

Olga Radzyner Award Winners 2010

2010 marks the 11th year that the OeNB bestowed its Olga Radzyner Award on young economists from Central, Eastern and Southeastern Europe (CESEE) for excellent 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.

Interest in the award has been rising continually over the years. In 2010, economists from 11 countries submitted 18 papers, a great number of which was of outstanding quality. The many different aspects of European economic integration covered in the contributions ranged from FDI and trade integration, financial and stock market integration, price convergence and monetary transmission channels to the international fragmentation of production.

Out of the pool of promising young CESEE economists participating in the award, a panel of OeNB reviewers selected four winners, whose papers were considered outstanding in terms of originality, overall presentation of the research question and analysis, and the use of state-of-the-art methods. On November 15, 2010, at the OeNB's Conference on European Economic Integration (CEEI), Governor Ewald Nowotny conferred this year's award upon¹:

- *Bejtush Kijmari* (Kosovo), statistician at the Central Bank of the Republic of Kosovo, for his thesis on the determinants of FDI inflows in six Southeastern European (SEE) countries from 2000 to 2006. Kijmari finds that FDI inflows in SEE are mainly determined by market size, trade openness, the privatization of state-owned enterprises, market potential and macroeconomic stability.
- *Katarína Lukácsy* (Slovakia), PhD student at the Central European University in Budapest, for her paper in which she applied an innovative methodology to examine whether the size and frequency of price changes in different CPI components in Slovakia were affected by EU accession. Lukácsy shows that after EU accession, (1) the size of price increases declined, (2) the frequency of price changes rose in all sectors but services, and (3) the Slovak economy responded to monetary shocks faster and stabilized sooner than before EU accession.
- *Marjan Petreski* (FYR Macedonia), PhD student at Staffordshire University, U.K., and assistant lecturer at the University American College in Skopje, for his paper in which he examined in an elaborated manner how monetary policy responses changed under a regime switch from exchange rate targeting to inflation targeting in emerging market economies. Petreski concludes that the period of inflation targeting was characterized by a more stable economic environment and by greater independence in the conduct of monetary policy.
- *Anna Watson* (Poland), PhD student at the University of Cambridge, Corpus Christi College, U.K., for her paper in which she augmented a New-Keynesian Dynamic Stochastic General Equilibrium (DSGE) model to study the impact of trade integration and competition on real and nominal price rigidities in Europe. Watson's results imply a decline in the degree of price stickiness in the EU with deepening integration, inflation rates reacting more sensitively to terms of trade changes, and more trade integration contributing to price convergence and a greater synchronization of inflation dynamics across Europe.

¹ *Winners in alphabetical order.*