased. This data material represents an important basis for the work of the KOF. This pool of statistical data is also available to external interested parties in the fields of research, administration, and the private sector. For a modest processing fee, individual time series can be sent electronically. Larger data volumes are made available upon request in customer-specific formats on FTP servers for downloading, or are sent as ZIP files by e-mail. Within the KOF data portal (<http://www.kof.ethz.ch/datenportal>) the data available at the time of reporting comprises the "CH-Key-Indicators" database with 250 key indicators on the Swiss economy, as well as various modules relating to KOF Economic Surveys with the most important survey indicators. By means of a so-called quick view containing periodically-updated

charts and tables, subscribers are able to obtain a rapid overview of the performance of specific indicators within the selected data module. Using a data browser, users can navigate through a tree structure and display the desired indicators on their own PC monitors in the form of charts or tables, or in Excel format. Under the specified web address, interested users are also able to obtain further information.

INITIATOR: KOF

PROJECT MANAGER: Willy Roth

COLLABORATORS: Willy Roth

PROJECT DURATION: January 2007 – ongoing

HOURS WORKED 2011: 100–250

PROJECT-ID: zdb.dd.03-281

CUSTOMS TRADE DATA (DATABASE)

DESCRIPTION

The analysis of trade patterns at the firm-level has become a theoretically and empirically important topic in current research. A KOF research project analyses Swiss trade data on the firm-level and intends to merge these data with other structural data on the firm level. It aims at analysing the structure and dynamics in Swiss external trade. The Swiss Federal Customs Administration provides transaction-based data on exports and imports of Swiss firms according to an agreement with KOF on a monthly basis. Since no unique identifier is available in the datafiles and data is collected based on transactions, names and addresses differ frequently. These firms have to be merged. If possible, the data will be merged with structural business data on the firm-level. According to a formal agreement with the "Eidgenössische Zollverwaltung", the projects ends in the end of 2012. We process the data on an ongoing basis. We received import data mid of August 2010. The export data is analysed wrt. a unique identifier at that stage.

INITIATOR: KOF

PROJECT MANAGER: Andrea Lassmann

COLLABORATORS: Andrea Lassmann

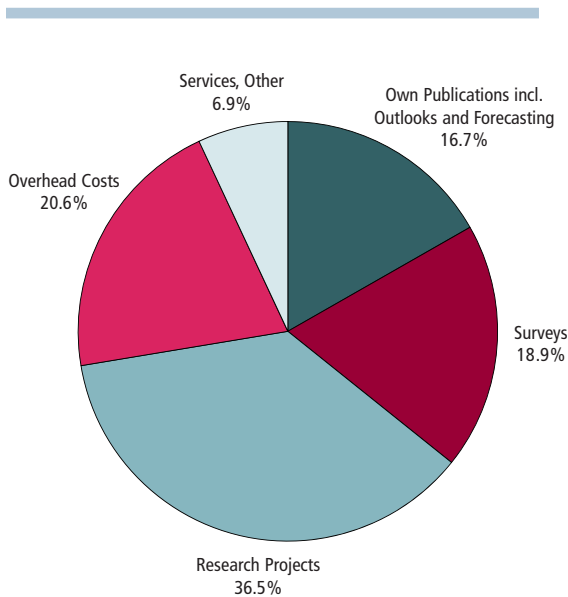
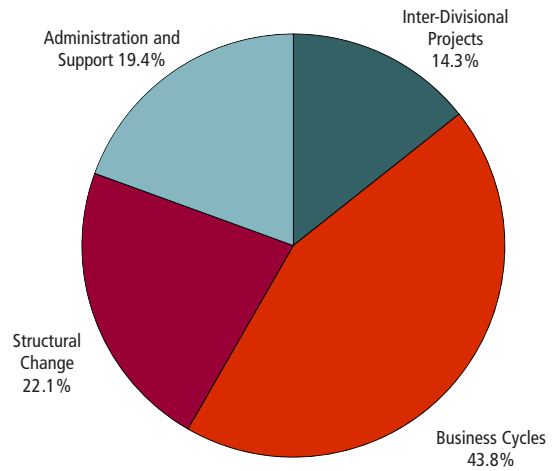
PROJECT DURATION: August 2009 – December 2012

HOURS WORKED 2011: ≤100

PROJECT-ID: zdb.oh.13-333

7.2 RESOURCE USAGE

KOF's time recording system offers valuable indications about the use of resources by each project processed in the reporting year. Projects are either allocated to one of the three areas or are defined as area-spanning. The area the individual projects are allocated to depends purely on the project's objective. The allocation of time resources according to the type of work shows that research projects use about 36%. Publications and the processing of survey data each require around 18%. The non-allocatable joint costs, of which general administration and IT form the main components, are responsible for a further 21%. The remaining activities have a much lower importance, whereby it has to be noted that the work of the chairs from Prof. Sturm and Prof. Egger is not included. The largest project in 2011 was the quarterly macroeconomic forecast. Of the surveys, that one covering the retail sector was the biggest with regard to the time resources used. The work on the SNF-funded "Long-term Evolution of Real Wages in Switzerland" used the most resources of all the research projects.



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