



The Microstructure of the Great Export Collapse in German Manufacturing Industries, 2008/2009

Wagner, Joachim

Publication date:
2012

Document Version
Publisher's PDF, also known as Version of record

[Link to publication](#)

Citation for published version (APA):

Wagner, J. (2012). *The Microstructure of the Great Export Collapse in German Manufacturing Industries, 2008/2009*. (Working Paper Series in Economics; No. 233). Institut für Volkswirtschaftslehre der Universität Lüneburg.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

**The Microstructure of the Great Export Collapse in
German Manufacturing Industries, 2008/2009**

by
Joachim Wagner

University of Lüneburg
Working Paper Series in Economics

No. 233

February 2012

www.leuphana.de/institute/ivwl/publikationen/working-papers.html

ISSN 1860 - 5508

The Microstructure of the Great Export Collapse in German Manufacturing Industries, 2008/2009*

Joachim Wagner

Leuphana University Lueneburg and IZA, Bonn

[This version: February 27, 2012]

Abstract:

This paper uses comprehensive high-quality panel data from official statistics for exporting enterprises to investigate the micro-structure of the recent export collapse in manufacturing industries in Germany during the crisis of 2008/2009. Almost all of the decline in exports was due to negative changes of exports in firms that continue to export (i.e. at the so-called intensive margin) while the decrease of exports due to export stoppers (at the so-called extensive margin) was tiny. It is shown that Idiosyncratic shocks to very large firms played a decisive role in shaping the export collapse.

JEL classification: F14, E32

Keywords: Exports, great trade collapse, granular economy, Germany

* All computations were done inside the Research Data Centre of the Statistical Office of Berlin-Brandenburg. The data used are confidential but not exclusive; see Zühlke et al. (2004) for a description of how to access the data.

Prof. Dr. Joachim Wagner
Leuphana University Lueneburg, Institute of Economics
D-21332 Lueneburg, Germany
e-mail: wagner@leuphana.de

1. Motivation

In late 2008 world trade experienced a sudden, severe and synchronized collapse that was the sharpest in recorded history and the deepest since World War II – this is now known as *The Great Trade Collapse* (Baldwin 2009, p. 1).¹ German exports are a case in point. 2009 was the year with the sharpest decline in foreign trade in the history of the Federal Republic of Germany. The value of total exports declined by 18 percent compared to 2008, and Germany lost the title of the World Export Champion to China.²

A number of studies (including Anderton and Tewolde (2011), Asmundson et al. (2011), di Mauro et al. (2010), Eaton et al. (2011), OECD (2010) and Stehrer et al. (2011), ch. 5) analyze this trade crisis from a macroeconomic point of view. Studies that take a microeconomic perspective and that try to understand what was going on under the veil of the macroeconomic developments by looking at firm level data³, however, are scarce. Behrens et al. (2011) match firm-level data for firm-country-product exports with balance sheet data for Belgium and decompose the trade collapse along the extensive and the intensive margins, where the extensive margin is defined as changes in exports due to firms that stop or start to export and the intensive margin refers to (negative or positive) changes in exports by firms that continue to export. They find that firm exit and the dropping of products and markets played only a small role during the trade collapse – changes in trade volumes were essentially driven by reduced quantities and unit prices. The intensive margin was much more important than the extensive margin. Similarly, based on analyses of firm-

¹ See Baldwin (2009) for facts and figures on this, a discussion of its causes and the relation to the global economic slump that is now called *The Great Recession*.

² See Meyer (2010) for a detailed account of German foreign trade in 2009.

³ See Haddad et al. (2011) for a study using product level (and not firm level) data from Brazil, the EU, Indonesia and the United States.

level data for France Fontagné and Gaulier (2009) report that the number of exporters has been only slightly reduced by the crisis, while the bulk of the observed decline in exports happened at the intensive margin and, more precisely, was due to the drop in the value exported by the top 1% of exporters (see also Bricongne et al. 2010, 2011).

Only one study based on firm-level data touches upon the case of Germany. The second policy report of the project *EFIGE – European Firms in a Global Economy* (Barba Navaretti et al. 2011) is based on firm level data collected in surveys in Austria and Hungary (covering about 500 firms in each country), Germany and the UK (for about 2,000 firms), and France, Italy and Spain (for about 3,000 firms). While the questionnaire is mainly focused on 2008, some information is collected on 2009 and changes between the two years. Slightly more than half of the 7,536 exporters in the sample reduced the value of their exports in 2009 compared to 2008, 29.8 percent reported unchanged exports and 18.7 percent increased them. Firms that stopped exports were rare, covering only 3.8 percent of the firms in the sample. These findings fit into the big picture reported in the country studies for Belgium and France summarized above, pointing out that the intensive margin was much more important than the extensive margin during the great export collapse.⁴

This paper contributes to the literature by presenting the first results for the microstructure of the great export collapse based on comprehensive high quality data for all firms (with a minimum workforce of twenty persons) from manufacturing industries in Germany, a leading actor on the world market for goods. To anticipate the most important results this study demonstrates that a very large share of the

⁴ For an in depth analysis of the sample of German firms from the EFIGE project see the country study by Neugebauer and Spies (2011). Note, however, that the sample is far too small for any detailed analysis, and the answers regarding the change in exports seem to be, according to the authors, not reliable in many cases (see Neugebauer and Spies (2011), p. 4).

decline in exports from manufacturing firms in Germany in 2009 was due to negative changes of exports in enterprises that continued to export (i.e. at the so-called intensive margin) while the decrease of exports due to export stoppers (at the so-called extensive margin) was tiny. In West Germany where exports declined by 21 percent a small fraction made of five percent of all exporting firms from the size class with 500 or more employees was responsible for around 73 percent of the gross decrease in exports. Idiosyncratic movements of the top 10 firms in an industry can explain a large fraction (more than one third) of export fluctuations here. In East Germany where exports declined only moderately by 3.77 percent a large fraction of the gross decline of exports was compensated by an increase in exports in a small group of large firms that made up 0.5% of all firms engaged in exports.

The rest of the paper is organized as follows: Section 2 introduces the enterprise level data used in this study. Section 3 presents the empirical approach applied to decompose the overall change of exports into components that enables a look behind the veil of macroeconomic aggregates and discusses the results of the decomposition of export dynamics. Section 4 investigates the role of idiosyncratic shocks to the largest firms for the overall change in exports. Section 5 concludes.

2. Data

The data used in this study are based on the monthly report for establishments in manufacturing industries, a survey conducted regularly by the German statistical offices that is described in detail in Konold (2007). This survey covers all establishments from manufacturing industries that employ at least twenty persons in the local production unit or in the company that owns the unit. Participation of firms in the survey is mandated in official statistics law. For this study the information

collected at the establishment level has been aggregated at the enterprise level (see Malchin and Voshage (2009) for details).

The unbalanced panel data set includes all firms that were active in at least one year over the period 2008 and 2009. The nominal export values reported in the survey were deflated using the index of export prices (2005 = 100) reported by the Deutsche Bundesbank.⁵

In this data set, export refers to the amount of sales to a customer in a foreign country plus sales to a German export trading company; indirect exports (for example, tires produced in a plant in Germany that are delivered to a German manufacturer of cars who exports some of his products) are not covered by this definition.

3. Decomposition of export dynamics

3.1 Method of analysis

With the panel data set described in section 2 firms can be followed over time. The basic idea on how to look behind the veil of aggregate figures of export dynamics familiar from publications of official statistics is to apply a technique widely used in the analysis of job turnover⁶ in a slightly modified way. When firms are compared between the two years 2008 and 2009 there are some which did not export in both years. These firms are ignored in the analysis. Each of the other firms belongs to one of five types:

- (1) *Export starters* (firms that did not report exports in 2008 but in 2009).

⁵ See Deutsche Bundesbank, Monatsbericht, Januar 2011, p. 66*.

⁶ A comprehensive description of this method of analysis for job creation and destruction can be found in OECD (1987). This decomposition of changes in total exports leads to the distinction of five different types of firms that is both intuitively clear and economically meaningful. If we were interested in

- (2) *Enterprises with increased exports* between 2008 and 2009.
- (3) *Enterprises with constant exports* in both years.
- (4) *Enterprises with decreased exports* between 2008 and 2008.
- (5) *Export stoppers* (firms that did report exports in 2008 but not in 2009).⁷

The net change in total exports between the two years is the sum of the positive gross changes by the first two types and the negative gross changes by the last two types of firms. The percentage rate of change in total exports can be decomposed accordingly to show the relative contribution of each of these types of firms to total export dynamics.⁸

changes in the share of exports in total sales over time instead we would have used a decomposition method familiar from studies on aggregate productivity growth; see Haltiwanger (1997).

⁷ Due to the construction of the panel data set some remarks on the interpretation of *export starters* and *export stoppers* are necessary: The group of export starters includes plants which exported in earlier years but which did not have to report to the survey because they were too small (for example, a firm with 18 employees in 2007 and 21 in 2008), did not belong to the manufacturing sector (for example, an establishment that earned more than half of its revenues from farm sector activities in 2007 but more than half from manufacturing activities in 2008), or relocated to Germany from a foreign country) between 2007 and 2008. Similarly, the group of export stoppers includes plants which continued to export in later years but which did not have to report to the survey any longer because they became too small, did not belong to the manufacturing sector any more, or relocated out of Germany. This fuzzyness in the classification of firms as export starters and stoppers could be reduced only by checking the files kept in the statistical office by hand - which is not possible due to time constraints (binding for the people from official statistics) and data protection laws (binding for me).

⁸ The same method was used in an analysis of export dynamics from 1995 to 2002 for establishments from one German federal state, Lower Saxony, in Wagner (2004). For similar work see Bernard and Jensen (2004) using data from the United States in 1987 and 1992, Gleeson and Ruane (2007) using data for Ireland from 1985 to 2003, Eaton et al (2007) using data for Columbia from 1996 to 2005, Lawless (2009) using data for Ireland from 2001 to 2004, Bernard et al. (2009) using data for the United States from 1993 to 2003, Chen and Yu (2010) using data for Canada from 1999 to 2006, and De Lucio et al. (2011) using data for Spain from 1997 to 2007. None of these studies, however, investigates the great export crisis of 2009. For studies decomposing the export collapse of 2008/2009 see Behrens et al. (2011) for Belgium and the papers using data for France by Bricongne et al. (2010, 2011) and Fontagné and Gaulier (2009) that are discussed in the introductory section.

This decomposition analysis can be performed for all enterprises from manufacturing industries and for various subgroups of firms. In this paper results are reported for enterprises from six size classes (measured by the number of employees: 1-19, 20 - 49, 50 - 99, 100 - 249, 250 - 499, and 500 and more)⁹.

3.2 Results

Results for West Germany¹⁰ are reported in Table 1. From the first row it can be seen that exports from manufacturing enterprises fell dramatically by 21.27 percent from 2008 to 2009 during *The Great Export Collapse*. Most of this decline is due to negative changes of exports in enterprises that continue to export (i.e. at the so-called intensive margin) while the decrease of exports due to export stoppers (at the so-called extensive margin) is tiny. These findings are in accordance with results reported for Belgium and France (discussed in the introductory section). Surprisingly (at least for readers not familiar with the job creation and destruction literature, or with earlier studies on export dynamics based on firm level panel data) even in this period of an extreme export decline there were thousands of enterprises with increased exports - some 26 percent of all firms fall into this group (see second row of Table 1).

⁹ Enterprises are classified into a size class according to the average number of employees in the two years under consideration. If the number of persons was missing in the data set in one year (for reasons, see footnote 7), the figure from the other year was used. The number of employees in the base (first) year was not used to compute the size class because of the role of transitory employment shocks and the related regression-to-the-mean fallacy. For a discussion of this problem in the context of job creation and destruction in the US see Davis et al. (1996); Wagner (1995) shows that this is relevant for German firm level panel data, too.

¹⁰ The economy differs between West Germany and the former communist East Germany even some 20 years after the unification in 1990, and this holds especially for exports (see Wagner (2008) for a detailed analysis). Therefore, all results were computed for West Germany and East Germany separately.

The increase of exports due to these firms, however, is small compared to the decrease in exports due to firms with fallen exports.¹¹

[Table 1 near here]

Results for enterprises from the five size classes that are reported in the lower panel of Table 1 show a rather similar broad picture with regard to the role of the extensive and intensive margins of exports and regarding the share of firms with decreased or increased exports. Note that the share of firms with increased exports declines with an increase in the firm size class, while the opposite holds for the share of firms with decreased exports.

The small group of firms with 500 or more employees are of a dominant importance for the total decline in exports. The share of these firms in all exports was 74 percent in 2008 and 73 percent in 2009. From the figures reported in row one of Table 1 it can be seen that the net reduction of exports by 122 Mrd. Euro is the result of a gross increase of exports by 18 Mrd. Euro and a gross decrease by 140 Mrd. Euro. From this total gross decrease in exports according to the last but one row of Table 1 103 Mrd. Euro are due to firms with decreased exports from the largest size class. This means that 1,017 firms from the total of 19,968 firms – or five percent of all exporting firms – are responsible for around 73 percent of the gross decrease in exports.

Results for East Germany are reported in Table 2. These results differ considerably from the results reported for West Germany. East German manufacturing exports declined by 3.77 percent only (see the first row of Table 2),

¹¹ Note that there are no firms with constant exports. This is due to the use of a deflator when transforming the nominal export values reported by the enterprises into the real export values

and this decline was small compared to the dramatic decline of 21.27 percent in West Germany – in the East German manufacturing sector there was no such thing as a great export collapse in 2009. As in West Germany (and in Belgium and France), changes at the extensive margin due to export starters and export stoppers contributed only marginally to the overall development of exports. The rate of change of exports was driven by developments at the intensive margin, where the 12.63 percentage decrease of exports due to firms with decreased exports was compensated to 70 percent by an increase of exports due to firms with increased exports of 8.85 percent.

[Table 2 near here]

Results for enterprises from the five size classes that are reported in the lower panel of Table 2 show that the moderate decline in manufacturing exports from East German enterprises is driven by the firms from the largest size class. In 2008, 75.6% of all exports originated in firms from this size class; the corresponding figure for 2009 is 78.4%. The decrease of exports by firms with decreased exports from the size class of firms with 500 or more employees is nearly compensated by the increase of exports due to firms with increased exports from this size class – the net change of exports is tiny (-0.17%). While the 71 firms from the largest size class with decreased exports were responsible for 55% of the overall gross decline of exports, the 19 large firms with increased exports were responsible for 77% of the overall gross increase in exports. It would be very interesting to find out more about these 19 firms (that were only 0.5 % of all firms active in exporting in East German manufacturing) that managed to increase their exports considerably during a period

(measured in constant 2005 prices) used in the calculations here.

of world-wide export decline. What are their firm specific advantages that make them so successful? In which countries do they sell their exports, which role did exchange rate changes and business cycle conditions in these countries play? Unfortunately, however, due to strict confidentiality of the micro data from official statistics used in this study it is not possible to dig deeper here.

While the big picture on the export dynamics in the manufacturing sector during the great crisis of 2009 differs considerably between West Germany and East Germany – demonstrating again that a separate analysis for both parts of Germany is necessary even some 20 years after the unification of both parts of Germany – the look behind the veil of macroeconomic aggregates by using firm level data to decompose the overall change in exports into its components reveals one striking similarity: A small fraction of firms from the largest size class is responsible for shaping the big picture. To put these findings into perspective, Table 3 documents evidence on the concentration of exports and domestic sales in enterprises from German manufacturing industries in 2008 and 2009. The shares of the 3, 10, 50 and 100 largest exporters (by value of export sales) and largest firms in domestic sales (by value of domestic sales) are reported separately for West Germany and East Germany.

[Table 3 near here]

In both parts of Germany a small number of very large firms are responsible for a large share of both exports and domestic sales. This concentration is higher in exports than in domestic sales, and it is higher in East Germany than in West Germany. This illustrates that a small fraction of large enterprises is responsible to a

high degree for the macroeconomic development, a point that is elaborated on in the next section.

4. The granular nature of manufacturing exports in Germany

Standard macroeconomic reasoning usually discards the possibility that idiosyncratic microeconomic shocks to firms may lead to large aggregate fluctuations by referring to a diversification argument.¹² A classical case in point is the argument put forward by Robert Lucas (1977) that such microeconomic shocks would average out and, therefore, would only have negligible aggregate effects. In a recent *Econometrica* paper Xavier Gabaix (2011) proposes that, contrary to this traditional view, idiosyncratic firm-level shocks can indeed explain an important part of aggregate economic movements and provide a micro-foundation for aggregate shocks. He shows that the “averaging out” argument breaks down if the size distribution of firms is fat-tailed and very large firms play an important role in an economy. This is the case in the United States, where, according to the findings of Gabaix (2011), the idiosyncratic movements of the largest 100 firms appear to explain about one-third of variations in output growth. Wagner (2011) reports similar evidence for the manufacturing sector in Germany and finds that idiosyncratic shocks in the largest firms are important for an understanding of aggregate volatility in German manufacturing industries.

Gabaix (2011) argues that many economic fluctuations are attributable to the incompressible “grains” of economic activity, the large firms. Therefore, he names this view the “granular” hypothesis. The granular view does not neglect the role of aggregate shocks like changes in monetary, fiscal, and exchange rate policy as

¹² This section builds on the investigation of the granular nature of the German manufacturing sector in Wagner (2011).

important drivers of macroeconomic activity. It only argues that such aggregate shocks are not the only important drivers, and that firm specific idiosyncratic shocks, too, are an important, and possibly the major, part of the origin of business-cycle fluctuations (Gabaix 2011, p. 764).

As said the “averaging out” argument of standard macroeconomic reasoning breaks down if the size distribution of firms is fat-tailed and very large firms play an important role in an economy. From the percentage shares of the largest enterprises in total exports in manufacturing industries West Germany¹³ in 2008 and 2009 that are documented in Table 3 it is evident that the exports of manufacturing enterprises are highly concentrated. The very large firms, therefore, represent a large part of the export activity in the manufacturing sector.

In Table 4 the estimated power law exponents for exports are reported for all firms and for firms from 18 manufacturing industries.¹⁴ A power law is a relation of the type $Y = k \cdot X^\beta$, where Y and X are variables of interest, β is the power law exponent, and k is a constant.¹⁵ A popular way to estimate the power law exponent β for the firm size distribution (where firm size is measured by exports here) is to compute the rank of each firm in the size distribution and to run an OLS regression of $\log(\text{rank})$ on a constant and $\log(\text{size})$. The estimated regression coefficient of $\log(\text{size})$ is an estimate for β . Gabaix and Ibragimov (2011) show that this procedure leads to strongly biased estimates in small samples. They provide a simple practical remedy for this bias by suggesting to use $\text{rank} - \frac{1}{2}$ instead of rank and then run

¹³ This section looks at West Germany only. A separate analysis of the exports from the East German manufacturing sector is not possible because the number of firms in many industries is far too small.

¹⁴ The industries are at the 2-digit level with four exceptions where two 2-digit industries are matched because the number of firms is too small in one industry. For a definition of industries and the number of firms see the appendix table.

¹⁵ Gabaix (2009) is a comprehensive survey of power laws and applications in economics and finance.

$\log(\text{rank} - \frac{1}{2}) = k - \beta \cdot \log(\text{size})$. They show that the shift of $\frac{1}{2}$ is optimal and reduces the bias to a leading order. Note that the standard error of β is not the OLS standard error reported by the computer program, but is asymptotically given by $(2/n)^{\frac{1}{2}} \cdot |\beta|$ (where n is the number of firms used in the estimation).

[Table 4 near here]

The estimated power-law coefficient is statistically significantly different from zero at an error level of less than 1 percent in German manufacturing as a whole and in every industry. According to the R^2 -value the fit is rather tight. These results indicate that exports are power-law distributed in all industries. Descriptive results, therefore, indicate that the distribution of exports from the German manufacturing sector as a whole and from the various industries that are part of it can be characterised as fat-tailed.

To test for the granular nature of exports from German manufacturing industries the data for enterprises from 18 manufacturing industries that are described above are used and the role of the 10 largest firms in each industry is considered. The empirical approach closely follows Gabaix (2011, p. 750ff.). The idiosyncratic firm-level sales shock is measured by the “granular residual” that is computed as follows. g_{it} is the growth rate of exports for firm i and year t , computed as $\log(\text{exports}_{it}) - \log(\text{exports}_{it-1})$. $g10_t$ is the average of the growth rates of the 10 largest firms (according to exports in year $t-1$) in an industry. The granular residual is a weighted sum of the 10 largest firm’s growth rate minus $g10_t$, where the weights are the shares of the firms in total exports of all firms in an industry in year $t-1$. Here, t refers to 2009 and $t-1$ refers to 2008.

The growth rate of total exports in an industry, defined as $\log(\text{total exports in 2009}) - \log(\text{total exports in 2008})$, is regressed on the granular residual from the industry using Ordinary Least Squares (OLS). Results are reported in the first column of Table 5. They are supportive of the granular hypothesis. The estimated coefficient for the granular residual is highly statistically significant. If only aggregate shocks were important for the growth rate of total exports in an industry, then the R^2 of the regressions in Table 5 would be zero. It is not. Idiosyncratic movements of the top 10 firms in an industry can explain a large fraction (more than one third) of export fluctuations.

It is well known that results estimated by OLS can be highly sensitive to a small fraction of observations that lay far away from the majority of observations in the sample. As a robustness check, therefore, we investigate whether the results reported depend on extreme observations, or outliers. Rousseeuw and Leroy (1987) distinguish three types of outliers that influence the OLS estimator: vertical outliers, bad leverage points, and good leverage points. Verardi and Croux (2009, p. 440) illustrate this terminology in a simple linear regression framework that is used here (the generalization to higher dimensions is straightforward) as follows: “Vertical outliers are those observations that have outlying values for the corresponding error term (the y dimension) but are not outlying in the space of explanatory variables (the x dimension). Their presence affects the OLS estimation and, in particular, the estimated intercept. Good leverage points are observations that are outlying in the space of explanatory variables but that are located close to the regression line. Their presence does not affect the OLS estimation, but it affects statistical inference because they do deflate the estimated standard errors. Finally, bad leverage points are observations that are both outlying in the space of explanatory variables and

located far from the true regression line. Their presence significantly affects the OLS estimation of both the intercept and the slope.”

Using this terminology one can state that the popular median regression estimator (also known as Least Absolute Deviations or LAD) protects against vertical outliers but not against bad leverage points (Verardi and Croux 2009, p. 441). Full robustness can be achieved by using the so-called MM-estimator that can resist contamination of the data set of up to 50% of outliers (i.e., that has a breakdown point¹⁶ of 50 % compared to zero percent for OLS). A discussion of the details of this estimator is beyond the scope of this paper (see Verardi and Croux (2009) for this estimator and for Stata commands to compute it). Suffice it to say here that this estimator combines a breakdown point of 50 percent with a high efficiency (the degree of which can be chosen by the researcher). An explicit formula for the estimator is not available; it is computed by numerical optimization.

Results computed by the fully robust MM-estimator are reported in the second column of Table 5.¹⁷ The point estimates are very similar to the results computed by OLS, and the estimated regression coefficient for the granular residual is again highly statistically significant.

The bottom line, then, is that the good explanatory power of the granular residual is inconsistent with a representative firm framework. The manufacturing part of the German export sector is a granular economy.

[Table 5 near here]

¹⁶ The breakdown point of an estimator is the highest fraction of outliers that an estimator can withstand, and it is a popular measure of robustness.

¹⁷ Computations were done using the ado-files provided by Verardi and Croux (2009) with the efficiency parameter set at 0.7 as suggested there based on a simulation study; details are available on request.

5. Concluding remarks

This study shows that a very large share of the decline in exports from manufacturing firms in Germany in 2009 was due to negative changes of exports in enterprises that continued to export (i.e. at the so-called intensive margin) while the decrease of exports due to export stoppers (at the so-called extensive margin) was tiny. In West Germany where exports declined by 21 percent a small fraction made of five percent of all exporting firms from the size class with 500 or more employees was responsible for around 73 percent of the gross decrease in exports. Idiosyncratic movements of the top 10 firms in an industry can explain a large fraction (more than one third) of export fluctuations here. In East Germany where exports declined only moderately by 3.77 percent a large fraction of the gross decline of exports was compensated by an increase in exports in a small group of large firms that made up 0.5% of all firms engaged in exports.

This paper demonstrates that idiosyncratic shocks in the largest firms are important for an understanding of aggregate volatility in exports from German manufacturing industries. This finding has implications for both theoretical and empirical research and for economic policy.

Theoretical models should drop the assumption of homogeneous representative firms and consider heterogeneous firms instead – like, for example, in the rich literature from the *new new trade theory* surveyed in Redding (2010).

Empirical studies that investigate the role of the largest firms need to be based on firm level data, and an easy access to these data (that are often confidential like the micro data from official statistics used in this study) for researchers is a must to foster research that will help us to understand what drives aggregate movements of the economy. While it is not possible to identify the names of the largest firms from

confidential firm level data like this, fortunately the usual suspects are well known and published annual reports or information available in commercial data bases can be used to investigate the concrete shocks to large players (like Daimler, Siemens, Volkswagen, BASF or Bosch in German manufacturing).

Policy makers should be aware of the decisive role of a small number of very large firms for the development of the economy as a whole. These firms should be closely monitored. In a discussion of changes in laws and policy measures, and in evaluations of such changes, special emphasis should be put on the impact on the big players.

In sum, the by now familiar decomposition analysis and the granular approach recently introduced by Gabaix (2011) suggests a road that should be travelled in the analysis of export dynamics and a number of other topics that are highly relevant for theorists, empiricists and policy makers (and their advisors).

References

- Anderton, Robert and Tadios Tewelde (2011). The Global Financial Crisis. Trying to understand the global downturn and recovery. European Central Bank Working Paper Series No. 1370, August.
- Asmundson, Irena, Thomas Dorsey, Armine Khachatryan, Iona Niculcea and Mika Saito (2011). Trade and Trade Finance in the 2008-09 Financial Crisis. International Monetary Fund IMF Working Paper WP/11/16, January.
- Baldwin, Richard (2009). The great trade collapse: What caused it and what does it mean? In: Richard Baldwin (Ed.), *The Great Trade Collapse: Causes, Consequences and Prospects*. London: Centre for Economic Policy Research (CEPR), p. 1-14.

- Barba Navaretti, Giorgio, Matteo Bugamelli, Fabiano Schivardi, Carlo Altomonte, Daniel Horgos and Daniela Maggioni (2011). The global operations of European Firms. The second EFIGE policy report. Brussels: Bruegel.
- Behrens, Kristian, Gregory Corcos and Giordano Mion (2011). Trade Crisis? What Trade Crisis? Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi CIRPÉE Working Paper 11-17, July.
- Bernard, Andrew B., and J. Bradford Jensen (2004). Entry, Expansion, and Intensity in the US Export Boom, 1987 – 1992. *Review of International Economics* 12 (4), 662-675.
- Bernard, Andrew B., J. Bradford Jensen, Stephen J. Redding and Peter K. Schott (2009). The Margins of US Trade. *American Economic Review Papers & Proceedings* 99 (2), 487-493.
- Bricongne, Jean-Charles, Lionel Fontagné, Guillaume Gaulier, Daria Taglioni and Vincent Vicard (2010). Exports and Sectoral Financial Dependence. Evidence on French Firms During the Great Global Crisis. European Central Bank Working Paper Series No. 1227, July.
- Bricongne, Jean-Charles, Lionel Fontagné, Guillaume Gaulier and Vincent Vicard (2011). An Analysis of the Dynamics of French Firms' Exports from 2000 to 2009: Lessons for the Recovery. In: Filippo di Mauro and Benjamin R. Mandel (Ed.), *Recovery and Beyond. Lessons for Trade Adjustment and Competitiveness*. European Central Bank.
- Chen, Shenjie and Emily Yu (2010). Export Dynamics in Canada: Market Diversification in a Changing International Economic Environment. In: Foreign Affairs and International Trade Canada, *Trade Policy Research 2010: Exporter Dynamics and Productivity*, p. 245-275.

- Davis, Steven J., John Haltiwanger, and Scott Schuh (1996). Small Business and Job Creation: Dissecting the Myth and Reassessing the Facts. *Small Business Economics* 8 (4), 297-315.
- De Lucio, Juan, Raúl Mínguez-Fuentes, Asier Minondo and Francisco Requena-Silvente (2011). The extensive and intensive margins of Spanish trade. *International Review of Applied Economics* 25 (5), 615-631.
- Di Mauro, Filippo, Katrin Forster and Ana Lima (2010). The Global Downturn and its Impact on Euro Area Exports and Competitiveness. European Central Bank Occasional Paper Series No. 119, October.
- Eaton, Jonathan, Marcela Eslava, Maurice Kugler and James Tybout (2007). Export Dynamics in Columbia: Firm-Level Evidence. National Bureau of Economic Research NBER Working Paper Series No. 13531, October.
- Eaton, Jonathan, Samuel Kortum, Brent Neiman and John Romalis (2011). Trade and the Global Recession. National Bureau of Economic Research NBER Working Paper Series No. 16666, January.
- Fontagné, Lionel and Guillaume Gaulier (2009). French exporters in the global crisis. In: Richard Baldwin (Ed.), *The Great Trade Collapse: Causes, Consequences and Prospects*. London: Centre for Economic Policy Research (CEPR), p. 143-150.
- Gabaix, Xavier (2009). Power Laws in Economics and Finance. *Annual Review of Economics*, 1, 255-293.
- Gabaix, Xavier (2011). The Granular Origins of Aggregate Fluctuations. *Econometrica* 79 (3), 733-772.
- Gabaix, Xavier and Rustam Ibragimov (2011). Rank $-1/2$: A Simple way to improve the OLS estimation of tail exponents. *Journal of Economics and Business Statistics* 29 (1), 24-39.

- Gleeson, Anne Marie and Frances Ruane (2007). Irish Manufacturing Export Dynamics: Evidence of Exporter Heterogeneity in Boom and Slump Periods. *Review of World Economics* 143 (2), 375-388.
- Haddad, Mona, Ann Harrison and Catherine Hausman (2011). Decomposing the Great Trade Collapse. Products, Prices and Quantities in the 2008-2009 Crisis. The World Bank Policy Research Working Paper 5749, August.
- Haltiwanger, John (1997). Measuring and Analyzing Aggregate Fluctuations: The Importance of Building from Microeconomic Evidence. *Federal Reserve Bank of St. Louis Review* 79 (3), 55-77.
- Konold, Michael (2007). New possibilities for economic research through integration of establishment-level panel data of German official statistics. *Schmollers Jahrbuch / Journal of Applied Social Science Studies* 127 (2), 321 – 334.
- Lawless, Martina (2009). Firm export dynamics and the geography of trade. *Journal of International Economics* 77 (2), 245-254.
- Lucas, Robert E. (1977), Understanding Business Cycles. *Carnegie-Rochester Conference Series on Public Policy*, 5, 7-29.
- Malchin, Anja and Ramona Voshage (2009). Official Firm Data for Germany. *Schmollers Jahrbuch / Journal of Applied Social Science Studies* 129 (3), 501 – 513.
- Meyer, Susanne (2010). Der deutsche Außenhandel im Sog der Weltwirtschaftskrise. Entwicklungen im Jahr 2009. *Wirtschaft und Statistik* 4/2010, 360-369.
- Neugebauer, Katja and Julia Spies (2011). Länderbericht Deutschland. Wie haben Exportunternehmen die Krise bewältigt? Institut für Angewandte Wirtschaftsforschung IAW Policy Reports Nr. 8, September.
- OECD (1987). The Process of Job Creation and Destruction. *OECD Employment Outlook* 1987, 97-124.

- OECD (2010). Trade and Economic Effects of Responses to the Economic Crisis. Paris: OECD.
- Redding, Stephen J. (2010), Theories of Heterogeneous Firms and Trade. National Bureau of Economic Research NBER Working Paper 16562, December.
- Rousseeuw, Peter J. and Annick M. Leroy (1987). *Robust Regression and Outlier Detection*. New York etc.: John Wiley and Sons.
- Stehrer, Robert, Jyrki Ali-Yrkkö, Doris Hanzl-Weiss, Neil Foster, Petri Rouvinen, Timo Seppälä, Roman Stöllinger and Pekka Ylä-Anttila (2011). Trade in Intermediate Products and EU Manufacturing Supply Chains. The Vienna Institute for International Economic Studies Research Reports 369, February.
- Verardi, Vincenzo and Christophe Croux (2009). Robust regression in Stata. *The Stata Journal* 9 (3), 439-453.
- Wagner, Joachim (1995). Firm Size and Job Creation in Germany. *Small Business Economics* 7 (4), 469-474.
- Wagner, Joachim (2004). On the Microstructure of the German Export Boom: Evidence from Establishment Panel Data, 1995 – 2002. *Review of World Economics / Weltwirtschaftliches Archiv* 140 (3), 161-172.
- Wagner, Joachim (2008). A note on why more West than East German firms export. *International Economics and Economic Policy* 5 (4), 363-370.
- Wagner, Joachim (2011). The German Manufacturing Sector is a Granular Economy. University of Lüneburg Working Paper Series in Economics No. 219, November (forthcoming, *Applied Economics Letters*).
- Zühlke, Sylvia, Markus Zwick, Sebastian Scharnhorst and Thomas Wende (2004). The research data centres of the Federal Statistical Office and the statistical offices of the *Länder*. *Schmollers Jahrbuch / Journal of Applied Social Science Studies* 124 (4), 567-578.

Table 1: Decomposition of Export Dynamics in German Manufacturing Industries: West Germany – 2008 / 2009

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
	Total exports in 2008 (Million Euro)	Total exports in 2009 (Million Euro)	Rate of change of exports (percent)	Increase of exports due to export starters (% on [1])	Increase of exports due to firms with increased exports (% on [1])	Decrease of exports due to firms with decreased exports (% on [1])	Decrease of exports due to export stoppers (% on [1])
All enterprises (No. of firms / share in %)	574,020	451,947	-21.27	0.05 (546 / 2.73)	3.14 (5,274 / 26.41)	-24.15 (13,529 / 67.75)	-0.31 (619 / 3.10)

Enterprises with							
1 – 49 employees (No. of firms / share in %)	9,810	8,214	-16.27	1.04 (376 / 5.02)	9.46 (2,223 / 29.70)	-24.84 (4,454 / 59.50)	-1.93 (433 / 5.78)
50 – 99 employees (No. of firms / share in %)	21,154	17,392	-17.78	0.48 (121 / 2.23)	7.16 (1,466 / 27.04)	-24.74 (3,700 / 68.24)	-0.68 (135 / 2.49)
100 – 249 employees (No. of firms / share in %)	54,546	44,555	-18.32	0.11 (37 / 0.88)	5.43 (1,019 / 24.22)	-23.64 (3,118 / 74.11)	-0.22 (33 / 0.78)
250 – 499 employees (No. of firms / share in %)	64,139	51,239	-20.11	0.06 (9 / 0.56)	3.81 (342 / 21.32)	-23.46 (1,240 / 77.31)	-0.52 (13 / 0.81)
>= 500 employees (No. of firms / share in %)	424,370	330,546	-22.11	0.001 (3 / 0.24)	2.40 (224 / 17.93)	-24.28 (1,017 / 81.43)	-0.24 (5 / 0.40)

Table 2: Decomposition of Export Dynamics in German Manufacturing Industries: East Germany – 2008 / 2009

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
	Total exports in 2008 (Million Euro)	Total exports in 2009 (Million Euro)	Rate of change of exports (percent)	Increase of exports due to export starters (% on [1])	Increase of exports due to firms with increased exports (% on [1])	Decrease of exports due to firms with decreased exports (% on [1])	Decrease of exports due to export stoppers (% on [1])
All enterprises (No. of firms / share in %)	75,392	72,548	-3.77	0.11 (185 / 5.32)	8.85 (1,017 / 29.24)	-12.63 (2,077 / 59.72)	-0.11 (199 / 5.72)

Enterprises with							
1 – 49 employees (No. of firms / share in %)	1,439	1,134	-21.18	2.02 (125 / 8.64)	8.41 (417 / 28.84)	-29.11 (773 / 53.46)	-2.50 (131 / 9.06)
50 – 99 employees (No. of firms / share in %)	3,246	2,654	-18.22	0.21 (37 / 3.83)	8.78 (306 / 31.64)	-26.38 (574 / 59.36)	-0.83 (50 / 5.17)
100 – 249 employees (No. of firms / share in %)	7,525	6,523	-13.32	0.65 (21 / 2.69)	8.83 (224 / 28.72)	-22.60 (520 / 66.67)	-0.20 (15 / 1.92)
250 – 499 employees (No. of firms / share in %)	6,177	5,327	-13.76	## (2 / 1.03)	## (51 / 26.15)	-20.19 (139 / 71.28)	-0.07 (3 / 1.54)
>= 500 employees (No. of firms / share in %)	57,006	56,910	-0.17	0.00 (0 / 0.00)	9.13 (19 / 21.11)	-9.30 (71 / 78.89)	0.00 (0 / 0.00)

Note: ## indicates that the number is confidential because there are only two export starters. The increase of exports due to export starters, therefore, is about next to zero, and the increase of exports due to firms with increased exports is 6.5 percent in the group of enterprises with 250 – 499 employees.

Table 3: Concentration of domestic and export sales in enterprises from German manufacturing industries, 2008 – 2009

Year	Share of largest # exporters in total exports (percent)				Share of largest # enterprises in total domestic sales (percent)			
	3	10	50	100	3	10	50	100
West Germany								
2008	13.64	24.98	38.07	45.09	8.84	15.20	25.91	31.10
2009	12.77	25.18	37.66	44.72	7.75	14.01	25.31	30.76
East Germany								
2008	###	56.60	70.55	76.62	14.46	21.68	34.78	42.42
2009	###	62.86	74.82	80.02	16.23	23.30	36.51	43.68

Note: ### indicates a confidential value

Table 4: Estimated power law exponents for exports in manufacturing industries, West Germany, 2009

Industry β	t-value	R^2	Number of enterprises	
All	-0.356	-103.27	0.744	21,328
15/16	-0.355	-25.18	0.775	1,268
17	-0.330	-45.21	0.793	511
18/19	-0.332	-12.67	0.774	321
20	-0.248	-18.03	0.754	650
21	-0.368	-17.12	0.754	586
22	-0.174	-20.10	0.656	808
23/24	-0.550	-23.62	0.811	1,116
25	-0.347	-30.94	0.778	1,914
26	-0.318	-19.54	0.755	764
27	-0.477	-18.56	0.811	689
28	-0.259	-42.28	0.728	3,575
29	-0.382	-47.02	0.758	4,421
30/31	-0.379	-26.89	0.756	1,446
32	-0.460	-12.19	0.804	297
33	-0.386	-24.00	0.764	1,152
34	-0.490	-18.08	0.774	654
35	-0.529	-9.62	0.799	185
36	-0.317	-22.03	0.769	971

Note: For a definition of the industries see the appendix table. The power law exponent β and its standard error are estimated by the method suggested in Gabaix and Ibragimov (2011); see text.

Table 5: Explanatory power of the granular residual for export growth in manufacturing industries, West Germany, 2008/2009

Independent variable: export growth 2008/2009 (percentage)

	Estimation method: OLS		Estimation method: Robust MM-Regression
Granular residual 2008/2009	β	0.00868	0.00962
	P	0.000	0.000
Constant	β	-19.515	-18.106
	P	0.000	0.000
Number of industries		18	18
R ²		0.357	n.a.

Note: β is the estimated regression coefficient, p is the prob-value. For a definition of the industries see Table 4 and the appendix table. For a definition of the granular residual see text.

Appendix: Definition of manufacturing industries and number of enterprises in 2008

No.	Industry	No. of enterprises
15	Manufacture of food products and beverages	3,998
16	Manufacture of tobacco products	15
17	Manufacture of textiles	561
18	Manufacture of wearing apparel; dressing and dyeing of fur	251
19	Tanning and dressing of leather; manufacture of leather goods	116
20	Manufacture of wood and products of wood except furniture	951
21	Manufacture of pulp, paper and paper products	651
22	Publishing, printing and reproduction of recorded media	1,254
23	Manufacture of coke, refined petroleum products and nuclear fuel	44
24	Manufacture of chemicals and chemical products	1,157
25	Manufacture of rubber and plastic products	2,206
26	Manufacture of other non-metallic mineral products	1,251
27	Manufacture of basic metals	751
28	Manufacture of fabricated metal products, except machinery and equipment	5,070
29	Manufacture of machinery and equipment n. e. c.	5,061
30	Manufacture of office machinery and computers	126
31	Manufacture of electrical machinery and apparatus n. e. c.	1,638
32	Manufacture of radio, television and communication equipm. and apparatus	354
33	Manufacture of medical, precision and optical instruments, watches, clocks	1,623
34	Manufacture of motor vehicles, trailers and semi-trailers	762
35	Manufacture of other transport equipment	236
36	Manufacture of furniture, manufacturing n. e. c.	1,171
		29,247

Note: The 2-digit-industries are defined according to the German classification WZ 2003.

Working Paper Series in Economics

(recent issues)

- No.232: *Christian Pfeifer and Joachim Wagner*: Age and gender composition of the workforce, productivity and profits: Evidence from a new type of data for German enterprises, February 2012
- No.231: *Daniel Fackler, Claus Schnabel, and Joachim Wagner*: Establishment exits in Germany: the role of size and age, February 2012
- No.230: *Institut für Volkswirtschaftslehre*: Forschungsbericht 2011, January 2012
- No.229: *Frank Schmielewski*: Leveraging and risk taking within the German banking system: Evidence from the financial crisis in 2007 and 2008, January 2012
- No.228: *Daniel Schmidt and Frank Schmielewski*: Consumer reaction on tumbling funds – Evidence from retail fund outflows during the financial crisis 2007/2008, January 2012
- No.227: *Joachim Wagner*: New Methods for the Analysis of Links between International Firm Activities and Firm Performance: A Practitioner's Guide, January 2012
- No.226: *Alexander Vogel and Joachim Wagner*: The Quality of the KombiFiD-Sample of Business Services Enterprises: Evidence from a Replication Study, January 2012
- No.225: *Stefanie Glotzbach*: Environmental justice in agricultural systems. An evaluation of success factors and barriers by the example of the Philippine farmer network MASIPAG, January 2012
- No.224: *Joachim Wagner*: Average wage, qualification of the workforce and export performance in German enterprises: Evidence from KombiFiD data, January 2012
- No.223: *Maria Olivares and Heike Wetzel*: Competing in the Higher Education Market: Empirical Evidence for Economies of Scale and Scope in German Higher Education Institutions, December 2011
- No.222: *Maximilian Benner*: How export-led growth can lead to take-off, December 2011
- No.221: *Joachim Wagner and John P. Weche Gelübcke*: Foreign Ownership and Firm Survival: First evidence for enterprises in Germany, December 2011
- No.220: *Martin F. Quaas, Daan van Soest, and Stefan Baumgärtner*: Complementarity, impatience, and the resilience of natural-resource-dependent economies, November 2011
- No.219: *Joachim Wagner*: The German Manufacturing Sector is a Granular Economy, November 2011
- No.218: *Stefan Baumgärtner, Stefanie Glotzbach, Nikolai Hoberg, Martin F. Quaas, and Klara Stumpf*: Trade-offs between justices, economics, and efficiency, November 2011
- No.217: *Joachim Wagner*: The Quality of the KombiFiD-Sample of Enterprises from Manufacturing Industries: Evidence from a Replication Study, November 2011
- No.216: *John P. Weche Gelübcke*: The Performance of Foreign Affiliates in German Manufacturing: Evidence from a new Database, November 2011
- No.215: *Joachim Wagner*: Exports, Foreign Direct Investments and Productivity: Are services firms different?, September 2011
- No.214: *Stephan Humpert and Christian Pfeifer*: Explaining Age and Gender Differences in Employment Rates: A Labor Supply Side Perspective, August 2011

- No.213: *John P. Weche Gelübcke*: Foreign Ownership and Firm Performance in German Services: First Evidence based on Official Statistics, August 2011 [forthcoming in: The Service Industries Journal]
- No.212: *John P. Weche Gelübcke*: Ownership Patterns and Enterprise Groups in German Structural Business Statistics, August 2011 [published in: Schmollers Jahrbuch / Journal of Applied Social Science Studies, 131(2011), 4, 635-647]
- No.211: *Joachim Wagner*: Exports, Imports and Firm Survival: First Evidence for manufacturing enterprises in Germany, August 2011
- No.210: *Joachim Wagner*: International Trade and Firm Performance: A Survey of Empirical Studies since 2006, August 2011
- No.209: *Roland Olbrich, Martin F. Quaas, and Stefan Baumgärtner*: Personal norms of sustainability and their impact on management – The case of rangeland management in semi-arid regions, August 2011
- No.208: *Roland Olbrich, Martin F. Quaas, Andreas Haensler and Stefan Baumgärtner*: Risk preferences under heterogeneous environmental risk, August 2011
- No.207: *Alexander Vogel and Joachim Wagner*: Robust estimates of exporter productivity premia in German business services enterprises, July 2011 [published in: Economic and Business Review, 13 (2011), 1-2, 7-26]
- No.206: *Joachim Wagner*: Exports, imports and profitability: First evidence for manufacturing enterprises, June 2011
- No.205: *Sebastian Strunz*: Is conceptual vagueness an asset? Resilience research from the perspective of philosophy of science, May 2011
- No.204: *Stefanie Glotzbach*: On the notion of ecological justice, May 2011
- No.203: *Christian Pfeifer*: The Heterogeneous Economic Consequences of Works Council Relations, April 2011
- No.202: *Christian Pfeifer, Simon Janssen, Philip Yang and Uschi Backes-Gellner*: Effects of Training on Employee Suggestions and Promotions in an Internal Labor Market, April 2011
- No.201: *Christian Pfeifer*: Physical Attractiveness, Employment, and Earnings, April 2011
- No.200: *Alexander Vogel*: Enthüllungsrisiko beim Remote Access: Die Schwerpunkteigenschaft der Regressionsgerade, März 2011
- No.199: *Thomas Wein*: Microeconomic Consequences of Exemptions from Value Added Taxation – The Case of Deutsche Post, February 2011
- No.198: *Nikolai Hoberg and Stefan Baumgärtner*: Irreversibility, ignorance, and the intergenerational equity-efficiency trade-off, February 2011
- No.197: *Sebastian Schuetz*: Determinants of Structured Finance Issuance – A Cross-Country Comparison, February 2011
- No.196: *Joachim Fünfgelt and Günther G. Schulze*: Endogenous Environmental Policy when Pollution is Transboundary, February 2011
- No.195: *Toufic M. El Masri*: Subadditivity and Contestability in the Postal Sector: Theory and Evidence, February 2011
- No.194: *Joachim Wagner*: Productivity and International Firm Activities: What do we know?, January 2011 [published in: Nordic Economic Policy Review, 2011 (2), 137-161]

- No.193: *Martin F. Quaas and Stefan Baumgärtner*: Optimal grazing management rules in semi-arid rangelands with uncertain rainfall, January 2011
- No.192: *Institut für Volkswirtschaftslehre*: Forschungsbericht 2010, Januar 2011
- No.191: *Natalia Lukomska, Martin F. Quaas and Stefan Baumgärtner*: Bush encroachment control and risk management in semi-arid rangelands, December 2010
- No.190: *Nils Braakmann*: The causal relationship between education, health and health related behaviour: Evidence from a natural experiment in England, November 2010
- No.189: *Dirk Oberschachtsiek and Britta Ulrich*: The link between career risk aversion and unemployment duration: Evidence of non-linear and time-depending pattern, October 2010
- No.188: *Joachim Wagner*: Exports and Firm Characteristics in German Manufacturing industries, October 2010
- No.187: *Joachim Wagner*: The post-entry performance of cohorts of export starters in German manufacturing industries, September 2010
- No.186: *Joachim Wagner*: From estimation results to stylized facts: Twelve recommendations for empirical research in international activities of heterogenous firms, September 2010 [published in: *De Economist*, 159 (2011), 4, 389-412]
- No.185: *Franziska Dittmer and Markus Groth*: Towards an agri-environment index for biodiversity conservation payment schemes, August 2010
- No.184: *Markus Groth*: Die Relevanz von Ökobilanzen für die Umweltgesetzgebung am Beispiel der Verpackungsverordnung, August 2010
- No.183: *Yama Temouri, Alexander Vogel and Joachim Wagner*: Self-Selection into Export Markets by Business Services Firms – Evidence from France, Germany and the United Kingdom, August 2010
- No.182: *David Powell and Joachim Wagner*: The Exporter Productivity Premium along the Productivity Distribution: First Evidence from a Quantile Regression for Fixed Effects Panel Data Models, August 2010
- No.181: *Lena Koller, Claus Schnabel und Joachim Wagner*: Beschäftigungswirkungen arbeits- und sozialrechtlicher Schwellenwerte , August 2010 [publiziert in: *Zeitschrift für Arbeitsmarktforschung* 44(2011), 1-2, 173-180]
- No.180: *Matthias Schröter, Markus Groth und Stefan Baumgärtner*: Pigous Beitrag zur Nachhaltigkeitsökonomie, Juli 2010
- No.179: *Norbert Olah, Thomas Huth and Dirk Löhr*: Monetary policy with an optimal interest structure, July 2010
- No.178: *Sebastian A. Schütz*: Structured Finance Influence on Financial Market Stability – Evaluation of Current Regulatory Developments, June 2010
- No.177: *Franziska Boneberg*: The Economic Consequences of One-third Co-determination in German Supervisory Boards: First Evidence from the German Service Sector from a New Source of Enterprise Data, June 2010 [forthcoming in: *Schmollers Jahrbuch / Journal of Applied Social Science Studies*]
- No.176: *Nils Braakmann*: A note on the causal link between education and health – Evidence from the German short school years, June 2010

(see www.leuphana.de/institute/ivwl/publikationen/working-papers.html for a complete list)

Leuphana Universität Lüneburg
Institut für Volkswirtschaftslehre
Postfach 2440
D-21314 Lüneburg
Tel.: ++49 4131 677 2321
email: brodt@leuphana.de

www.leuphana.de/institute/ivwl/publikationen/working-papers.html