13th Klaus Liebscher Award 2017

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) established in 2005 the "Klaus Liebscher Award". This award is the highest scientific distinction, the OeNB offers every year for up to two excellent papers on European monetary union and European integration issues written by young economists (up to 35 years) from EU member or EU candidate countries. The award is worth EUR 10,000 per paper. A panel of highly qualified reviewers referees the papers. The Klaus Liebscher Award was granted this year for the 13th time. Governor Nowotny and President Raidl presented the award and the award winners of 2017.

The winners of 2017 are *Jean-Marie A. Meier, London Business School for his paper Regulatory Integration of International Capital Markets* and *Filippo De Marco, Bocconi University,* for his paper *Bank Lending and the European Sovereign Debt Crisis.*

In his empirical paper, *Regulatory Integration of International Capital Markets,* Jean-Marie A. Meier analyzes the effects of an integrated regulatory framework for European financial markets on the financial system and the real economy. Using data from the process of the various EU regulatory steps to establish a single European capital market and a European market for financial services, he specifically examines the impact of this policy on the access of listed companies to external financing as well as the impact on investment and employment. He finds quantitatively significant effects: In addition to a doubling of external financing through a Europe-wide regulation, there is also a significant increase in investment and employment.

In his paper, *Bank Lending and the European Sovereign Debt Crisis,* Filippo De Marco examines the impact of the interdependence between sovereign debt and the banking system on the real economy. Using data from the European sovereign debt crisis of 2010/2012, he analyzes the effects on the financing of loans from companies. The main mechanism that restricts bank lending to firms in a sovereign debt crisis is not the loss of valuation of government bonds, but the elimination of short-term refinancing opportunities through unsecured, short-term liabilities at US-based money market funds. These funding stops force the banks to either reduce equity or limit credit supply.