

Research Update

Economic Analysis and Research Department

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Content

Economic Outlook for Austria	2
CEEI Conference 2012: Achieving Balanced Growth in the CESEE Countries	3
IMF Art. IV Consultation.....	4
OeNB Summer School 2012.....	8

Periodical Publications.....	5
OeNB Working Papers.....	6
External Publications by Staff Members.....	6-8
Upcoming and Recent Events.....	9
OeNB Courses at the Joint Vienna Institute (JVI).....	9

The OeNB's Special Focus: CESEE

JVI 20th Anniversary.....	10
Call for Applications – Visiting Research Program.....	11
Call for Entries—Olga Radzyner Award 2012 for Scientific Work on European Economic Integration.....	11
Call for Entries Franz Weninger Award	11

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Editorial



by Peter Mooslechner
 Director of the Economic Analysis and Research Department

In the summertime, when the weather's ...

Now that high summer has really started, European policy issues are not the only hot topics that are getting attention. At the moment, Austria is experiencing the third heat wave of the year, with temperatures of more than 30° C already having been recorded two to three times as often as on average and with a new record

high being set at above 38° C – a very unusual situation!

Why this coincides with the many hot issues in European economic policy that we have had to deal with for several years now will have to be decided much later, by historians. What seems to be clear and relevant today, by contrast, is (i) that there is no guarantee for a calm and quiet summer and (ii) that it has come as a surprise – at least from an economic point of view – how many irrational views seem to dominate the policy discussion. Let me name but three by way of a simple illustration:

- First of all, international institutions, together with most of the media, have been asking for a further interest rate cut by the ECB for quite a long time. Now that this rate cut was delivered in early July, and was, by the way, explained and justified well in communications, it has largely been qualified as useless and is seen as having no positive impact on the economy at all – which is definitely not true in view of the enormous amount of debt outstanding at variable rates.
- Second, it has been quite clear since the outset of the financial crisis that a more rigorous regulation and supervision of banks and the financial system is an important prerequisite for making the system more resilient against future shocks. This was already common wisdom expressed in the conclusions of many international fora in 2009. Now, as at least some of these insights seem to have come close to realization in Europe, much criticism is being voiced, which is very difficult to understand.
- Finally, as a third example, it has been obvious for quite a long time that both stimulus for growth and some more time for adjustment in problem countries are necessary elements of a blueprint for the way out of the crisis. Despite this being majority view for a well-justified further step in direction of a crisis resolution, this is proving to be extremely difficult to implement in practice in Europe, for a variety of reasons.

All in all, it seems that the heat wave has already had an unfavorable impact on the quality of the economic debate and that a summer break, including some cooling down, is really needed to bring it back on track. Let us all hope for some quiet and relaxing weeks to come, and I am quite sure that everything will be far better when we return to the office to successfully tackle the challenges of the second half of the year.

Austrian Economy Prevails in Bleak International Environment

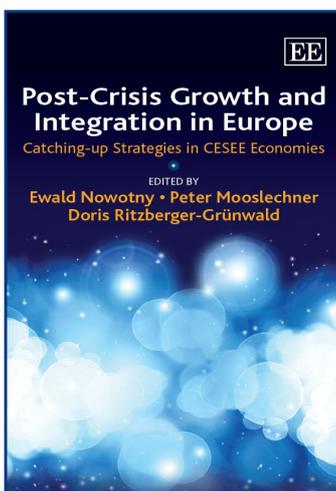
Economic Outlook for Austria from 2012 to 2014 (June 2012)

In its economic outlook of June 2012, the Oesterreichische Nationalbank projects Austrian GDP growth to reach 0.9% in 2012 and expects the Austrian economy to remain one of the engines of euro area growth also in 2013 and 2014 (2013: 1.7%; 2014: 2.1%). Against the OeNB's December 2011 outlook, the projections have been revised upward slightly for 2012 (+0.2 percentage points) and 2013 (+0.1 percent points) despite the fiscal consolidation package adopted in spring 2012 and an internationally bleak environment. Essentially, the upward revision is due to the robust performance of the domestic economy, which is reflected in very dynamic employment growth and a pronounced investment cycle. By contrast, net exports will make only a modest contribution to growth. The unemployment rate, which stood at 4.2% in 2011, will temporarily inch up to 4.3% in 2012 and 2013 but drop back to 4.2% in 2014. HICP inflation will fall to 1.7% by 2013, primarily owing to easing commodity price pressures, but will reaccelerate slightly in 2014 on the back of the recovering domestic economy (1.9%). The general government deficit will marginally increase to 2.8% of GDP in 2012, owing to financial stability measures, but will subsequently improve to 1.2% of GDP by 2014 for both economic and fiscal consolidation reasons. The current account, finally, will show a slight surplus over the entire forecast period and is projected to stand at 2.9% of GDP in 2014.

Real GDP Growth (Seasonally and Working-Day Adjusted)



Source: Eurostat, OeNB.



Post-Crisis Growth and Integration in Europe

Edited by Ewald Nowotny, Peter Mooslechner and Doris Ritzberger-Grünwald

Cheltenham, UK, Northampton, MA, Edward Elgar

Against the backdrop of the financial crisis that unfolded in 2008, this book deals with policy challenges going forward, focusing in particular on the ongoing catching-up process in Central, Eastern and South-Eastern European (CESEE) countries.

Whilst having emerged relatively unscathed from the crisis, the CESEE economies nonetheless need to adjust to the new external conditions they will encounter. In this respect, decision-makers are faced with multiple sources of uncertainty: will post-crisis growth be the same as pre-crisis growth? What will be the future role of financial integration, growth financing and exports? What are the particular challenges facing monetary policy-makers and the banking sector in the region? On these issues and related topics, the book provides a multi-disciplinary assessment, combining the views of high-ranking central bankers and other policy-makers, commercial bankers and academics.

Economists and students of economic policy and European integration from central, commercial and investment banks, governments, international organizations, universities and research institutes will find this book of great interest and importance, especially those working on Central, Eastern and South-Eastern Europe.

Conference on European Economic Integration (CEEI) 2012 “Achieving Balanced Growth in the CESEE Countries”

Jointly organized by the Oesterreichische Nationalbank (OeNB)
and Suomen Pankki – Finlands Bank

November 26 and 27, 2012, Helsinki, Finland, **By invitation only**



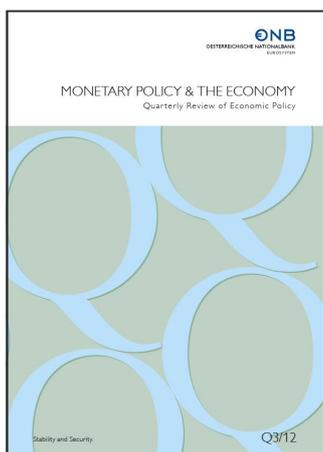
CONFERENCE ASPECTS

Following last year's successful cooperation, the annual Conference on European Economic Integration (CEEI) will once more be organized jointly by Suomen Pankki – Finlands Bank and the Oesterreichische Nationalbank (OeNB). The setting will be exceptional, as the OeNB has accepted the return invitation of Suomen Pankki to hold the CEEI abroad at the Hilton Helsinki Strand Hotel in Finland.

Governor Marek Belka (Narodowy Bank Polski), Governor Ardo Hansson (Eesti Pank), Vice Governor Diana Dragutinović (National Bank of Serbia), Deputy Governor Karolina Ekholm (Sveriges Riksbank), Director Debora Revoltella (European Investment Bank), Professor Anne Sibert (Birkbeck College, London) and Professor Konstantin Sonin (New Economic School, Moscow) among others have accepted our invitation to speak at the CEEI.

The main conference theme highlights the importance of sustainable economic policies and of institutions promoting such policies in times of economic crisis in several European countries. The CEEI 2012 provides a forum for policymakers as well as academic and institutional experts to discuss the prerequisites of balanced and sustainable economic development with a special focus on the CESEE region. The topics covered range from fiscal issues and the most recent challenges for the banking sector to the unwinding of large external imbalances.

For more information please visit BOFIT at http://www.suomenpankki.fi/bofit_en/tutkimus/tyopajat/Pages/CEEI2012.aspx



Forthcoming:

Household Finance and Consumption Survey: A special Issue of Monetary Policy and the Economy Q3/12

The forthcoming edition of Monetary Policy and the Economy will be a special edition about the „Household Finance and Consumption Survey 2010“. It is the Austrian part of the euro area Household Finance and Consumption Survey, which is an ECB-project that will regularly collect data on finance and consumption of households' euro area wide. The first volume of this special edition will present the survey methodology, documenting how all ECB requirements concerning content and methodological foundation and consistency are fulfilled and giving the user the necessary and practical information for correctly analyzing the data. The second volume is going to present the main results of the survey. The focus being on an analysis of the household's balance sheet, including financial assets, real assets and liabilities, together with the household's characteristics and its implications for financial stability and the transmission mechanism. These results are also going to be presented and discussed in a Research Workshop on 1st October 2012.

Link to the Household Finance and Consumption Survey in Austria: www.hfcs.at

Link to the ECB Household Finance and Consumption Survey: www.ecb.int/home/html/researcher_hfcn.en.html



Focus on external trade 2011/2012

By Ernest Gnan, Ralf Kronberger

This new publication, which is produced under the joint auspices of the OeNB and the Austrian Chamber of Commerce, compiles contributions from various authors, mostly in German language, on aspects relevant to Austria's foreign trade in goods and services and foreign direct investment during 2011. Important changes in institutional framework conditions for Austria's export industry are described in some detail. Furthermore, against the backdrop of global and European developments, the general economic situation in Austria, including the country's price competitiveness, are analysed. The special topic of this year's edition is „Austria's foreign trade – development and strategy in the crisis“. The topic is embedded into a historical context, followed by ideas on an adequate foreign trade strategy from an Austrian and European perspective. To conclude, the new EU Excessive Imbalances Procedure is described and its implications for Austria are analysed.

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http://portal.wko.at/wk/format_detail.wk?angid=1&stid=682111&dstid=15

International Monetary Fund Austria: 2012 Article IV Consultation

The annual consultation with the International Monetary Fund (IMF) lasted from 22nd of June to 2nd of July 2012. The IMF's preliminary conclusions included the following main suggestions:

While Austria has comparatively favorable macroeconomic fundamentals, these need to be strengthened further, especially in light of the ongoing crisis in the euro area and the legacy of an overly ambitious eastward expansion by the banking sector. The Fund commends the authorities for the progress made so far in tackling these challenges. Going forward, the Fund encourages them to:

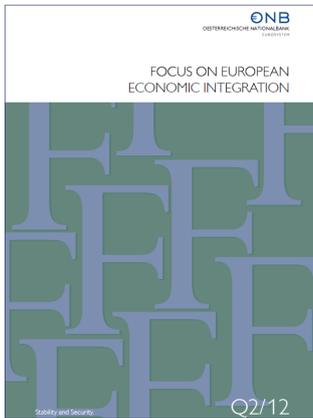
- Fully implement the envisaged structural fiscal consolidation path and continue reforms to contain aging costs to put public debt on a downward trajectory;
- Develop a more comprehensive strategy for the disposal of legacy assets in banks with substantial state ownership to minimize final fiscal costs;
- Rapidly adopt a new early intervention and bank resolution framework to give supervisors stronger tools to deal with banking sector fragilities;
- Reduce in a budget-neutral way the taxation of labor to foster labor supply.

OeNB Periodical Publications

www.oenb.at/de/presse/pub/period/pub/volkswirtschaft/volkswirtschaft.jsp

List of all Publications since 2001 (by staff of the Economic Analysis and Research Department):

http://www.oenb.at/de/img/publications_of_the_economic_analysis_and_research_department_tcm14-246599.pdf



Focus on European Economic Integration Q2/12

Drivers of Output Loss during the 2008–09 Crisis: A Focus on Emerging Europe (Jesús Crespo Cuaresma, Martin Feldkircher)

Not So Trustworthy Anymore? The Euro as a Safe Haven Asset in Central, Eastern and Southeastern Europe (Elisabeth Beckmann, Thomas Scheiber)

70th East Jour Fixe – Forecasting CESEE Growth in Turbulent Times (Compiled by Martin Feldkircher and Julia Wörz)

World Economic Outlook April 2012: Growth Resuming, Dangers Remain (Compiled by Christina Lerner)

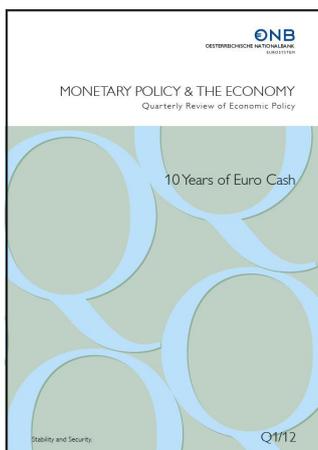


Financial Stability Report 23 (in EN upcoming end of July)

Risk Buffer Profiles of Foreign Currency Mortgage Holders (Nicolas Albacete, Pirmin Fessler, Martin Schürz)

Intra-Group Cross-Border Credit and Roll-Over Risks in CESEE – Evidence from Austrian Banks (Markus Hameter, Mathias Lahnsteiner, Ursula Vogel)

Ukrainian Banks Face Heightened Uncertainty and Challenges (Stephan Barisitz, Ulrich Gunter, Mathias Lahnsteiner)



10 Years of Euro Cash

Special Issue of Monetary Policy & the Economy Q1/12

Euro Cash in Austria, Ten Years On (Alexandra Koch, Doris Schneeberger)

Euro Cash in Central, Eastern and Southeastern Europe (Doris Ritzberger-Grünwald, Thomas Scheiber)

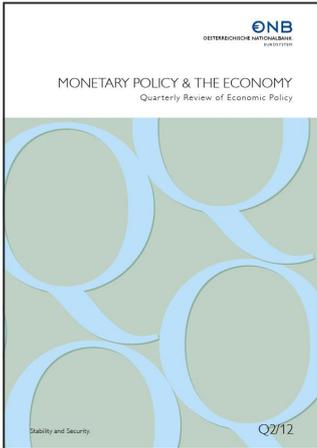
The Euro – Public Opinion in the Ten Years after the Euro Changeover (Manfred Fluch, Sabine Schlögl)

How Euro Banknotes in Circulation Affect Intra-Eurosystem Balances (Lenka Krsnakova, Maria Oberleithner)

Understanding TARGET2: The Eurosystem's Euro Payment System from an Economic and Balance Sheet Perspective (Clemens Jobst, Martin Handig, Robert Holzfeind)

The Pass-Through of Commodity Prices to Consumer Prices of Selected Products (Fabio Rumler)

Price Level Convergence Before and After the Advent of EMU (Friedrich Fritzer)



Monetary Policy & the Economy Q2/12 (in EN upcoming soon)

Savings Deposits in Austria – A Safety Net in Times of Crisis (Andreasch, Fessler, Schürz)

Analyzing Corporate Loan Growth in Austria Using Bank Lending Survey Data: Conceptual Issues and Some Empirical Evidence (Beer, Waschiczek)

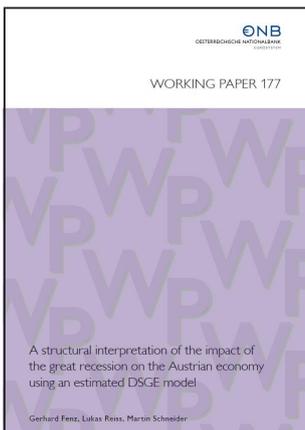
Synchronization of Business Cycles in the Euro Area and Impact of the Financial Crisis (Gächter, Riedl, Ritzberger-Grünwald)

European Monetary Union: Lessons from the Debt Crisis , Summary of the 40th Economics Conference of the Oesterreichische Nationalbank (Gnan, Segalla)

Austrian Economy Prevails in Bleak International Environment (Ragacs, Vondra)

OeNB Working Papers

http://www.oenb.at/de/presse_pub/research/020_workingpapers/working_papers_2012.jsp#tcm:14-173297



A structural interpretation of the impact of the great recession on the Austrian economy using an estimated DSGE model

Gerhard Fenz, Lukas Reiss, Martin Schneider (Working Paper 177)

In this paper we present an analysis of the impact of the great recession of the years 2008 and 2009 on the Austrian economy. For this purpose, we utilize the new estimated DSGE model of the OeNB for the Austrian economy within the Euro area. This model is a small open-economy version of Smets & Wouters (2003), where the domestic economy is linked to a highly stylized representation of the rest of the Euro area via trade and financial flows. The model identifies foreign demand and confidence shocks as the main transmission channels. Moreover the risk premium shock contributed significantly to the downturn of the Austrian economy. In contrast price shocks (price markup and raw material shocks) were supportive throughout the crisis. The strong resilience of the Austrian labour market during the crisis and the subsequent upswing is reflected in a series of negative technology shocks .

External Publications by Staff Members

Gender and Educational Attainment across Generations in Austria

Fessler, P., Schneebaum, A. (2012). Gender and Educational Attainment across Generations in Austria. Feminist Economics, Routledge, 18(1), 161-188

In many societies, children' educational attainment is heavily dependent on their parents' education; but that result can differ by the gender of both the parents and the child. Using a Markovian approach, along with uni- and multivariate econometric techniques, this study employs the Austrian Household Survey on Housing Wealth to show strong persistence in educational attainment that differs according to the gender of the parent and child. In Austria, the difference between women' and men' educational attainment has been shrinking over time while educational mobility for both genders has increased. This study finds that controlling for changes in the distribution of educational attainment over time, the relevance of a father' education is generally higher than that of a mother'. Further, Austrian mothers' and fathers' same-gender relationships to their children are stronger than cross-gender relationships of intergenerational educational transmission. These patterns clearly document the importance of gender for analyses of the intergenerational transmission of educational attainment.

Intergenerational Transmission of Educational Attainment in Austria

Fessler, P., Mooslechner, P., Schürz, M. (2012). *Empirica*. No. 1, 65-86

Up to now, there exist several studies documenting the educational expansion in Austria in the 20th century but only few studies measuring the degree of persistence of educational attainment over generations. Furthermore, for Austria there are no internationally comparable persistence-measures of educational attainment available. This study aims to fill this gap and delivers key-measures for intergenerational persistence of educational attainment. The Austrian Household Survey on Housing Wealth includes information on socioeconomic characteristics of respondents and their parents. The results demonstrate strong persistence in educational attainment in Austria. Using uni- as well as multivariate econometric techniques and a Markovian approach we show that educational persistence decreased over time. Overall, Austria ranks third in terms of intergenerational educational attainment persistence among a number of European countries and the US. Our results therefore allow to question the significance of meritocratic values and equal opportunity for educational advancement in the Austrian society compared to other European countries and the USA.

Stronger Sex but Earlier Death: A Multilevel Socioeconomic Analysis of Gender Differences in Mortality in Austria.

Gächter, M., Schwazer, P., Theurl, E. (2012). *Danube Law and Economics Review*, 1 (2012), 1-23

Gender inequalities in mortality/life expectancy have been a major area of research in the social sciences since the 1970s. However, the questions posed and the research strategies used are still in a state of flux. In the present paper we shed some light on two related questions: (i) Which socioeconomic variables determine the gender gap in mortality? (ii) Are male and female mortality rates determined by different socioeconomic factors and in different shapes? We use aggregated data from Austria both at the community and district level covering the time period 1969 - 2004. Our two-level empirical design combined with a panel structure at the districts level reveals additional evidence on these questions compared to previous studies at the regional level. By using weighted regression analysis (panel fixed effects, pooled and cross section) we find that the gender gap is negatively associated with higher average net income, a higher educational level, a higher share of immigrants and better familial integration. In general, males are more sensitive with respect to social and economic conditions compared to females, leading to a narrowing gap in mortality when living conditions improve. These results are also confirmed by our Blinder-Oaxaca Decomposition.

Reference Norms, Staggered Wages and Wage Leadership. Theoretical Implications and Empirical Evidence.

Knell, M., Stiglbauer, A. (2012). *International Economic Review*, 53(2), 569-592

This article presents an extension of the Taylor model with staggered wages in which wage setting is also influenced by reference norms. We show that reference norms can considerably increase the persistence of inflation but that the size of this effect depends on the exact definition (e.g., external vs. internal, symmetric vs. asymmetric norms). Using data on collectively bargained wages in Austria from 1980 to 2006 we show that wage setting is strongly influenced by reference norms, that external norms seem to matter more than internal norms, and that there is a clear indication for the existence of wage leadership (asymmetric norms).

Modelling Spatial Externalities in Panel Data: The Spatial Durbin model revisited.

Beer, C., Riedl, A. (2012). *Papers in Regional Science*, 91(2), 299-318

The purpose of this paper is twofold. First, it extends the spatial Durbin model to panel data allowing for non-spherical disturbances and proposes two alternative estimators based on ML techniques. While one of the estimators exhibits more degrees of freedom, the other is computationally less burdensome. Results from a Monte Carlo study reveal that both estimators have satisfactory small sample properties also in cases when the error structure is in effect spherical. Second, the paper demonstrates that conventional testing procedures may wrongly reject the existence of spatial externalities. In particular, it shows that the incidence of a type II error increases as the spatial weight matrix becomes denser.

Is there a European Wage Leader? - Wage Spillovers in the European Monetary Union

Ramskogler, P. (2012). *Cambridge Journal of Economics*, 36, 3.

The introduction of the euro had been accompanied by expectations of increased inflationary pressures due to a de-coordination shock to national wage bargaining systems. Though, if anything systematically happened after the introduction of the euro, wage restraint increased. This paper argues that an interdependency of wage setting under German dominance has emerged in Europe, which fuelled the transmission of mutual wage restraint. We will investigate wage and nominal unit labour cost spillovers in the European Monetary Union (EMU) exploring a panel of 13 manufacturing sectors from 1992 to 2005 and quantify the effects of different countries. Strong interdependencies across EMU member countries with regard to nominal wage growth are found. A leading role accrues to Germany, which is responsible for a cumulative reduction of trans-European wage growth rates of 0.62% by conservative estimates. Remarkably, the influence of Germany is strongest on Southern Europe with regard to wage growth interdependencies. However, the situation is inverted with regard to the development of nominal unit labour costs where the German influence on Southern Europe is substantially weaker than on neighbouring economies.

How Elastic are National Corporate Income Tax Bases in OECD Countries? The Role of Domestic and Foreign Tax rates.

Riedl, A., Rocha-Akis, S. (2012). *Canadian Journal of Economics*, 45(2), 632-671

To what extent do reductions in corporate income tax (CIT) rates attract foreign tax bases? What are the revenue implications of a unilateral tax reduction when tax bases are internationally mobile? These questions are explored using annual data from 17 OECD countries spanning the period 1982 to 2005. Controlling for fixed country effects, year effects, and country time trends, and subjecting our results to an extensive robustness analysis, we find (i) a country's aggregate reported corporate profits are negatively and significantly affected by CIT rate reductions in neighbouring countries; (ii) a unilateral reduction in the domestic CIT rate results in lower domestic CIT revenues.

Credit Risk in General Equilibrium

Summer, M., Eichberger, J., Rheinberger, K. (2012). *ECB Working paper No 1445*, June

Credit risk models used in quantitative risk management treat credit risk analysis conceptually like a single person decision problem. From this perspective an exogenous source of risk drives the fundamental parameters of credit risk: probability of default, exposure at default and the recovery rate. In reality these parameters are the result of the interaction of many market participants: They are endogenous. The authors develop a general equilibrium model with endogenous credit risk that can be viewed as an extension of the capital asset pricing model. They analyze equilibrium prices of securities as well as equilibrium allocations in the presence of credit risk. The authors use the model to discuss the conceptual underpinnings of the approach to risk weight calibration for credit risk taken by the Basel Committee.

OeNB Summer School 2012: “Economics of Financial Networks” taught by Yves Zenou and Ethan Cohen-Cole

The 10th OeNB Summer School focuses on the topic “Economics of Financial Networks” and will take place between 27 and 31 of August 2012 at the Joint Vienna Institute. The course lecturers will be Prof. Yves Zenou (Stockholm University and CEPR) and Prof. Ethan Cohen-Cole (Robert H Smith School of Business University of Maryland College Park). The course provides description and overview of the leading methods in modeling financial networks. Applications of Financial Network Economics compromise e.g. Interbank Lending, bilateral and tri-party repos, payment system networks and Bank-Firm lending networks. Lectures will explore models of random networks, strategic network formation as well as behavior on networks. In each case, the relationship to the broader networks literature and financial networks applications will be highlighted. The course consists of 8 lectures of 3.5 hours each to take place over 5 days of instruction and will alternate between theory and finance applications with a portion of each day focusing on each. The course is designed to suit a variety of skill levels and incorporates exercises in theory as well as practical applications to policy. Around 25 applied economists from the OeNB and other European central banks are invited to participate in this year's OeNB Summer School.

Upcoming and Recent Events

The following events are organized by the OeNB. Please note that attendance is by invitation only. If you are interested in participating in one or more of the events, please send an e-mail to OeNB.ResearchUpdate@oenb.at

Upcoming

July 9, 2012	East Jour Fixe of the OeNB; Slovenia – the First Five Years in Monetary Union
September 28, 2012	VOSTA Research Workshop- Financial Markets and Real Economic Activity
October 4-5, 2012	10th Emerging Markets Workshop
October 11-12, 2012	Working Group on General Economic Statistics
November 26 - 27, 2012	Conference on European Economic Integration (CEEI) 2012 “Achieving balanced growth in the CESEE countries” Jointly organized by Suomen Pankki and the OeNB

Recent

June 18, 2012	2012 SUERF Annual Lecture and SUERF/OeNB Workshop; The Interaction of Political, Fiscal and Financial Stability: Lessons from the Crisis
June 1, 2012	Cars Hommes (Universität Amsterdam) TBA
June 1, 2012	Conference of the Verein für Sozialpolitik
May 10 – 11, 2012	40 th Economics Conference of the OeNB; European Monetary Union: Lessons from the Debt Crisis
Mai 2, 2012	Gesellschaft zur Förderung der Forschung (GFF) Outputorientierte Evaluierung öffentlich geförderter FTI-Programme-Möglichkeiten und Grenzen
April 23, 2012	Dr. Harald Wögerbauer (Europäischer Rechnungshof) Die Rolle des Europäischen Rechnungshofes im Rahmen der Eurokrise

OeNB Courses at the Joint Vienna Institute (JVI)

For further details see: http://www.jvi.org/fileadmin/jvi_files/JVI_Program2012-1_11.pdf

August 27—31, 2012	OeNB Summer School—Economics of Financial Networks
October 1 – 5, 2012	Economic and Monetary Integration in Europe: CIS-Related Aspects
October 29 – November 9, 2012	Growth Policies and Diagnostics in the Aftermath of the Crisis
November 19 – 23, 2012	Macro-Financial Stability in Central, Eastern and Southeastern Europe

Congratulations! The Joint Vienna Institute Celebrates Its 20th Anniversary

Anniversary Events at the OeNB:

"The Way Forward: Central, Eastern, and Southeastern Europe" (July 12, 2012)

"Past, Present and Future of the JVI" (July 13, 2012)

"JVI 2012 Annual Lecture" by Philippe Aghion (July 13, 2012)

The Joint Vienna Institute was established in 1992 with the mission to support countries in transition to market-based economies in building capacity. The recipe of its success has been

peer-based training for central bank and public officials,
the ongoing adaptation of the curriculum to changing policy challenges and demand
and continued financial and technical support from the JVI's sponsoring organizations, among them the OeNB.

Twenty years on, the JVI has welcomed more than 29,000 course participants, especially from Central and Southeastern Europe, CIS countries and Asian countries in transition.

The curriculum for 2012 includes the following four OeNB-sponsored courses:

Economic and Monetary Integration in Europe: CIS-Related Aspects
Institutional Challenges for SEE Countries on the Road to the EU and EMU
Financial Stability Stress Testing for Banking Systems: An Introduction
Macro-financial Stability and the Road to the Euro

To celebrate its 20th Anniversary, the JVI will hold a high-level conference (participation by invitation only) at the premises of the OeNB on July 12 and 13, 2012. Key topics will be lessons from the global crisis, solutions for maintaining monetary and financial stability and the search for a new growth model, as well as the past and the future of the JVI. The speakers are all high-ranking policymakers or academics – and include former JVI course participants that have risen to top positions, like Veaceslav Negruta, finance minister of the Republic of Moldova.

The Anniversary celebrations will end with the JVI's Annual Lecture, to be held this year by Philippe Aghion, Professor of Economics at the University of Harvard ("Economic Growth and Environmental Quality: the Role of Sound Institutions" – July 13, 2012, at the OeNB).

Call for Applications – Visiting Research Program



The Oesterreichische Nationalbank (OeNB) invites applications from external researchers for participation in a Visiting Research Program established by the OeNB's Economic Analysis and Research Department. The purpose of this program is to enhance cooperation with members of academic and research institutions (preferably post-doc) who work in the fields of macroeconomics, international economics or financial economics and/or with a regional focus on Central, Eastern and Southeastern Europe.

The OeNB offers a stimulating and professional research environment in close proximity to the policymaking process. Visiting researchers are expected to collaborate with the OeNB's research staff on a prespecified topic and to participate actively in the department's internal seminars and other research activities. They will be provided with accommodation on demand and will, as a rule, have access to the department's computer resources. Their research output may be published in one of the department's publication outlets or as an OeNB Working Paper. Research visits should ideally last between 3 and 6 months, but timing is flexible.

Applications (in English) should include

- a curriculum vitae,
- a research proposal that motivates and clearly describes the envisaged research project,
- an indication of the period envisaged for the research stay, and
- information on previous scientific work.

Applications for 2013 should be e-mailed by November 1, 2012 to eva.gehringer-wasserbauer@oenb.at

Applicants will be notified of the jury's decision by mid-December. The following round of applications will close on May 1, 2013.

Call for Entries : Olga Radzyner Award 2012 for Scientific Work on European Economic Integration

The OeNB has established an award to commemorate Olga Radzyner, former Head of the OeNB's Foreign Research Division, who died in a tragic accident in August 1999. The award is bestowed on young economists for excellent research on topics of European economic integration and is conferred annually. In 2012, four applicants are eligible to receive a single payment of EUR 3,000 each from an annual total of EUR 12,000.

Submitted papers should cover European economic integration issues and be in English or German. They should not exceed 30 pages and should preferably be in the form of a working paper or scientific article. Authors shall submit their work before their 35th birthday and shall be citizens of any of the following countries: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, FYR Macedonia, Hungary, Kosovo, Latvia, Lithuania, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine. Previous winners of the Olga Radzyner Award, ESCB central bank employees as well as current and former OeNB staff are not eligible. In case of co-authored work, each of the co-authors has to fulfill all the entry criteria.

Authors shall send their submissions either by electronic mail to eva.gehringer-wasserbauer@oenb.at or by postal mail – with the envelope marked “Olga Radzyner Award” – to the Oesterreichische Nationalbank, Foreign Research Division, Otto-Wagner-Platz 3, POB 61, 1011 Vienna, Austria.

Entries for the 2012 award should arrive by September 17, 2012, at the latest. Together with their submissions, applicants shall provide copies of their birth or citizenship certificates and a brief CV.

For detailed information, please visit the OeNB's website at [www.oenb.at/en/ueber die oenb/foerderung/stipendien/radzyner/teilnahme/teilnahme.jsp](http://www.oenb.at/en/ueber_die_oenb/foerderung/stipendien/radzyner/teilnahme/teilnahme.jsp) or contact Ms. Eva Gehringer-Wasserbauer in the OeNB's Foreign Research Division either by e-mail (eva.gehringer-wasserbauer@oenb.at) or by phone (+43-1-40420-5205).

Call for Entries: Franz Weninger Award

Award for master's and doctoral theses in the field of monetary theory and monetary policy.

Three one-time prizes of EUR 3,000 each may be conferred for such theses every year.

Authors shall be under 35 years of age at the date of submission (September 17, 2012).

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