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Opening remarks by the Governor of the Banco de España

XII Germán Bernácer Prize Ceremony

Luis M. Linde
Governor

Ladies and Gentlemen,

It is a great pleasure for me to introduce this award ceremony for the 12th Germán Bernácer Prize.

First of all, let me once again thank the organizers and sponsors of the Prize. They have established an excellent programme to support economic research in the fields of macroeconomics, monetary policy, and financial economics.

This is the 10th time that the Bernácer Prize award ceremony has taken place at the Banco de España. The continued support and backing of this initiative of the Observatory of the European Central Bank by the Banco de España is justified by its conviction of the importance of macroeconomic research, insofar as it concerns the functions to be performed by the European System of Central Banks.

By recognizing the relevance of a prize like this, which has been awarded, in every instance, on the basis of academic excellence, the Banco de España reaffirms its commitment to economic research. As many of you know, this Prize commemorates a distinguished Spanish macroeconomist who worked at the Banco de España, as director of its Research Department, during the 1930s. Despite the isolation of the Spanish economics profession at that time, Germán Bernácer obtained substantial international recognition for his research contributions.

In this edition, to the very illustrious list of previous winners of the Germán Bernácer Prize, we add, with all due merit, Professor Nicholas Bloom, a British economist, who is today Professor in the Economics Department at Stanford University.

Professor Bloom graduated in Economics from Cambridge University, obtained his masters at Oxford University and his Ph.D. at University College London. He has been awarded the 2010 Frisch Medal of the Econometric Society, is a Fellow of the American Academy of Arts and Sciences and an associate editor of, among other journals, *Econometrica* and the *Quarterly Journal of Economics and Management Science*. He has published many articles on economic and management issues in top journals, including the *American Economic Review*, *Econometrica* and the *Quarterly Journal of Economics*.

Professor Bloom's two main areas of research are macroeconomic uncertainty and firm organization and productivity. In the first area, his main contributions are to show that macroeconomic uncertainty increases substantially in the aftermath of significant shocks. He also shows that during these periods of uncertainty firm's investment responds less to demand shocks. This set of contributions has promoted research that explores the importance of variations in volatility to explain macroeconomic fluctuations and the decisions of agents in the economy.

In the second area, firm organization and productivity, he shows that social capital, represented by trust, increases aggregate productivity by affecting the organization of firms. He also shows the implications of these organization techniques on the implementation of Information and Telecommunication technologies across firms. In both

cases, he is able to capture the macroeconomic implications of decisions made at the firm level, linking micro and macro questions.

I conclude by extending my congratulations to Professor Bloom.