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Opening remarks

XVII Germán Bernácer Prize Ceremony at the Banco de España

Pablo Hernández de Cos
Governor

Ladies and Gentlemen,

It is a great pleasure for me to welcome you all, and to introduce this Award Ceremony for the 17th Germán Bernácer Prize at the Banco de España.

I would like to start by thanking Luis de Guindos, Vice-President of the European Central Bank and Chairman of the Selection Committee of this award, for his contribution to this initiative. Luis, we are very honored by your presence in this ceremony.

Let me also thank the organizers, The Observatory of the European Central Bank –chaired by Guillermo de la Dehesa–, and also the sponsors here represented by José Antonio Álvarez, CEO of Grupo Santander.

The prize is named after Germán Bernácer, a prominent Spanish macroeconomist with deep knowledge of monetary theory, and relevant work on economic analysis who became Head of the Servicio de Estudios of the Banco de España in 1930. Those who have later worked in that position, like myself, have had the privilege of standing on the shoulders of giants like him. Therefore it is for me a great pleasure to have here today his daughter Ana María Bernácer as she brings us back some of his legacy.

His father was a pioneer in bringing into Spain new methods and techniques and providing international relevance to what was researched here at Banco de España those days.

The Bernácer prize recognizes the outstanding scientific research of young economists, from the euro zone under the age of 40. The Banco de España has been a strong supporter of this award since its inception in 2001 as a token of its commitment to macroeconomic research.

Excellence in research is an input for adequate policy making. And, this is true not just for monetary policy but also to properly perform our responsibilities to provide advice to the Spanish government on economic policies more generally. In recent years Banco de España has aimed to further improve the standard of our research activity, as the fundamental basis for good policy decision.

Following in the footsteps of Germán Bernácer young researchers are a valuable source of economic knowledge at Banco de España. They bring in new methods, new approaches and new problems to be analyzed. In sum, they enrich and expand our viewpoint.

On this edition of the Prize, the winner is Mr. Benjamin Moll, a 35 years old German Economics professor, who graduated in Economics from the University College London, and earned his PhD by University of Chicago in 2010.

Currently he is Professor of Economics and International Affairs at Princeton University, where he has taught Macroeconomics since 2012. Prior to that, he has been Cyril E. Black University preceptor and Associate Research Scholar at the Centre for Economic Policy Research (CEPR).

Professor Moll holds research positions at the National Bureau of Economic Research (NBER) and the Bureau for Research and Economic Analysis of Development (BREAD) among others. He is co-editor of the American Economic Journal of Macroeconomics and associate editor of the Journal of Monetary Economics.

He has received numerous honors and awards, including the Alfred P. Sloan Research Fellowship in 2016, the European Investment Bank Young Economist Award in 2015 and the Kauffman Junior Faculty Fellowship in Entrepreneurship Research. Today this impressive list is further expanded with this prize.

I will not dive into his contributions to science but let me point out that Professor Moll's research focuses, among other topics, on two key questions: why some countries are richer than others and how income and wealth disparities impact the larger economy. These are fundamental issues that are not far away from those posed and tentatively answered in 1776 by the father of economic research Adam Smith.

Also his contribution to the incorporation of explicit heterogeneity into macroeconomic models has been impressive. He has analyzed the dynamics of inequality and he has work in progress to understand the implications of these disparities for macroeconomic policy. Precisely, the Banco de España has recently published a document analysing the level of inequality in Spain and how it evolved over the course of the past crisis and the early stages of the recovery. We are therefore looking forward to your future contributions on the matter to further enrich our own research.

Mr. Moll, congratulations on my behalf and that of Banco de España. Now let me give the floor to the chairman of The Observatory of the European Central Bank, Guillermo de la Dehesa.