

NEWSLETTER OF THE FACULTY
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WiwI^{news}



++++ p. 2 Editorial ++++ p. 3 Research ++++ p. 5 Foreign languages ++++
p. 6 Portrait of an Alumnus ++++ p. 7 Studies Abroad ++++ p. 8 News from
the Faculty ++++ p. 9 Awards and Honors ++++



Dear students, colleagues,
alumni, friends, and
supporters of our Faculty,



Prof. Dr. Alfons J. Weichenrieder

I wish to welcome you at the start of our new summer semester – especially those who are commencing their studies with us. To be able to begin a bachelor course in summer at a German university is an opportunity that can no longer be taken for granted. All the more am I pleased to see that we have reached a new peak in summer applications. This has also raised the standard of Abitur grades required for admission. My best wishes for the coming three years go to those who have already been granted a place. Studying at the Goethe University is supposed to provide our students with a lasting experience that enriches their lives and lays a sound foundation for a fulfilling career.

It is no secret that the state of Hesse is facing serious economic pressure. At the same time, the Ministry of Higher Education, Research and the Arts is emphasizing its policy of admitting increasing numbers

of students. These are frame conditions we cannot elude. In order to cope with the negative effects of the reduced budgets, we have raised our admission rates in summer 2011, as we already had in the winter semester 2010/11, which leads to increased capacity utilization of both lecture rooms and libraries. All the same, the study situation on our campus is still excellent. This is also confirmed by our students. Towards the end of the winter semester, we carried out our second broad survey among our bachelor students, to which we received more than 750 answers. One central question was to what extent our students agreed with the statement, “Overall, I am very pleased with the Bachelor of Sciences courses in Economics and Business Administration/Business Education at the Goethe University.” At a mean value of 4.5 (on a scale from 1 to 6), the statement is finding broad support. The result is even better than in our previous year’s survey, where

the average mark was 4.2. The entire assessment of the survey is to be found on our Faculty’s website (only available in German language):

www.wiwi.uni-frankfurt.de/mein-wiwi-studium/ssix-info-center/evaluation-der-lehre.html.

More good news has been in the papers lately. The decision to form a “House of Finance Foundation” has finally been settled. This will entail valuable support for our teaching and research. The founders, namely *Deutsche Bank*, the *Landesbank Hessen-Thüringen*, the *Deka-Bank*, the *DZ-Bank* and the *Deutsche Vermögensberatung* have promised to raise the foundation capital by an additional amount of €16 million. Furthermore, some previously promised resources from *UBS*, *Bankhaus Metzler* and *Gesamtverband der Deutschen Wirtschaft* will be rededicated to the foundation. The Faculty’s sincere and cordial thanks to the founders! Their means will make it a good

deal easier to defend our achieved position in teaching and research and to further improve it in the field of finance and capital market research in particular.

My best wishes for the summer semester!

A handwritten signature in blue ink that reads "Alfons Weichenrieder".

Yours, Alfons Weichenrieder

Dean of the Faculty of Economics and Business Administration

Interview with Kristina Czura



Since fall 2007, **Kristina Czura** has been a doctoral candidate in our economics Ph.D. program; in 2008, she was granted a Royal Bank of Scotland scholarship.

She started working in Prof. Stefan Klonner's Chair of Foreign and Development Economics, after whose departure she joined the team of Prof. Matthias Schündeln's Messe Frankfurt endowed Chair of International Political Economy. In her doctoral project, she is researching matters of development economics with a special focus on microcredits.

[You have been working on your doctoral thesis at the Faculty of Economics for three years. Why did you decide to pursue a doctorate, and why did you decide to do it in Frankfurt?](#)

KC: During my studies of political economics in Münster and Stockholm, I was an active member of the international student organization AIESEC. These activities gave me a host of valuable experiences in practical leadership and strategic process planning; however, I also wanted to deal with economic matters in the developing countries from a theoretical angle so I could contribute to better-informed political deci-



Kristina Czura and Sarah Linders in Bihar, India

sions. Consequently, I decided to pursue a doctorate following my graduation, investigating development issues. I am particularly interested in the imperfections of the markets in developing countries and in innovative solutions such as microcredits.

I chose Frankfurt because its Faculty's structured Ph.D. program in economics guarantees a comprehensive methodological training. It allowed me to learn a great deal in just one year while making up my mind what area I wanted to specialize in. Since the Goethe University also has two chairs concerned with matters of development economics, Frankfurt was the perfect choice.

[Your doctoral project is about microcredits. Can you briefly explain what exactly microcredits are?](#)

In formal credit markets, creditors typically request securities to guarantee repayment

– this holds in developing countries as much as in industrialized ones. In addition, there are public credit registers such as the German SCHUFA. In most cases, however, poor people do not own land or other valuables to pledge as a security. Consequently, they have no access to the formal credit market. Their only alternative is to utilize informal credit from moneylenders at significantly higher interest.

The classical picture to describe microcredit is that of a poor woman who is granted a \$100 credit to buy a sewing machine and make her living with it. Reality, however, is a bit different – there is a broad variety of micro financial institutions (MFI's). Some focus on smaller loans backed by development aid and predominantly aiming at social goals. Others are very similar to banks and operate in a more profit-oriented manner. Some, such as the Banco Compartamos in Mexico or SKS in India, are even listed on the stock exchange. What all MSIs

have in common is that they use innovative mechanisms to facilitate low-interest credit for people who have no access to the formal credit market.

[What is your special interest in this matter?](#)

When I started, I thought microcredits were some kind of market-based instrument of development policy. I found this an exciting new concept, especially because many other instruments of development policy at the micro level have failed to improve the overall economy of developing countries. Now my view on microcredits is a bit less idealistic. They do help to smooth out market imperfections, but they are by no means the universal remedy they once used to be seen and praised as. Another exciting question is what borrowers really use microcredits for: do they indeed generally invest them in order to generate revenue, or are microcredits also used for consumption purposes?

What are you occupied with right now?

At the moment, my colleague Sarah Linders and I are working on a research project in Bihar, India. We are cooperating with an MFI supervised by the Royal Bank of Scotland Foundation India and trying to develop a new kind of credit product. Bihar is subject to regular floods, and the MSI plans to offer some kind of “disaster loan.” We are investigating how the people in the region are generally dealing with recurrent floods and other income shocks and what role microcredits could play in this context.

Thanks to the support of the Royal Bank of Scotland and the Frankfurt University Friends and Supporters Association, we will be in Bihar from March to April 2007 doing a survey among 400 households.

The reputation of the idea of microcredits has suffered during the last years because repayment often puts debtors under great pressure. Doesn't that contradict the original idea? What is your opinion on the current debate?

The Centre for Microfinance (CMF) in Chennai, India, where I have done a research placement, has published a study on micro finance in Andhra Pradesh. Andhra Pradesh is the Indian federal state where credit redemption has brought about problems to the extent of debtors' suicides. These difficulties were caused by borrowers' debt overload with several lenders, driven by increasing competition



Kristina Czura

and an oversupply of loans. This has made obvious a serious regulation gap in micro finance: there are no public credit registers to disclose information about debtors' credit history. If such registers existed, it might be possible to prevent debt overload in the first place.

Do you think the concept of microcredits has a future? What could be changed to ensure its future success?

I see little problem with the current concept of microcredits. As long as there are regions with insufficient supply of formal financial institutions, they are very beneficial for the people. This is the case, for instance, in Bihar, where our research project is taking place. Nevertheless, the Andhra Pradesh crisis has shown that there are regulatory gaps for micro finance institutions that need to be eliminated.

In conclusion: What are your own plans for the future? Will you stay in research, or do you rather feel drawn to practical development work?

I would love to stay in research – although the job prospects in the field of development economics in Germany are not exactly great. I like the intellectual challenge, and I love to do research. This kind of work gives me the feeling of being able to set things in motion – for instance, at the very least, in the form of a new credit product that helps people secure their livelihood even in times when their fields are flooded.

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Interview with Françoise Weber, director.

Key qualifications are important components of our courses of study. Why do you recommend our students to learn foreign languages for economics and business administration?

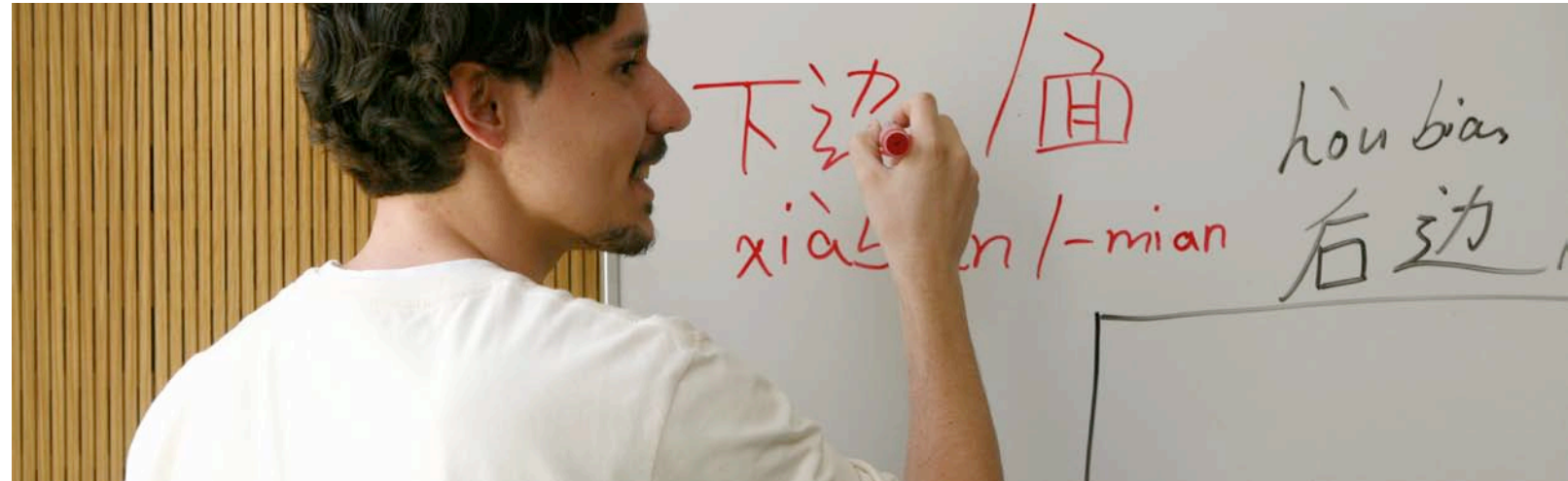


Weber: By learning foreign languages, students gain access to new cultural areas. Our courses not only teach language competence but also impart important background

knowledge for successful communication in an international environment. Today, English is, of course, indispensable and spoken by everybody; however, in some situations it is good to be proficient in a second or even a third foreign language. Naturally, it's up to the student to make that decision.

“Languages are best learned abroad” – do you agree with this claim?

Weber: Of course, you can perfect your proficiency in the most effective and fastest manner abroad. On the other hand, in order to really benefit from a foreign semester, you should already dispose of a very high command of the respective foreign language. After all, it is crucial to be able to follow lectures in the foreign language from the very beginning, which requires a sound knowledge of specialized expressions and the cultural background of the country in question.



I recommend attending our language classes for economists from the first semester on, so that students have enough time to build their competence. In addition, the business language certificate is prerequisite to early application to any of the foreign university places, which are in high demand. Even students who do not wish to spend time abroad during their studies will in this way be able to acquire a solid language competence for their later career choices.

What is the teaching concept? What is special about it?

Weber: All our teachers are excellently trained and have long-standing professional experience. Furthermore, they are all native speakers, which is a great advantage. The courses are based on a standardized didactic concept to guarantee that the same content and degree of difficulty are maintained across parallel classes. In this way, we also ensure that all students become familiar

with the respective economic language in a systematic manner. The classes are limited to a maximum of 20 students to allow for active and individual support.

Is there a fee for the courses?

Weber: Our preparation courses are offered as a complement to the existing study programs, so there is a fee.

From the third semester on, our foreign language courses for economists can also be attended within the framework of the elective module of our Bachelor study program, where they are free of charge. The same applies to some of our Master study programs. To attend these classes, however, an excellent knowledge of the respective professional terminology is required; for this reason it is recommended starting business languages as early as the first semester.

How can students register?

Weber: About four weeks prior to the course kick-off, the application form is published on www.wiwi.uni-frankfurt.de/en/international/languages/registration-information.html.

Places are assigned in the order of registration. The application, however, is only valid when the fee is paid in time, because in the students' best interest, we attach great value to the concept of having fixed learning groups from day 1 so that teaching can start without delay.

For all languages there are courses at different levels. Accordingly, homogeneous groups and the resulting learning success can only be ensured by assigning students to the right level. In order to help students with their self-evaluation, we offer placement tests for our courses in foreign language: English for Economists, French for Economists, and Spanish for Economists on the e-learning platform WebCt.



How many students make use of these possibilities?

Weber: Per semester, the classes are attended by roughly 550 students from our Faculty. We offer a total of 35 courses: 22 in English, four in French, and four in Spanish. In addition, there are three Chinese and business Chinese courses and one Japanese course. All these classes are usually well attended, so I recommend students to register as early as possible.

Where can interested students find all the required information at a glance?

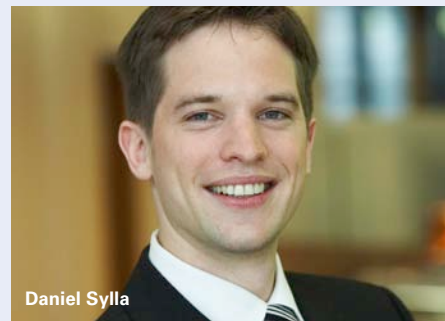
Weber: If you want to learn more about our Faculty's language program, I suggest you visit our homepage on www.wiwi.uni-frankfurt.de/en/international/languages.html.

There you will find all the necessary information as well as links to the placement tests and application forms.

For any further questions, please feel free to contact me by e-mail at wis@wiwi.uni-frankfurt.de and make an appointment, if necessary.

I wish all students a successful semester!

Portrait of an Alumnus



Daniel Sylla

You were one of the first graduates of the Bachelor in Economics and Business Administration. Today you are a 'ProTeam Management Trainee' at Deutsche Lufthansa AG. Did you feel optimally prepared by your studies?

Sylla: In my view, studying teaches you two things: self-organization and processing complex information. Both are everyday challenges in professional life. You need to learn to structure your tasks, to arrange them in the order of relevance and to get them done. Accordingly, 'getting things done' is a property any graduate has practiced in order to master their studies. It is of particular importance to be able to filter relevant pieces of information from a plethora of data and to understand and process them without losing track of things. Moreover, economics students in Frankfurt are provided with an especially well-founded and broad view of the issues and challenges that matter to enterprises. One important difference between job and

university is that in professional life, solutions rarely have the accuracy of a mathematical equation. In practice, projects tend to be significantly more complex so they can hardly be tackled with standard procedure.

Following your Bachelor graduation, you proceeded to do a Master course abroad before taking up a job.

Sylla: Irrespective of the fact that studying in Frankfurt was real fun, I chose another university for my Master studies. I had had the opportunity to get to know England and the University of Southampton as an Erasmus student, and I liked it a lot. So I returned there. This additional excellent education plus the foreign experience certainly were two factors that have helped me find a job afterwards.

Can you give us an idea of your everyday professional life? Do you think studying was a "piece of cake" in contrast?

Sylla: Looking back, I must say that my studies were quite strenuous and demanding; yet I fondly remember many wonderful moments with my fellow-students, the move to the new campus and the good feeling of having successfully completed another semester.

The main difference versus professional life, however, is that as a student, you can manage your time much more freely. A professional workday is more structured

and filled. As a student you seem to be studying all the time in a way, even in your leisure time. For an employee, work and leisure are more clearly separated, which helps to better recreate over the weekend.

What are your plans for the future?

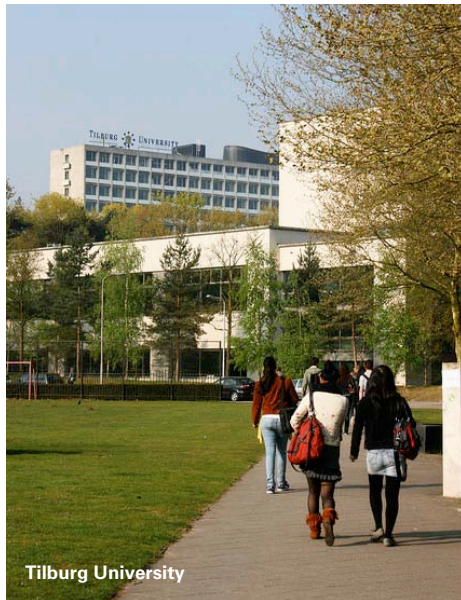
Sylla: Right now I am a trainee at Deutsche Lufthansa AG. I would like to stay with the Group subsequent to the program. There are a host of exciting opportunities and tasks I am really looking forward to.

In retrospect – how do you assess the Bachelor program in Frankfurt?

Sylla: The Frankfurt Bachelor program is very demanding and very quantitative, so the education has very high standards. Graduates will be able to analyze and comprehend highly complex problems, which is extremely beneficial in professional life. On the other hand, it is sometimes quite difficult to understand the practical relevance and connection of the skills obtained. Personally, I found my time at the Goethe University most enriching. I am still in touch with many of my fellow-students as well as some Faculty members. I always love to come back to the campus and to enjoy the atmosphere of my time as a student.



Lufthansa



Tilburg University



The Faculty of Economics and Business Administration has signed a new bilateral agreement with Tilburg University and will be exchanging students within the Erasmus Program beginning with the academic year 2011/12. Two study positions will be offered, for our bachelor's students and for students pursuing a "Master of Science in Money and Finance".

Tilburg University enjoys the reputation of being among Europe's best research universities in Business, Economics, and Law. The University holds position 1 as "Best Specialist University in the Netherlands"

according to the *Elsevier survey* (Elsevier's Higher Education Review 2010). According to a vote by Dutch professors for four consecutive years now, the programs in economics, in econometrics and operations research, in accountancy, in fiscal law, and in law ranked in position 1, and the business program ranked in position 2. Also in other rankings, such as the Shanghai Ranking (European top 10) and the CHE-Ranking, Tilburg University has attained outstanding positions.

The School of Economics and Management, with 5,000 students, is the largest and most international school of the university. Part of an excellent partner network of more than 90 top universities around the world, it greets over 180 exchange students per year. The teaching staff includes over 30% international professors. Tilburg is also a program partner of the CFA (Chartered Financial Analyst) Institute. The School is a member of the European Foundation for Management Development (EFMD) and is accredited by the Association to Advance Collegiate Schools of Business (AACSB) International, showing its excellence in management education and indicating its commitment to quality and continuous improvement.

Tilburg is an idyllic, modern, lively, and cultural city and a true university city too. The 25,000 students amount to one-eighth of the population. www.tilburguniversity.edu



University of Rotterdam

A new cooperation, also in the Netherlands, has been initiated with the University of Rotterdam and its *Erasmus School of Economics*



(ESE). Today's ESE was established in 1913 as the Netherlands School of Commerce (Netherlands Handels-Hoogeschool). It has grown to become one of the leading academic institutions in the Netherlands, with accreditations such as that of the Association to Advance Collegiate Schools of Business (AACSB). The research-driven education offered by the ESE enables its alumni to find their way rapidly into the business, government, or academic world.

Exchange students can be enrolled in the International Bachelor Economics and Business program or one of the four international master's programs: MSc in Economics and Business, MSc in Accounting, Auditing, and Control, MSc in Econometrics and Operational Research, and MSc in Econometrics

and Informatics. 4,470 students study at the ESE, among them 695 international students.

Rotterdam University is a modern institution, situated close to one of the world's largest ports – the Rotterdam harbour – and the business district. The modern Campus Woudestein has a very good infrastructure, which is in the process of being even further improved and enlarged, and offers an inspiring learning environment.

www.eur.nl/english

The Erasmus exchange program comprises two study positions (undergraduate and graduate) within the Erasmus program, starting from the academic year 2011/12.

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Peter Gomber elected member of Key Frankfurt Stock Exchange Body



Peter Gomber, Professor of e-Finance at the Faculty of Economics and Business Administration, has been elected a member of the Frankfurt Stock Exchange's Exchange Council. As controlling and supervisory body the Exchange Council is responsible for the appointment, dismissal and supervision of the management board.

New Professorship in Business Education



As of April 1, 2011, the Department of Business Education has two professorships again. **Prof. Gerhard Minnameier** has succeeded Prof. Horlebein and taken over the Chair of Economic Didactics.

Born in the German region of Franconia, Prof. Minnameier studied business education at the Friedrich Alexander University in Erlangen and Nuremberg. After some years of working as a school teacher, he earned his doctorate and his postdoctoral lecture qualification at the

Johannes Gutenberg University in Mainz. Since 2005, he has held the chair of professional and business education at the RWTH Aachen. His work focuses on teaching and learning theory and professional didactics. In addition, Prof. Minnameier performs research on the development of moral thinking and complex cognitive structures.

Jan Pieter Krahn and Helmut Gründl to advise European Supervisory Authorities



Jan Pieter Krahn, Professor of Corporate Finance at the Faculty of Economics and Business Administration and Director of the Center for Financial Studies, has been nominated a member of the Group of Economic Advisors for the Committee of Economic and Markets Analysis (CEMA) of the European Securities and Markets Authority (ESMA) – another part of the ESFS. CEMA provides economic expertise to ESMA by monitoring market developments, identifying risks and vulnerabilities, and providing impact assessments and cost-benefit analyses. The Group of Economic Advisors has been set up to help CEMA with risk identification and the development of relationships with academics and market participants.



Helmut Gründl, Professor of Insurance and Regulation and Managing Director of the International Center for Insurance Regulation (ICIR) at the House of Finance,

has been appointed a member of the Insurance and Reinsurance Stakeholder Group of the European Insurance and Occupational Pensions Authority (EIOPA). EIOPA is part of the newly created European System of Financial Supervision (ESFS).

Stefan Gerlach to advise the Swedish Financial Supervisory Authority



Stefan Gerlach, Professor of Monetary Economics at the Faculty of Economics and Business Administration and Managing Director of the Institute for Monetary and Financial Stability (IMFS), has been appointed Scientific Advisor to the Swedish Financial Supervisory Authority (Finansinspektionen or FI). FI supervises and monitors all companies operating in Swedish financial markets.

www.stefangerlach.com


Young Academics Appointee



Alfons Weichenrieder, Professor of Economics and Public Finance at the Faculty of Economics and Business Administration, has been elected young academics appointee by the members of the *Verein für Socialpolitik*.

This economists' association, with 3800 members the largest of its kind in the German-speaking area, hopes to achieve a number of goals with this appointment. One objective in particular is to increase the transparency of the academic job market for doctoral students and postdocs. Interested parties such as teachers are to be provided with better information about business studies. Furthermore, the young academics appointee is supposed to develop seminar programs on matters such as academic etiquette and the best strategies for the submission of journal publications. The appointee will also give best-practice recommendations for implementation in graduate schools.

News Feeds

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www.wiwi.uni-frankfurt.de/en/news/information-feeds.html

Guggenheim Award



Prof. Weinblatt, Prof. Schefold and Prof. Guggenheim

On December 14, 2010, **Prof. Bertram Schefold** was the first laureate to be presented with the Guggenheim Award for the history of economic theory. With this prize, founded by Ben Gurion University in Israel, the international jury recognizes Prof. Schefold's work in the „History of Dogmata.“ The award was presented during a ceremony at Ben Gurion University in Beer Sheva.

Born in Basel, Prof. Schefold has been a full professor in the Faculty of Economics and Business Administration of the Goethe University since 1974. He holds honorary doctorates from *Tübingen University* and the Italian *Università degli studi di Macerata*. In addition, he is Honorary President of the *European Society for the History of Economic Thought* and Chairman of the *Stefan-George-Gesellschaft e.V.* He has served as a consultant to the German Federal Parliament and state parliaments on matters of energy politics on several occasions.

The prize for Prof. Schefold's work constitutes further recognition of his outstanding achievements not only in the field of economic theory, placing him at the top of the discipline.

Tilburg Ranking: rank 3 in Germany



In the second edition of the *Tilburg Economics Ranking*, published by Tilburg University in the Netherlands, the Faculty of Economics and Business Administration of the Goethe University has improved its ranking by several places. Internationally, it ranks 101st; within Europe, 31st. Among the German universities, this constitutes an excellent third place behind the University of Bonn and Munich LMU. Last year, the Faculty ranked 112th, 35th, and 5th, respectively.

The evaluation is based on publications in 68 leading international professional journals over a five-year period (2005–2009). The journals are not weighted. Each article by an academic is awarded one point for the respective university.

The Tilburg Ranking is led by renowned US universities: the first three places went to Harvard University (605 points), the University of Chicago (408), and New York University (353). The best-ranking European university is the London School of Economics, with 276 points, ranking 10th. The Goethe University obtained 47 points.

For the full results of the Tilburg Economics Ranking, visit <https://econtop.uvt.nl/>

Best-Paper-Award



Lars O. Pilz, Jörg Hoffmann, Nicolai Tschirner and Marko-René Susnik

In recognition of their outstanding performance during the seminar for bachelor students “European Integration – On its Way to an End?,” Jörg Hoffmann and Nicolai Tschirner received the “Best-Paper-Award.” The seminar was organized by Dr. Lars O. Pilz and Marko-René Susnik from the Department of Applied Econometrics and International Economic Policy.

In their obligatory homework assignment the two laureates dealt with topics like how to deal with the current stability crisis of the Euro and the question, if a common European social policy should be a desirable target of the Unions policy. Besides that, the seminar focused on topics like the EU's role in the current economic and financial crisis and possible perspectives of the European Union. We congratulate the two awardees for their emerged contribution to the seminar. *Lars Pilz and Marko-René Susnik*

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