

THE 2004 NOBEL PRIZE IN ECONOMICS

Dear All:

The Nobel prize for economic sciences for 2004 will be announce on Monday, October 11, 2004.

I take a personal enjoyment in guessing who might win the Nobel prize each year. I also enjoy reminding people of the Nobel in economics, since it's great to recognize significant achievement.

This year is going to be a difficult one. I can't really think of whom they might award the prize too.

I don't think it will go to any "weird" categories, since they did that just 2 years ago with Experimental Economics. I also don't think it will go to Econometrics, since they served that plate last year. I would say it's been awhile since they gave the prize for Macroeconomics (Mundell was really an International Economist) and it's also been awhile since they gave a prize for Finance (1997 to be exact). But, my choice won't be either of those, because let's face it, those aren't the issues of the day. They have not given one to Labor Economics or Public Finance in a long time. So I'm heading this route a bit.

Given that the economy has been disturbed by a massive destruction of jobs in the last few years, I'm going to side with something to do with Labor Economics.

My votes (in ranked order) are:

1. Labor Economics [Ed Phelps, Jacob Mincer, and Orley Ashenfelter]
(Note: It could go to just Phelps...some people are saying, why not Bob Hall?)
2. Macroeconomics-Business Cycle Theory [Edward Prescott and Thomas Sargent]
3. Public Finance [Peter Diamond of MIT and Martin Feldstein of Harvard]
(They could also throw Peter Diamond in with Labor due to his "search models")
4. Contract Theory [Oliver Hart of Harvard and Paul Milgrom of Stanford.]
(Could also be Law & Econ)
5. Eugene Fama of Chicago for efficient market theory. (Most likely will be thrown in with Ross and others, but not this year.)

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

Enjoy!
Ludwig