

KLAUS LIEBSCHER AWARD

KLAUS-LIEBSCHER-PREIS



Klaus Liebscher Award for Scientific Work on European Monetary Union and Integration Issues by Young Economists from EU and EU Candidate Countries

On the occasion of the 65th birthday of Governor Klaus Liebscher and in recognition of his commitment to Austria's participation in European monetary union and to the cause of European integration, the Oesterreichische Nationalbank (OeNB), in 2004, established a "Klaus Liebscher Award." This award is the highest scientific distinction, the OeNB offers every year for two excellent papers on European Monetary Union and European integration issues written by young economists (up to 35 years) from EU Member States or EU candidate countries. The award is worth EUR 10,000 per paper. The papers are refereed by a panel of highly qualified reviewers.

The Klaus Liebscher Award is granted this year for the third time. The winners of the "Klaus Liebscher Award 2007" are *Harald Badinger* (Vienna University of Economics and Business Administration) and *Gert Peersmann* (University of Ghent, Belgium). The papers of the award winners are available as OeNB-Working Papers 135 and 136.

In the first paper, *Has the EU's Single Market Programme Fostered Competition? Testing for a Decrease in Markup Ratios in EU Industries*, Harald Badinger uses modern econometric methods to investigate the effectiveness of the EU's Single Market Programme to foster competition. Measuring the competitiveness of industries by the tightness of profit margins he finds that the Single Market Pro-

gramme leads to increased competitiveness in aggregate manufacturing and in construction. Services on the other hand have not become more competitive. The author concludes that the Single Market Programme has not been effective for services in the EU.

In the second paper, *The Relative Importance of Symmetric and Asymmet-*



ric Shocks: The Case of United Kingdom and Euro Area, Gert Peersmann investigates the effects of symmetric and asymmetric demand and supply shocks as well as monetary policy and exchange rate shocks on different currency areas. Quantifying these effects is important to assess whether two currency areas would benefit from a currency union. While symmetric shocks are conducive for a currency union, asymmetric shocks make such an arrangement less attractive. Using an econometric model he quantifies the effects of such shocks for the U.K. and the euro area on the one hand and for the U.K. and the U.S.A. on the other hand. The author finds that the U.K. does not yet form an optimal currency area with the euro area. 