



Press release

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Zurich, 9 September 2014

Carl Menger Prize awarded for the first time

Hélène Rey receives prize for research on current monetary policy issues raised by the crisis

On 9 September 2014, during the annual meeting of the *Verein für Socialpolitik*, the Carl Menger Prize for economics was awarded for the first time, the recipient being Professor Hélène Rey, an economist at the London Business School. The Deutsche Bundesbank, the Oesterreichische Nationalbank (OeNB) and the Swiss National Bank (SNB) jointly created the Carl Menger Prize, an academic award in recognition of excellence in research work in the areas of monetary and international macroeconomics, which will be awarded every two years. The recipient receives EUR 20,000 in prize money.

During the award ceremony, Andreas Dombret, Member of the Deutsche Bundesbank's Executive Board, praised the award winner's research in the field of international macroeconomics in relation to monetary policy and financial stability issues. He stressed that, "Hélène Rey's research has not only substantially advanced the academic discussion; proving its practical relevance, it has also found its way into the concrete work of central banks." Professor Michael Burda, who chairs the *Verein für Socialpolitik*, remarked, "Through many academic works, Hélène Rey has helped to answer some big issues relating to international monetary theory and monetary policy that were raised during the European financial crisis."

The main focus of Hélène Rey's research is on the determinants and implications of globalisation for product and financial markets. In this context, her findings have helped, among other things, to better understand how, under current conditions, exchange rates are determined, how external imbalances emerge, and what pros and cons are associated with the further integration of the global economy. In her more recent work, Hélène Rey has conducted research into how international capital flows can contribute to financial crises, and has looked at the options central banks have to fulfil their objectives in a globalised world. In her work, she draws both on theoretical models and on empirical studies.



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Carl Menger (1840–1921)

Austrian-born Carl Menger is commonly regarded as the founding father of the Austrian school of economic thought. In his work “Principles of Economics”, published in 1871, he argued that the value of a good is in each case determined by the subjectively estimated value attached to that good’s final unit (“marginal unit”), a circumstance which he referred to as the “law of marginal utility”. Other economists including Eugen von Böhm-Bawerk, Friedrich von Wieser, Ludwig von Mises and Friedrich August von Hayek subsequently built on his hypotheses.

Verein für Socialpolitik

The *Verein für Socialpolitik* has around 3,800 members, making it the largest association of economists in the German-speaking world. The association’s aim is to provide a scientific platform for discussing economic and social problems, also as they affect policymaking, and to promote and maintain international links among academics.

More information on the prize is available at www.socialpolitik.org/En/carl-menger-prize. If you have any queries, please contact Daniel Jung, Managing Director of the *Verein für Socialpolitik*: daniel.jung@socialpolitik.org or tel.: +49 69 56 80 76 12.