Cornelia Lang* and Tim Kuttig

The Research Data Centre of the Halle Institute for Economic Research – Member of the Leibniz Association FDZ-IWH

DOI 10.1515/jbnst-2015-1036

1 Background

The Halle Institute for Economic Research (IWH) was founded in 1992 and operates three research departments: Macroeconomics, Financial Markets, and Structural Change and Productivity. The IWH's research structure is designed to foster close interplay between micro and macroeconomic research, however it has its roots in the empirical research conducted on the transition from a planned to a market economy, with a particular focus on East Germany. Some of the main topics researched during its first decade include: the identification of structural obstacles to this transition process and the response of institutions; the course of structural change with regard to industry profiles in East German regions; and the level of integration of East Germany in the supra-regional goods and factor markets. An essential field of research was the labour market in East Germany, and in particular the impact of job creation schemes in the region. The first years following unification were strongly influenced by high levels of unemployment, and the effects of both business and employment promotion were important research topics at the IWH.

There has been significant interest in the analyses on the impact unification has had on structural and social change, from not only the scientific community but also the political and public domains. However, official statistics regarding the economic situation in East Germany were slow to start in the early 1990s and were not always able to provide relevant data at a regional level in a timely manner. In 1993 the IWH started its own surveys describing the economic and social transition in East Germany in order to provide much sought-after analysis.

***Corresponding author: Cornelia Lang**, Leibniz-Institut für Wirtschaftsforschung Halle (IWH), Kleine Märkerstraße 8, D-06108 Halle (Saale), Germany, E-mail: Cornelia.Lang@iwh-halle.de
Tim Kuttig, Leibniz-Institut für Wirtschaftsforschung Halle (IWH), Kleine Märkerstraße 8, D-06108 Halle (Saale), Germany, E-mail: Tim.Kuttig@iwh-halle.de

To begin with the data collection was not centrally organized but was distributed among departments; in order to satisfy the increased requirements needed to prepare the data and improve the collection's efficiency, the institute established a new department "Methoden und Daten" (MuD, Methods and Data). In addition to the tasks hitherto carried out by the individual research departments, MuD provided assistance to IWH researchers in terms of selecting and applying econometric methods.

The provision of IWH data for external researchers was not intended at the time, but this changed in 2013 when the IWH board decided to establish a data centre. Since then, staff have documented and prepared their own survey data for internal as well as external scientific use. Criteria established by the German Data Forum were used as guidelines with the explicit aim of achieving accreditation as a research data centre, and in December 2015, the IWH data centre was accredited by the German Data Forum as FDZ-IWH. Alongside this, the Research Data Centre also edits an online publication, *IWH Technical Reports*, which explores the methodological aspects of IWH research activities¹.

2 Data available at the FDZ-IWH

2.1 IWH Construction and Industry Surveys

Since the beginning of the transition process there has been huge interest in the status and development of the new Federal States (Neue Bundesländer), from the scientific community as well as the public – not only from a macro but also from a micro perspective. As a result, two surveys were launched in 1993 by the IWH that continue today. The motivation behind them was to obtain timely data on developments in the construction and manufacturing sectors in East Germany, whilst also being able to include questions on specific problems related to the transition process at the time. The IWH Construction and Industry Surveys thus represent unique data collections that describe not only economic developments, but also the structural economic and social changes and their consequences in East Germany. In addition, the Construction Survey also included the finishing trades (Ausbaugewerbe) and small workshops in their data collection, a unique characteristic of the IWH business cycle surveys. These trades were previously classified within the crafts sector, but due to their significant involvement in the construction boom of post-unification East Germany, they were included in the surveys. In the

¹ For an example, please see Ehrenfeld (2015).

1990s, both panel surveys included a wide range of specific questions on the transition processes of the East German economy, its obstacles and successes. The surveys asked the enterprises about a variety of topics: investment activities, competitive ability, public subsidies, and collective wage agreements, amongst other topics. Since then, participants of both surveys in addition receive a special questionnaire (Stammbogen) once a year where they are asked for basic information on their company, such as branch, ownership, foundation year, main product, and purchasers of the main products. The Stammbogen has changed over the years with regard to the ownership information it requests, with the issue of ownership initially one of the most important questions in the transition process. There was a large-scale change of ownership in enterprises of the former GDR encouraged by the Treuhandanstalt (Trust Agency): new owners had different backgrounds, and often came from West Germany or from abroad. How would progressive alignment to the rules of a market economy take place on these premises? Are there differences in pace and levels of transition success from a planned to a market economy? To answer these questions, in the 1990s the survey distinguished between privatisation by private investors from West Germany, East Germany and abroad, management buy-outs or buy-ins, reprivatization and start-ups.

Since the turn of the century, the surveys have mainly been used as business climate assessments, however if there are current events with possible impacts on the economic outcome of businesses in the region, additional questions are included to account for these effects.

From their inception in 1993 until 2012, the surveys were alternated every month, with the Industry Survey conducted every odd month, and the Construction Survey every even month. As of 2013 the frequency was lowered and both surveys are now conducted at the end of each quarter. Both surveys comprise a set of standard questions included in every wave of data collection, a set of questions that are asked at regular intervals, and occasionally additional questions regarding current events (Table 1).

Both surveys are able to capture the economic sentiment within the companies in East Germany, mainly through the use of “soft” indicators, and both gather information on current views regarding the business climate and related indicators, rather than changes with respect to the previous period. (The respondents are not offered the choice to select “remained constant”.) Participants can characterize their situation as “good”, “rather good”, “rather poor” and “poor”, positive and negative responses are netted and subsequently seasonally adjusted. The seasonally adjusted balances, as well as the balances of the original values, are provided online as long time series.

The surveys are constructed as panels with about 300 valid responses per wave and for each panel survey, resulting in a total of 600 responses. Any

Table 1: Overview of topics IWH Construction and Industry Survey.

Construction Survey	Industry Survey
Standard questions	
<ul style="list-style-type: none">– Number of employees– Current business situation– Business prospects– Current situation concerning orders, production, liquidity and construction prices– Expectations regarding production, earning trends and construction prices	<ul style="list-style-type: none">– Number of employees– Current business situation– Business prospects– Current situation concerning orders, production and liquidity– Expectations regarding production and earning trends
Recurrent questions	
<ul style="list-style-type: none">– Revenues over previous two years– Expected revenues for current year– Earnings of the previous years– Expected employment trend for current year– Regional market structure– Payment behaviour of customers and payment losses	<ul style="list-style-type: none">– Revenues over previous two years– Expected revenues for current year– Earnings of the previous years– Expected employment trend for current year– Investments over the previous two years and plans for current year– Changes in investment planning due to current business situation
Additional questions due to current events (excerpt)	
<ul style="list-style-type: none">– Effects of natural disasters– Impact of changes in legislation– Economic and financial crises–...	

problems with panel attrition – mostly due to insolvency – are addressed by replacing dropouts with similar subjects. This way the similarity of the sample with the structures of the population is largely secured. Survey participants were taken from different company databases, such as the MARKUS database, provided by Verband der Vereine Creditreform e.V., Hoppenstedt Firmendatenbank, and the AMADEUS database, provided by Bureau van Dijk. Both surveys are standardized written surveys. The traditional paper questionnaire is supplemented step by step by an online-version when requested by respondent.

Due to the long time series, additional questions and the frequent surveys – especially during the first decade – the data collected by the IWH Construction and Industry Surveys allows for applications that go beyond the standard use of economic forecasting. As such, it not only gives evidence on current business cycle developments and outlook, but also enables researchers to take a closer look at questions concerning structural changes in the economy of the former GDR. In the IWH, the survey data is used for reports on the East German economy (see Lang 2016, Loose 2016a, Loose 2016b) and the “IWH barometer

for economic activity in East Germany” (Ludwig/Exß 2016). Furthermore, the panel structure of the datasets allows for research on the “self-awareness” of the participating enterprises.

2.2 IWH FDI Micro Database

The IWH FDI Micro Database provides high-quality micro data for research into the internationalisation of transition economies in East Central Europe and East Germany. One reason to create this survey was to be able to address the following research questions: What role do various agglomeration economies play in the location of multinational enterprises (MNE)? What is the nature of technological activities of the multinational affiliates? Does the technological heterogeneity of MNEs explain the incidence of technological spillovers to other firms? After a pilot survey in 2002, the project was fully launched in 2007 and conducted annually until 2013. To begin with it was implemented in Slovenia, Croatia, Poland, Romania, and East Germany, was conducted annually in East Germany, and biannually in a set of Central and East European countries. From the 2009 edition the set of countries included the Czech Republic, Hungary, Poland, Romania and Slovakia. Before 2008 the survey covered only the manufacturing industries, but from 2008 the sample was extended to include firms from the production industry and selected service branches. The basic population is drawn from MARKUS (East Germany) and AMADEUS (Central East Europe) database provided by Bureau van Dijk and is based on ownership information used as criterion for survey stratification. The survey contained enterprises with one or more foreign investor (holding either a minimum of 10 % direct shares/voting rights, or a minimum of 25 % indirect shares/voting rights) – INWARD FDI, and enterprises investing in an enterprise abroad – OUTWARD FDI (holding either a minimum of 10 % direct shares/voting rights or a minimum of 25 % indirect shares/voting rights). In the case of East Germany, the basic population of enterprises with foreign participation was supplemented by enterprises belonging to the selected sectors and countries, in which at least one West German multinational investor held shares or voting rights. A West Germany multinational investor is defined as an entity headquartered in West Germany and has a minimum of 10 % (direct) to 25 % (indirect) shares or voting rights in one or more entities located abroad. The surveys were implemented by means of computer assisted telephone interviews (CATI) by the Institute of Applied Social Sciences (infas) and the Zentrum für Sozialforschung Halle (zsh). Each survey has a standard set of questions on shareholder structure as well as technological capabilities, an overview of the sample and the thematic topics in every wave can be seen in Table 2.

Table 2: Overview of IWH FDI Micro Database Sample.

	2002*	2007	2008	2009	2010	2011	2012	2013
Countries	Estonia, Hungary, Poland, Slovakia, Slovenia	East Germany, Romania, Croatia, Poland, Slovenia	East Germany	East Germany, Romania, Slovakia, Czech Republic, Hungary, Poland	East Germany	East Germany, Romania, Slovakia, Czech Republic, Hungary, Poland	East Germany	East Germany, Romania, Slovakia, Czech Republic, Hungary, Poland
Industries	Production industry	Manufacturing industry	Production industry, selected services	Production industry, selected services	Production industry, selected services	Production industry, selected services	Production industry, selected services	Production industry, selected services
Types of FDI	Inward FDI	Inward FDI	Inward FDI, Outward FDI	Inward FDI, Outward FDI	Inward FDI, Outward FDI	Inward FDI, Outward FDI	Inward FDI, Outward FDI	Inward FDI, Outward FDI
Sample	434	295 EG, 514 CEE	638 Inward, 43 Outward	Inward: 632 EG, 616 CEE; Outward: 46 EG, 488 CEE	614 Inward, 94 Outward	Inward: 573 EG, 620 CEE; Outward: 73 EG, 113 CEE	421 Inward, 72 Outward	Inward: 317 EG, 751 CEE; Outward: 49 EG, 85 CEE
Thematic Focus	Technological upgrading	Technology transfer and spillovers	Performance, Expectations	Investment motives and location factors	Performance, Expectations	Linkages of production and technologies	Performance, Expectations, Innovation	Upgrading

Notes: *pilot study; EG = East Germany; CEE = Central and East European countries.

The IWH FDI Micro Database has already generated a substantial body of publications in international journals and professional qualifications.²

2.3 Management-Buy-Outs

Management-Buy-Outs (MBO) were of great importance during the transition process from a planned to a market economy in East Germany. Medium-sized owner-managed companies, characteristic of market-based structures, did not exist in the German Democratic Republic. MBOs were seen as a way to promote the development of an independent entrepreneurial middle class in the new federal states. In order to analyse the economic situation of East German MBOs in detail, the IWH conducted a unique survey among all MBOs in the new federal states at the time. A comprehensive description of the study can be found in Barjak et al. (1996).

In November 1995, questionnaires were sent to a total of 1793 companies based on BvS-information (*Bundesanstalt für vereinigungsbedingte Sonderaufgaben* – Federal Agency for Special Tasks associated with Unification). Based on the information available at the time about the contacted companies at the end of the field phase in mid-1996, the population was corrected downwards to 1648 companies. 601 of the questionnaires were evaluable, equivalent to a response rate of 36.5%.

Aside from key business figures, participants were asked to provide information on their products, sales, and innovation activity since takeover. The main points of interest were where the MBOs saw causes for liquidity problems, which methods they used in finance and accounting, motives for the takeover of the company, whether there were renegotiations, and how the MBOs viewed business development measures. Furthermore, the survey should answer the question of whether the contract conditions of the takeover had an impact on the subsequent development of the company.

3 Data access

The use of FDZ-IWH data by external users is limited to research projects. At present (August 2016) the four datasets described above are available for scientific use.

² For a full list see: <http://www.iwh-halle.de/projects/2010/fdi/e/Publikationen.asp>. For a comprehensive description of the FDI Micro Database, including information on the motivation, the basic population, survey sampling and implementation, please refer to Günther et al. (2011).

External researchers interested in working with IWH data can apply for data access through the FDZ-IWH. For each dataset, users can find the name of a contact person on the website of the relevant dataset, or they can contact the FDZ as a point of contact for all offers. Since the data provided by the FDZ-IWH is formally anonymised, access is only provided on-site in order to comply with data protection regulations, and on-site use can be granted as part of a guest stay at the IWH. For further information on guest stays (scheduling, premises, support) please contact the IWH Research Data Centre. One exception to this is the FDI Micro Database, which since 2011 has not only been available as a formally anonymised version at the FDZ-IWH, but also as a factually anonymised scientific-use file. In this file, some variables have been recoded or removed to comply with data protection regulations and to rule out the possibility of identifying the participating enterprises. In order to ensure the most convenient access to these scientific-use files, they are hosted at the Data Archive at the Leibniz Institute for Social Sciences (GESIS). For detailed information on how to order scientific-use files of the FDI Micro Database, please visit the website of the FDZ-IWH.

For more information on data access or the terms of use regarding IWH data, please contact the FDZ-IWH (fdz@iwh-halle.de).

References

- Barjak, F., G. Heimpold, M. Junkernheinrich, B. Loose, R. Skopp (1996), *Management-Buy-Outs in Ostdeutschland*, IWH Sonderheft, 2/1996.
- Ehrenfeld, W. (2015), *RLPC: Record Linkage Pre-Cleaning– Technische Dokumentation der Routinen*. IWH Technical Reports, 02/2015.
- Günther, J., A. Gauselmann, P. Marek, J. Stephan, B. Jindra (2011), *An Introduction to the IWH FDI Micro Database*. *Schmollers Jahrbuch/Journal of Applied Social Science Studies* 131(3): 529–546.
- Lang, C. (2016), *IWH-Industrienumfrage zum Jahresauftakt 2016: Hoffnung auf nachhaltigen Aufschwung*, IWH, *Konjunktur aktuell*, 1/2016, pp. 34–37.
- Loose, B. (2016a), *IWH-Bauumfrage im ersten Quartal 2016: Hochkonjunktur im Ausbaugewerbe*, IWH, *Wirtschaft im Wandel*, 2/2016, pp. 33–35.
- Loose, B. (2016b), *IWH-Bauumfrage zum Jahresauftakt 2016: Wohnungsbau im Jahr 2016 der entscheidende Impulsgeber*, IWH, *Konjunktur aktuell*, 1/2016, pp. 30–33.
- Ludwig, U., F. Exß (2016), *IWH-Konjunkturbarometer Ostdeutschland: Gute Aussichten nach schwachem Start in das Jahr 2016*, IWH, *Konjunktur aktuell*, 2/2016, p. 43.