



Release: embargoed: Tuesday 15th November – 23:59

Distinguished European economists join £250,000 Wolfson Economics Prize judging panel

The Wolfson Economics Prize, which challenges the world's brightest economists to prepare a contingency plan for a break-up of the Eurozone, unveiled today (16th November, 2011) its panel of judges. The panel includes former advisers to British and European central banks, EU Prime Ministers, the EU Commission and the International Monetary Fund.

The eminent pan-European nature of the panel reflects the international importance of the prize. The panel's qualifications, experience and diverse backgrounds will be an immense asset in judging the winning entry.

The Prize seeks to find the best answer to the following question: "If member states leave the Economic and Monetary Union, what is the best way for the economic process to be managed to provide the soundest foundation for the future growth and prosperity of the current membership?"

Candidates for the Prize, which is targeted at top financial, academic and business economists from around the world, will be judged by a panel of five leading experts:-

- Mr Derek Scott – former Economics Adviser to British Prime Minister Tony Blair and Chairman of the Wolfson Economics Prize
- Prof. Dr. Manfred Neumann – Emeritus Professor of Economics at the University of Bonn and former adviser to the German Bundesbank and the Academic Advisory Council of Germany's Federal Ministry of Economics and Technology
- Prof. Charles Goodhart CBE FBA - Emeritus Professor of Banking and Finance with the Financial Markets Group at the London School of Economics and former member of the Bank of England's Monetary Policy Committee
- Prof. Jean-Jacques Rosa – Emeritus Professor of Economics and Finance at the University Sciences Po, Paris, and former member of French Prime Minister Lionel Jospin's Conseil d'Analyse Économique
- Prof. Francesco Giavazzi - Professor of Economics at Bocconi University, Milan, and former economics adviser to the President of the EU Commission, the Italian Prime Minister and member of the External Evaluation Committee of the Research Activities at the International Monetary Fund.

Commenting on his appointment as Chairman of the judges, Derek Scott said:

“It is an honour to have been asked to become Chairman of such a distinguished group of European economists for this extremely important and timely initiative. The Euro-zone crisis is the biggest threat to global economic stability since the Second World War. European leaders may now be coming to appreciate the scale of the euro-zone crisis, but this prize is a private sector initiative to reinforce the response of policy makers in the decisions that will have to be made to get Europe out of the mess.”

The Wolfson Economics Prize, which is a one-off prize, will be the second-biggest cash prize to be awarded to an economist after the Nobel Prize. The Prize will be sponsored by the Charles Wolfson Charitable Trust, a family charity, and managed by Policy Exchange, the independent London-based think tank.

Commenting on the judging panel, Neil O’Brien – Director of Policy Exchange - said:-

“With this distinguished and diverse judging panel, I am certain that the prize will help generate world-class answers to a world-class problem. We have already had more than 600 expressions of interest from many of the best universities, former Governmental advisers and the most prestigious institutions in the world. I look forward to working alongside them over the coming months.”

Professor Charles Goodhart said:-

“As the financial crisis in the Eurozone goes from bad to worse, the flaws in the original design of this system become increasingly obvious. Yet we cannot, and should not, just sit back and let the euro-system implode without thinking about how to reform it and what should come next. What is the best future route? It is in this context that the Wolfson Economics prize will be so potentially valuable.”

Professor Jean-Jacques Rosa said:-

“At a time when the breakup of the Eurozone becomes a serious possibility many warn that it could bankrupt banks and governments and lead to a new Great Depression. Since no exit process was defined when the euro was created, in 1999, it is urgent to analyze the process and conditions that would allow member countries to exit from the euro without jeopardizing international financial stability and economic growth.”

Professor Giavazzi said:-

“The Eurozone crisis has highlighted many of the shortcomings in the architecture of the EMU. However painful it may be for European leaders to admit it, the monetary union is in desperate need for reform. On the successful design and timely implementation of such reforms lies the very survival of the European

project. The Wolfson Economics Prize is a unique opportunity for the brightest economic minds from around the world to address this crucial issue.”

Professor Manfred Neumann said:-

“The sovereign debt of Greece has rightly come into serious doubt. The country may soon have to exit the Euro. Unfortunately, nobody knows how to organise the exit from a currency union in an efficient way minimizing hardship for the citizen. I am welcome the Wolfson Economics Prize because it may permit us finding a person who has an intelligent solution. That would be great even if Greece should have no need for it.”

Entrants' packs have been sent to: the top 200 universities from around the world; 350 international economists; 220 global financial institutions, including hedge funds and banks; and over 100 global think tanks, including China, US, EU and UK.

The deadline for submissions is January 31st, 2012.

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Prize enquiries:-

To find out more about the prize please visit www.policyexchange.org.uk or email Policy Exchange at wolfson.prize@policyexchange.org.uk.

Press enquiries:-

Please contact James Bethell on +4420 3397 0104, +447802 895 300 or james.bethell@westbournecoms.com, or Emily Hamilton on +4420 3397 0100, +447828 501 877 or emily.hamilton@westbournecoms.com with media enquiries only.

Notes:-

Lord Wolfson of Aspley Guise – Sponsor of the Wolfson Economics Prize

Lord Wolfson was educated at Radley and Trinity College, Cambridge where he graduated with a degree in law.

He started working for Next in 1991 as a Sales Assistant and joined the Board as Sales & Marketing Director in 1997. In 1999 he was made Managing Director and was appointed Chief Executive in August 2001. Since becoming Chief Executive, profits have doubled to over £500m, earnings per share have grown at 16% per annum compound, and the share price has more than doubled from £10 to over £25, outperforming the FTSE 100 by over 200%. Next operates over 500 shops and employs over 40,000 people.

Lord Wolfson was created a Peer by the Government in June 2010. He is a trustee of Policy Exchange and the Charles Wolfson Charitable Trust.

Mr Derek Scott – Chairman of the Wolfson Economics Prize (UK)

Derek Scott is a member of the advisory board and economic adviser to Vestra Wealth LLP, a non-executive director of Liberty Syndicate Management Limited and visiting professor at Cass Business School.

He was formerly Economic Adviser to Prime Minister Tony Blair (1997-2003) and before that Director of European Economics at Barclay's de Zoete Wedd (BZW).

Other posts include economic adviser to KPMG, chief economist at Shell UK and international policy adviser at Shell International, and Special Adviser to the Chancellor of the Exchequer, Denis Healey, from 1976-79. He is the author of "Off Whitehall" (I.B. Tauris 2004) a book on the economics of EMU and the politics of Europe.

Prof Jean-Jacques Rosa - Emeritus Professor of Economics and Finance at Sciences Po, Paris (France)

Jean Jacques Rosa is an economist and university professor at Sciences Po, Paris. He was a member of Prime Minister Lionel Jospin's Conseil d'Analyse Économique (1997-1999).

He was president of the l'Association Nationale des Docteurs ès Sciences Economiques. He is currently a member of the American Economic Association, the American Finance Association, and the Mont Pelerin Society.

He is the author of "L'Erreur Européenne" (1998), the "Second Vingtième Siècle : déclin des hiérarchies et avenir des nations" (2000), and "l'Euro : comment s'en débarrasser" (2010), all published by Grasset. Between 1987-2001 he edited the economic section "Cheminement du Futur" for Le Figaro. He has published numerous scientific articles in French and foreign journals.

Professor Charles Goodhart CBE FBA - Emeritus Professor of Banking and Finance with the Financial Markets Group at the London School of Economics (UK)

Charles Goodhart is Emeritus Professor of Banking and Finance with the Financial Markets Group at the London School of Economics, having previously been its Deputy Director between 1987 and 2005.

Until his retirement in 2002, he had been the Norman Sosnow Professor of Banking and Finance at LSE since 1985. Before then, he had worked at the Bank of England for seventeen years as a monetary adviser, becoming a Chief Adviser in 1980.

In 1997 he was appointed one of the outside independent members of the Bank of England's new Monetary Policy Committee until May 2000. Earlier he had taught at Cambridge and LSE.

Besides numerous articles, he has written books on monetary history; a graduate monetary textbook, Money, Information and Uncertainty (2nd Ed. 1989); two collections

of papers on monetary policy, *Monetary Theory and Practice* (1984) and *The Central Bank and The Financial System* (1995); and a number of books and articles on Financial Stability, on which subject he was Adviser to the Governor of the Bank of England, 2002-2004, and numerous other studies relating to financial markets and to monetary policy and history. His latest books include *The Basel Committee on Banking Supervision: A History of the Early Years, 1974-1997*, (2011), and *The Regulatory Response to the Financial Crisis*, (2009).

Professor Francesco Giavazzi – Professor of Economics at Università Bocconi in Milan (Italy)

Francesco Giavazzi is Professor of Economics at Bocconi University in Milan and a Regular Visiting Professor at the Massachusetts Institute of Technology (MIT).

He obtained a degree in electrical engineering from the Politecnico di Milano in 1972, and a PhD in economics from MIT in 1978.

From 1998 to 2000 he was a member of the group of economic advisers to the Italian prime minister, and from 2000 to 2010 a member of the group of economic advisers to the President of the European Commission.

In 1999 he was a member of the External Evaluation Committee of the Research Activities at the IMF. In 2006, jointly with Professor Fredrick Mishkin, he conducted an evaluation of the Riksbank for the Swedish parliament. Since 1994 he has been a Houlton-Norman Fellow at the Bank of England.

He is a member of the Strategic Committee of Agence France Trésor and of the Bellagio Group, is chair the Scientific Committee of CEPII. He is also an independent director of Autogrill s.p.a., Vitale&Associati s.p.a and Arsenale di Venezia s.p.a.

A founding fellow of IGIER (Innocenzo Gasparini Institute for Economic Research), he is also a research fellow and trustee of CEPR (Centre for Economic Policy Research) in London and a research associate of NBER (National Bureau of Economics Research) in Cambridge (Mass).

Professor Dr. Manfred J. M. Neumann – Emeritus Professor of Economics at the University of Bonn (Germany)

Manfred Neumann is research professor at the Deutsche Bundesbank and Emeritus Professor of the University of Bonn. His research interests are monetary and international economics. He is a cofounder of the international Konstanz Seminar on Monetary Theory and Monetary Policy.

Professor Neumann is also a member of the Academic Advisory Council of Germany's Federal Ministry of Economics and Technology (chairman 1996-2000) and a member of the NRW-Academy of the Sciences and the Arts (president 2006-09).

Policy Exchange

Policy Exchange is an independent, non-partisan educational charity. It works with academics and policy makers from across the political spectrum and produces research work on a wide range of economic and financial topics. Policy Exchange will manage the Wolfson Economics Prize.

Translated press release

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