

Olga Radzyner Award Winners 2009

2009 marks the 10th year that the Olga Radzyner Award of the OeNB was bestowed on young economists from Central, Eastern and Southeastern Europe (CESEE) for scientific work on European economic integration. This award commemorates *Olga Radzyner*, the former Head of the OeNB's Foreign Research Division, who died in a tragic accident in August 1999.

The interest in the award has been rising continually over the years. In 2009, economists from 14 countries submitted 32 papers, a great number of which was of outstanding quality. The many different aspects of European economic integration covered ranged from trade issues, exchange rate developments and determinants, financial integration, business cycle synchronization to the role of remittances.

Of this pool of promising young CESEE economists, the OeNB's Governing Board selected four winners, whose papers were considered outstanding in terms of originality, overall presentation of the research question and the analysis, and the use of state-of-the-art methods. On November 16, 2009, Governor Ewald Nowotny conferred this year's award at the OeNB's Conference on European Economic Integration on (in alphabetical order):

- *Tomáš Havránek* (Czech Republic), aged 24, from Česká národní banka: In his meta-analysis about the effect of currency unions on trade with a focus on the euro area, Havránek demonstrated that the Rose effect, i.e. the positive effect of currency unions on trade, reported in the literature is overestimated and even insignificant in the euro area after correcting for publication bias.
- *Dániel Holló* (Hungary), aged 29, from Magyar Nemzeti Bank: Analyzing price elasticities on the Hungarian consumer lending and deposit markets, Holló found (1) that wealthier consumers are less sensitive to lending and deposit interest rate variations than poorer clients, (2) that the demand for credit denominated in domestic currency is more price sensitive than the demand for loans denominated in foreign currency, and (3) that the rise in domestic (Hungarian) interest rates increases the demand for foreign currency loans more than vice versa, which provides important insights about the effectiveness of monetary policy.
- *Cecília Hornok* (Hungary), a PhD student at the Central European University in Budapest aged 34: In her paper on the border effects of trade in the enlarged EU, Hornok assessed the impact of full membership on bilateral trade flows between the Central and Eastern European and Baltic countries that joined the EU in 2004 (EU-8) and the EU-15, as well as within the EU-8. Hornok found a stronger effect of EU membership on trade flows among the EU-8 than between the EU-8 and the EU-15, thus explaining the very recent revival of regional trade in CESEE.
- *Joanna Parteka* and *Aleksandra Wolszczak-Derlacz* (Poland), both from Gdansk University of Technology, Faculty of Management and Economics, aged 29 and 33: In their joint paper, they investigated the impact of trade and outsourcing on skill-specific wage convergence in the integrating Europe, pinpointing a faster convergence of low-skilled wages in intermediatethan in total goods trade.