

## THE 2007 NOBEL PRIZE IN ECONOMICS

Dear All:

The 2007 Nobel prize for economic sciences will be announced on Monday, October 15, 2007.

### Background

For those who are new on my Readers & Thinkers list, I have been predicting the Nobel prize for many years now and very luckily have been right in the great majority of years (that is, either my 1 or 2 pick has almost always been right). In fact, this has made me think I should stop sending these emails, since my performance can only go down from here.

### Last Year's Winner

Last year, the prize was given to Ed Phelps (my second choice for the Nobel). He had done some very interesting work related to inflation and unemployment. For more information, please see my presentation of this at Yeshiva University.

[\[http://video.google.com/videoplay?docid=-3748268054572770614&hl=en](http://video.google.com/videoplay?docid=-3748268054572770614&hl=en)

Forward the Video to 21 min, 52 seconds to see the Ed Phelps discussion],

### Who will win in 2007?

This year is going to be difficult. Themes around the world aren't obvious and there are several categories that have been waiting in line night after night for the Nobel phone call. Some of these categories include [finance](#), [international economics](#) (as distinct from macro), [micro](#) and [industrial organization](#).

And let's not forget that the energy crisis and other events are of world concern. But then again, when you look for great names in [environmental economics](#), they are hard to find. However, there are some guys better known for other things (like William Nordhaus and Dale Jorgenson) who have also dabbled in energy.

Given all that, here are my top picks in order:

1. William Baumol and Oliver Williamson and Peltzman (maybe) [[Industrial Organization](#)]
2. Martin Feldstein and Peter Diamond [[Public Finance](#)]
3. Dale Jorgenson and William Nordhaus [[Growth and Investment Considering Energy](#)]

On any future day:

4. Hart, Milgrom, and Wilson [[Contract Theory](#)]
5. Stephen Ross and Eugene Fama [[Finance](#)]
6. Paul Romer and Robert Barro [[Macro](#)]
7. Bhagwati, Krugman, Dixit [[International](#)]
8. Hal White and Jerry Hausman [[Econometrics](#)]

Well that's all folks. As I mentioned above, the Nobel committee might throw us a real fast ball and pick someone in [environmental economics](#).

Sincerely

Ludwig

p.s. Feel free to send me your picks!