

Editorial

SOEP 2010: The 9th International Socio-Economic Panel User Conference

The 9th International Socio-Economic Panel User Conference attracted a large interest within the SOEP-scientific community and was a great success. About 130 proposals were submitted, in total, mainly by economists, sociologists, psychologists, political scientists and geographers, covering a wide range of research topics such as income inequality, well-being and happiness, social mobility, health issues and intergenerational research.

From the large pool of submissions, 58 proposals were accepted for presentation, 17 for poster presentation. The 9th International Socio-Economic Panel User Conference took place from June 30 to July 1, 2010 at the Social Science Research Centre (WZB). The event provided the participating researchers and their audience with an opportunity to exchange and discuss their research results during 16 organized sessions and 2 poster sessions chaired by members of DIW Berlin's SOEP department as well as external researchers. The research papers presented are evidence of the variety of research perspectives household panel data offer. In particular, such data enables us to analyze processes of individual or household socio-economic mobility over the life span, to test the influence of institutional changes on individuals' behavior in Germany or from a cross-national perspective, or to understand the processes underlying the intergenerational transmission of well-being, attitudes and values.

The conference was accompanied by two keynote speeches: in her presentation on "*Learning about Economic Behavior from German Reunification: Savings and Preferences*", Nicola Fuchs-Schündeln presented her work on how living under a communist regime in East Germany shaped people's view of what the government should do in terms of providing a safety net for citizens in case of financial hardship. The key finding of her joint study with Alberto Alesina, published in 2007 in the *American Economic Review*, is that the experience of living under communism in East Germany resulted in higher levels of redistribution compared to West Germans who had always lived in a market-based economy. Moreover, Nicola Fuchs-Schündeln also gave a short summary of her work on the impact of German reunification on household savings behavior. On the last day of the conference, Richard Lucas, who was awarded the Third Felix Büchel Award, gave a key note speech about the life-course perspective on people's happiness.

For this special issue of *Schmollers Jahrbuch*, 18 conference papers were selected using a peer review process. The papers were grouped according to six thematic foci: *family and inequality*, *intergenerational transmission*, *labor market mobility*, *income inequality*, *health*, and *policy effects on behavior*.

The papers that fall within the *first thematic focus* address the situation of families, adolescents and young adults in Germany.

Radenacker analyzes the economic consequences of family break-ups on household income in Germany and the US. The cross-national comparison shows that the German welfare state compensates more of the income losses than the American welfare state. Over time, the negative effect of family break-ups decreases only slightly in Germany, whereas the decline is more distinct for US women.

Arránz Becker and *Lois* ask how the quantity and quality of leisure time activities affect the transition to parenthood. They show that strongly leisure-oriented women exhibit lower transition rates to first motherhood, particularly if no informal childcare is available. Moreover, respondents with a strong preference for outdoor leisure activities tend to delay the birth of their first child; yet, they do not end up with a higher level of childlessness at age 41.

Using a biographical approach, *Keller* analyzes the long-term consequences of teenage motherhood for educational and employment outcomes as well as for partnership stability. She finds considerable disadvantages for teenage mothers in all three areas when compared to older mothers. However, the lower labor market participation and higher partnership instability of teenage mothers are mainly caused by factors other than pregnancy at early age.

Pfeiffer and *Seiberlich*, analyzing, among others, the data collected in the SOEP-youth questionnaire, find that the prevalence of youth economic and social exclusion – conceptualized as ‘youth disconnectedness’ – have been increasing since 2001 and that the determinants of this vulnerability are deeply rooted in the childhood and family context.

As a household survey with a follow up design, the SOEP allows for analyses on the *intergenerational transmission* of status and behavior. Two of the three papers in the *second part* of this special issue deal with the reproduction of economic inequality.

Eberharter compares intergenerational elasticity and poverty risks in Germany, the US and the UK, three countries with different family role patterns. Accounting for parental and children’s characteristics and analyzing data from the Cross National Equivalent File (CNEF), she finds that Germany does not have lower intergenerational income elasticity than the other countries studied, although it is characterized by a relatively traditional family role.

The third paper by *Leopold* and *Schneider* addresses the question of the factors that explain the chances of getting gifts or bequest and their size. The

socio-economic background and number of siblings are decisive explanatory factors. Furthermore, the authors' findings indicate that men are not only more likely than women to receive gifts from their parents or grand-parents, they also benefit from a higher transfer value.

The study by *Lillard* aims to analyze the causal impact of parents' smoking behavior on their children's propensity to smoke. The author uses the price of cigarettes and a log of the number of articles published in magazines warning about the health risks of smoking during the years the parent was aged 15–19 as exogenous variation for parents' smoking behavior. The study's key finding is that children are not more or less likely to smoke if their parents smoke.

The papers falling within the *third thematic focus (Labor market mobility)* all make use of the longitudinal setting of the SOEP and provide analyses on job mobility, employment or unemployment and earnings.

Giesecke and *Heisig* study how the job-shift patterns of West German workers changed between 1984 and 2008. Their results suggest a considerable reduction in the rate of within-firm job changes, especially for men in large companies and with limited labor force experience, which can be interpreted as evidence for a decline of internal labor markets and increasing difficulties at labor market entry. Moreover, they find that the rates of between-firm mobility and employment exit have risen, primarily for poorly educated men and women.

Bergemann and *Riphan* study the impact of a change in the parental leave benefit system in 2007 in Germany on the intended labor supply behavior of young mothers. The parental leave benefits system was changed from a means-tested transfer scheme to an earnings-related benefit system. The authors find that mothers with low household income or low pre-birth earnings are found to display a higher propensity and intended speed of return to the labor market in the new than in the old regime.

The last two papers within this section focus on the scar effect of unemployment. *Schmelzer* analyses the income effects of direct (job-to-job) and indirect (via unemployment) job mobility at the beginning of the employment career in Germany and the UK. He finds that, in the rigid German labor market, only direct voluntary job mobility brings an increase in income rewards, while indirect job mobility has a long-lasting scar effect. In contrast, in the UK, not only voluntary direct job mobility, but also voluntary indirect job mobility is rewarded by income gains.

Manzoni and *Mooi-Reci* investigate the scar effects of unemployment by asking how spells of unemployment affect the risk of further unemployment spells and increasing career complexity. Findings suggest that unemployment does indeed lead to further unemployment and increases career complexity. Yet, the latter is even higher if spells of unemployment are experienced at older ages.

The *fourth section* deals with *income inequality* and is composed of three papers, two of which are international comparisons.

Biewen and *Juhász* analyze to what extent employment changes can explain rising income inequality in Germany. Their results indicate that changes in employment patterns can only explain 14% of the observed inequality increase and around 23% of the poverty increase. This implies that other factors like changes in the wage structure and in the distribution of household types or institutional changes like tax reforms were more important for the increase in income inequality.

Bayaz, *Burkhauser* and *Couch* compare trends in intragenerational income mobility for West Germany and the US for the period from 1984–2006 and test the sensitivity of their results to the starting point and number of years considered. They find that the estimates of mobility do not converge to a constant over time. The starting year that is chosen for the analysis is significant. Their results suggest that income mobility in West Germany declined over time and is now much closer to income mobility in the US than in the 1980s.

In their paper, *Schmaus* and *Bould* analyze the relative income situation of women and men after couples' separation in Germany, France, the UK and Denmark. They find that women are the losers: this is especially the case in Germany but also in France in comparison with Denmark where the gender gap is the lowest after separation. The authors' results stay robust even when different equivalence scales are applied.

The *fifth section* of this special issue focuses on *health*.

Becker and *Kurz* study how socio-economic differences in parental child health investment can be explained by various socio-economic background characteristics in the family. Using data from the 2003 to 2008 SOEP newborn questionnaires, the authors analyze the association between migration status, education, time transfers and social resources in the family and the participation in a preventive health care program for newborn children. The authors find a positive relationship between mothers' levels of education and the amount of time they spend with their children and the likelihood of participation in the preventive health care program for children.

Klein and *Hulleigie* examine whether private insurance coverage has an impact on the number of doctor visits, the number of nights spent in a hospital and people's self-reported health status. The authors exploit variation in income around the compulsory insurance threshold as exogenous variation to exploit selection into private insurance. They report negative effects of private insurance coverage on the number of doctor visits, positive effects on health status and no effects on the number of nights spent in a hospital

Finally, the two papers in the *final section* analyze the *effect of policies* on individuals' behavior. In her paper, *Kuhn* compares Germany, the UK and Switzerland by analyzing the effect of electoral campaigns, i.e., the number of days until the next election on the changes in party preferences in those count-

ries. The author finds that, the closer the electoral campaign, the more likely individuals are to change their party preference. Furthermore, the results are similar for the three countries: the effects of temporal proximity to the election are stronger for persuasion, i.e., a change to another party preference than for deactivation.

Brüderl and *Ludwig* study the impact of public smoking bans in Germany on people's smoking behavior. The authors investigate, using fixed-effects panel models, whether the introduction of the smoking bans in 2007 and 2008 had an impact on the prevalence and intensity of smoking. Their findings suggest that the introduction of public smoking bans in Germany was not successful in reducing people's smoking behavior.

This special issue, as well as the other papers presented at the SOEP 2010 Conference, demonstrates the wide range of topics addressed by scholars of various disciplines and the palette of methodologies they apply to longitudinal survey data. The success of this conference was made possible by the commitment of an irreplaceable team composed of Christine Kurka, Christiane Nitsche, Uta Rahman, Michaela Engelmann and many student assistants who took charge of the planning and bookings, designed the flyer, managed the conference website and organized the catering. On site, they also took care of the conference participants over the two days and ensured that the conference ran smoothly. Our special thanks go to them all for their hard work. Furthermore, we would like also to thank the team from the Social Science Centre (WZB) for managing the conference venue logistics. Finally, we would also like to thank the conference sponsors, Stata and Dittrich & Partner Consulting for their generous financial support. Thanks should also go to Annette Jäckle and Michaela Riediger for their help and support in selecting the conference papers.

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*Kathrin Leuze
Thomas Siedler
Ingrid Tucci
Arne Uhlenдорff*