

Research Group Microdata and Method Development

General aim

The Research Group “Microdata and Method Development” at the German Economic Institute was founded in 2011 and since then, brings together experts from the different institute’s scientific divisions for the analysis of microdata. The researchers cover all topics from the Institute such as

- Labour and Personnel Economics
- Education and Migration Economics
- Financial and Real Estate Markets
- Public Finance
- Environmental Economics

In contrast to aggregated macro statistics from national accounts, microdata provides subjective or objective information on individual units such as persons, households or firms. This kind of data offers rich and innumerable possibilities for policy-related analysis since it represents the real structuring of society nicely. Specifically, it enables to analyse the behavioural and distributional outcomes of policy instruments such as taxes, education policies and the minimum wage.

In the case of policy reforms, effects on specific groups – for example single parent households - can be simulated and illustrated. Microdata analysis has become an indispensable instrument for evaluating policies and advising policymakers.

Comparative Microdata

In our policy-oriented research projects we rely on many different microdata sets. We base our research on national as well as international microdata, in cross-sectional and panel data perspectives. In comparative perspectives, particularly the microdata provided by Eurostat and the European Central Bank offer many research perspectives. The microdata

experts from the German Economic Institute can rely on broad experience in working with international household survey data, for example (selected data sets):

European Union Statistics on Income and Living Conditions (EU-SILC)

The EU-SILC is a yearly representative household survey and includes detailed information on household incomes and other characteristics for all EU-28 countries as well as Iceland, Norway and Switzerland. It is well suited for comparative studies on income distribution, the gender wage gap or intergenerational mobility.

European Working Conditions Survey (EWCS)

Since 1991, the EWCS is the most important database for the reporting of the improvement of working conditions in Europe. In its sixth wave in 2015 almost 44,000 employees in 35 European countries were interviewed about their working conditions.

Household Finance and Consumption Survey (HFCS)

The HFCS is provided by the European Central Bank and contains information on the financial situation of households in the Eurozone. So far, data is available for the survey years 2010 and 2014. The HFCS allows for detailed analyses of wealth distribution, private financial activities and ownership structures across Eurozone countries.

International Social Survey Programme (ISSP)

The ISSP is a cross-national annual survey on diverse topics relevant to social science. For example, it includes subjective attitudes

towards political programs, social inequality but also towards environmental policies and family and gender roles.

Methods

Besides broad expertise in descriptive microdata analysis the microdata experts pool comprehensive knowledge in sophisticated econometric modelling. For example, System GMM methods were critically reviewed in the context of the inequality-growth-nexus (Kolev/Niehues, 2016), or experimental survey design was used to analyse goal settings in German companies (Grunewald et al., 2017). The Research Group steadily encourages further training in state-of-the-art statistical methods.

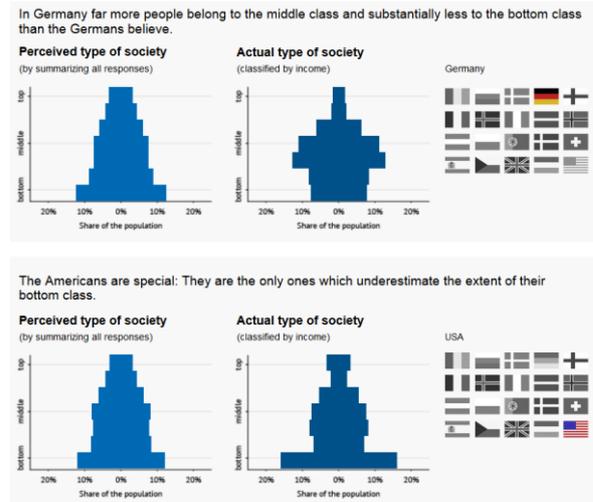
Furthermore, the Research Group fosters the development of simulation and forecasting models. For instance, we developed a detailed tax benefit microsimulation model (STATS) on the basis of the German Socio-economic panel (SOEP). The microsimulation model STATS allows for a detailed analysis of the distributional impact of any tax benefit reforms in Germany. With the help of the externally provided European microsimulation model EURO-MOD tax benefit simulations can potentially be extended to other European countries in the future.

Exemplary Projects

International microdata was already applied in several projects of the German Economic Institute. Exemplarily, the EWCS was used to compare employees' satisfaction with their working conditions across European countries (Hammermann/Stettes, 2017). ISSP data on attitudes towards social inequality was applied to compare inequality perception in European countries with corresponding perceptions in the USA (Niehues, 2014).

Whenever possible, research reports are complemented by interactive maps or other graphic tools to better illustrate the main results for the reader, as for example the interactive web tool on inequality perceptions:

Income Inequality: Perception and Reality



Source: ISSP, EU-SILC, PSID, German Economic Institute

https://www.iwkoeln.de/en/extendedmedia_resources/176927/index.html

Selected publications

Grunewald, Mara / Hammermann, Andrea / Placke, Beate, 2017, Human Resource Management and Nudging: An Experimental Analysis on Goal Settings in German Companies, International Journal of Economics and Finance, Vol. 9, No. 9, 2017, pp. 147-156

Hammermann, Andrea / Stettes, Oliver, 2017, Quality of Work in Europe, An Empirical Analysis on the Basis of the EWCS 2015, IW-Report No. 24/2017

Kolev, Galina / Niehues, Judith, 2016, The Inequality-Growth Relationship. An Empirical Reassessment, IW-Report No. 7/2016

Niehues, Judith, 2014, Subjective Perceptions of Inequality and Redistributive Preferences: An International Comparison, Discussion Paper

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