

ZEW

Zentrum für Europäische
Wirtschaftsforschung GmbH

Centre for European
Economic Research



The Centre for European Economic Research (ZEW) is widely known for its empirical economic research. It has particularly distinguished itself nationally and internationally by analysing internationally comparative issues in the European context and by compiling scientifically important data bases. The ZEW is a non-profit economic research institute. It was founded in 1990. At present, 154 employees work at the ZEW. The ZEW's main tasks comprise economic research, economic policy counselling and knowledge transfer.

Economic Perspectives on Climate Change

The ZEW research department **Environmental and Resource Economics, Environmental Management** is primarily devoted to the **challenges of sustainable development**. It analyses questions of the transition to sustainable economic structures by applying state-of-the-art **micro-economic and micro-econometric methods** and develops politically feasible guidelines for action.

Rational decision-making support in almost every environmental policy field – including energy, transportation and climate policy – requires the **modelling** and, as far as possible, the **quantification of economic and environmental impacts** of alternative strategies. This is inevitable in order to identify and forcefully assess potentially conflicting goals. Moreover, size and distribution of potential adjustment costs determine the acceptability of transformations derived from sustainability considerations. Against this background the research department's commitment reflects a profile characterised by problem consciousness in the analysis of present environmental and economic policy issues as well as by scientific competence regarding the methods employed in the analyses.

The **expertise** of the research department is structured along five focus areas:

- ❖ **Innovation and Sustainable Development** (analysis of determinants and economic impact of environmental innovations, development of rules, indicators and strategies for sustainable development);
- ❖ **Energy Economics** (research on the trade-offs between the goals of affordable energy supply, security of supply and environmentally sustainable energy use, analysis of the liberalised European energy industries);
- ❖ **Transport and Mobility** (research on transport and mobility needs with respect to long-term sustainability, analysis of the shifts of transport modes and of transport efficiency);

- ❖ **International Environmental and Resource Policies** (research on the institutionalisation of cross-border and global environmental policy – notably the architecture of international climate agreements);
- ❖ **Macroeconomic Analysis of Environmentally Relevant Policies** (quantitative evaluation of policy regulation with particular interest in climate change policy by means of a model-based macroeconomic analytical framework).

The work of the department is typically financed by the European Union, national governments, national and international research funding institutions or private sector companies. **Research projects** are aimed at providing the base for informed decision making in energy or climate policy. Through its outstanding expertise in economic analysis and quantitative modelling the department is actively participating in a number of **international research networks**. Examples in the area of international climate policy are the Energy Modeling Forum (EMF) established at Stanford University or the Climate Policy Network covering four research institutions in Europe (ZEW and Fondazione Eni Enrico Mattei in Italy) and the United States (Massachusetts Institute of Technology and Resources for the Future).



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