The Ifo Institute for Economic Research was established in 1949 and is now one of the leading economic research institutes in Germany. It is a private, independent, non-profit institution that is financed, according to Article 91b of the German Constitution, by the German federal government and the German states as well as by project-related funding from various sources. Its mission is to act as an internationally oriented centre of empirical economic research and as a provider of services for the research community, private businesses, the public administration and the general public by generating data and information regarding economic development at the national and international level, thus stimulating the debate on economic policy in Germany and Europe. Based on close linkages and a lively co-operation, the Ifo Institute was officially proclaimed an institute at the University of Munich in 2002. In many other ways, the institute has established an exchange of ideas and persons with research institutions, universities and researchers throughout the world.

The ‘Ifo Economic Policy’ published with Edward Elgar Publishing Ltd is meant to bring work emerging from Ifo research and from our research co-operations to the attention of an international audience of policy-makers, academics and business people. The studies included in this series are either international in their themes, dealing with important aspects of economic development and institutional design that are looked at in a comparative fashion or are of relevance at a supra-national level. Or, alternatively, even if the contributions are to some extent focused on the economic situation and economic policy in Germany or Europe, they are considered to be of broader interest, for instance, because the set of problems to be dealt with as well as potential solutions for these problems are basically similar elsewhere. In any case, with the initiation of this book series, we want to contribute to establishing a joint, international forum for the discussion of results of applied research on economic policy issues that are topical around the world.

Hans-Werner Sinn, President, Ifo Institute