

## PRESS RELEASE

### Jan Švejnar wins 2015 IZA Prize in Labor Economics

Bonn/Prague/New York, April 14, 2015 - The 2015 IZA Prize in Labor Economics goes to Jan Švejnar, James T. Shotwell Professor of Global Political Economy and Director of the Center on Global Economic Governance at Columbia University's School of International and Public Affairs, New York and Chairman of the Executive and Supervisory Committee of CERGE-EI in Prague. The Czech economist was recognized for his work on economic issues relating to labor, development and the transition from socialist to market economies.

Professor Švejnar will receive the prize, awarded by the Bonn-based Institute for the Study of Labor (IZA) and widely regarded as the most prestigious science award in the field of labor economics worldwide, for his major contributions to labor, development and comparative economics in general, and the economics of transition from centrally planned to market economies in particular.

According to the IZA Prize Committee, Professor Švejnar's research on the transition from socialist to market economies "has broadened our understanding of this process in a fundamental way." Soon after the fall of the Iron Curtain, Švejnar provided an elaborated policy agenda for a successful transition from socialist to market economies. In articles published in the *PlanEcon Report* (1989) and *Journal of Economic Perspectives* (1991), he emphasized the need for micro adjustments to achieve macro stabilization in the transforming socialist economies.

Švejnar's policy proposals emphasized the importance of a functioning legal framework to guide economic activity, the need for firms to become more efficient through strong incentives for managers and workers of state enterprises, as well as specific social and labor market reforms to enhance labor mobility. His reform proposals, particularly concerning the legal framework and corporate governance, contributed substantially to the understanding of transition economies.

In his most recent work dealing with the effects of wealth distribution on economic performance, Jan Švejnar and Sutirtha Bagchi show that a greater concentration of wealth in the hands of billionaires is associated with slower economic growth, and that this negative effect is driven by billionaires connected with politics.

"Jan Švejnar is among those top economists who always have a policy perspective in mind. His insights have provided policymakers with the tools to master Europe's greatest post-war challenge – the successful transition of the formerly socialist economies," said IZA Director **Klaus F. Zimmermann**.

"Jan Švejnar is a wonderful choice for the 2015 IZA Prize. From his research on worker participation in firm management to the economics of transitioning communist countries, Jan Švejnar has had a profound influence on economics. Indeed, Švejnar helped to establish the entire field of transition economics. In addition to his significant academic contributions. Professor Švejnar has also helped to found and guide CERGE-EI to

become an outstanding graduate education and research center, advised the Czech government on economic policy and privatization procedures, and nearly became President of the Czech Republic,” said **Alan Krueger**, former Chair of the Council of Economic Advisers of President Barack Obama and Member of the Executive and Supervisory Committee of CERGE-EI.

“Jan Švejnar’s work has deepened our understanding of the pitfalls and opportunities facing emerging market economies. His analysis has contributed to economists’ theory and knowledge, but also has had direct effects on the policy choices made in various countries. The IZA Prize is a well-earned honor,” said **Rebecca Blank**, Chancellor of the University of Wisconsin, Madison, and former US Deputy Secretary of Commerce and later Acting Secretary of Commerce.

The award ceremony will be held during the annual IZA/World Bank Conference on Employment and Development in Bonn, Germany, June 4-6, 2015.

Previous recipients of the Prize have included Professors Orley Ashenfelter, David Card, Alan Krueger, Dale Mortensen, Christopher Pissarides (the last two are also laureates of the Nobel Prize for Economic Sciences), and Columbia University’s Jacob Mincer, the first Prize recipient and considered by many to be the father of modern labor economics.

The IZA Prize Committee has included, among others, Nobel laureates George Akerlof, Gary Becker, James Heckman, and Joseph Stiglitz.

## **Jan Švejnar**

Jan Švejnar is the James T. Shotwell Professor of Global Political Economy and Director of the Center on Global Economic Governance at Columbia University’s School of International and Public Affairs, New York, and co-founder of CERGE-EI, a Prague-based American-style PhD and research program dedicated to the education of a new generation of economists from Central and Eastern Europe. He is chairing the Executive and Supervisory committee of CERGE-EI. Several years ago, within CERGE-EI, he established the Institute for Democracy and Economic Analysis, a think-tank analyzing and proposing actual public economic policies.

Professor Švejnar is also a Fellow of the European Economic Association and Research Fellow of the Center for Economic Policy Research (London) and the Institute for the Study of Labor (IZA) in Bonn. From 1992 to 1997, Švejnar served as Founding Director of the Economics Institute of the Academy of Sciences of the Czech Republic. He also served as Co-Director of the Transition Program at the Center for Economic Policy Research in London, President of the Association for Comparative Economic Studies, Associate Editor of the *Journal of Economic Perspectives*, Governing Board member of the European Economic Association, and Economic Advisor to former President Vaclav Havel of the Czech Republic.

Prior to joining the faculty of Columbia University, Jan Švejnar was the Everett E. Berg Professor of Business Administration and Director of the William Davidson Institute at the Ross School of Business, as well as Professor and Director of the International Policy Center at the Gerald R. Ford School of Public Policy at the University of Michigan. Before Michigan, Jan Švejnar was professor at the University of Pittsburgh and Cornell University.

## IZA

Established 1998 in Bonn, Germany, the Institute for the Study of Labor (IZA) is a private economic research institute focused on the analysis of global labor markets. IZA is a non-profit organization supported by the Deutsche Post Foundation. It operates a global research network of 1,300 economists from more than 45 countries. Based on academic excellence and an extensive publication strategy, IZA serves as a place of communication between academic science and political practice. According to the RePEc database of economic research, IZA ranks first among economics institutions in Germany and second worldwide in the field of labor economics.

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