

## FOREWORD

This edition marks the seventh annual report of the European Economic Advisory Group (EEAG) at CESifo. This year, the report focuses on the chances and challenges of globalisation. After providing a somewhat clouded business forecast for Europe and the world, the report discusses, among other things, the impact of globalisation on the European labour markets, public policies against global warming and the role of industrial policy in globalised goods markets. Non-partisan as the Group is, it can offer fresh and unconventional views for policymakers that are nevertheless all firmly based on sound economic reasoning.

The EEAG, which is in toto responsible for this report, consists of a team of seven economists from seven European countries. This year, the Group is again chaired by Lars Calmfors (Institute for International Economic Studies, Stockholm University) and includes Gilles Saint-Paul (University of Toulouse, vice chairman), Giancarlo Corsetti (European University Institute, Florence), Michael Devereux (University of Oxford), Jan-Egbert Sturm (KOF Swiss Economic Institute, ETH Zurich), Xavier Vives (IESE Business School) and myself. The members of the Group as a whole are responsible for all chapters. They all participate on a personal basis and do not represent the views of the organisations they are affiliated with.

As always, the report benefited greatly from the support of the Ifo Institute, which provided the European business forecast, as well as from help provided by the Center for Economic Studies of the Economics Faculty of Ludwig–Maximilian University. I wish to thank the members of the group for investing their time in a challenging project and I gratefully acknowledge valuable assistance provided by Tobias Seidel (research co-ordinator), Maximilian von Ehrlich (research assistant), Oliver Hülsewig, Wolfgang Nierhaus and Timo Wollmershäuser (business forecast), Paul Kremmel (editing), as well as Elsitä Walter (statistics and graphics) and Elisabeth Will (typesetting and layout). Moreover, I wish to thank Swiss Re and the Netherlands Institute for Advanced Study in the Humanities and Social Sciences (NIAS) for hosting two of our meetings.

Hans-Werner Sinn  
President, CESifo Group  
Professor of Economics and Public Finance,  
Ludwig–Maximilian University, Munich

Munich, 20 February 2008