

The Economics Nobel Prize  
October 2, 2002

Dear All:

The Nobel prize for economic sciences for 2002 will be announced in the next few weeks. Every year, I take a bit of pleasure out of guessing who will win it.

Last year, I was fortunate to guess the winners, which included Prof. Joe Stiglitz, who worked closely with the FOLIO<sup>fn</sup> Research group. That was quite cool. He did us the favor of coming to FOLIO and answering employee questions about his victory.

So who will win this year? I really don't have a good sense, but I think it may be in one of the following fields: public finance, experimental economics, or contract theory. Or it just might be someone who did a lot of stuff, like Dale Jorgenson of Harvard. They could give it to 2 econometricians that are very, very old. Clive Granger and Gregory Chow. They could also do a finance job and lay it with Eugene Fama of Chicago (for data mining).

My votes (in ranked order) are:

1. Public Finance [Peter Diamond of MIT and Martin Feldstein of Harvard]
2. Experimental Economics [Charles Plott of California Institute of Tech and Vernon Smith of George Mason]
3. Clive Granger of UC San Diego and Greg Chow for Time Series econometrics.
4. Contract Theory [Oliver Hart of Harvard and Paul Milgrom of Stanford]
5. Dale Jorgenson of Harvard, for everything else.
6. Eugene Fama of Chicago for data mining.

*Note:* Jerry Hausman could be thrown in with [1] or [3].

If anyone wishes to send their guesses, please do so!

Enjoy!

Ludwig