

## READERS & THINKERS: THE 2009 NOBEL PRIZE IN ECONOMICS

Dear All:

The 2009 Nobel prize for economics will be announced on Monday, October 12, 2009.

### Background

For those who are new on my Readers & Thinkers list, I have been following the Nobel prize in economics for many years now for the fun of it. I also like to keep many people, who normally don't think about economics and its contributions, informed.

### Last Year's Winner

Last year, the prize was given to Paul Krugman for "for his analysis of trade patterns and location of economic activity".

### Who will win in 2009?

Disclaimer: I have no clue. My past pre- and post-analysis can be found at: (<http://pages.pomona.edu/~lbc04747/readersthinkers.html>).

The categories that I think are most ripe for the award are [Finance](#), [History](#), [Public Finance](#), and [Micro Theory](#). Fama and Ross are probably on the short list to get it, but it would look absolutely ridiculous to give it this year for "efficient market theory" or "asset pricing theory". [History](#), especially history about financial crises, would look great, but there isn't really anyone out there who did something truly amazing. [Public Finance](#) could be hot and is overdue. [Industrial Organization](#) or [Contract Theory](#) could get it; what's nice about IO and CT is that they are pretty neutral with regards to the crisis. [Environmental](#) would not be a normal choice, but could be a great political choice.

What about [Behavioral Economics](#)? Wouldn't it be so politically perfect to give it a group that says market systems have problems due to non-rational behavior? Probably, but a useful theory has yet to emerge from this field.

Last year, I thought they would give it to Public Finance or Environmental economics, and Environmental is now my top choice. I also think an Industrial Organization award might be appropriate.

So here I go again:

1. **Dale Jorgenson, William Nordhaus, and Marty Wietzman**  
[\[Environmental/Energy\]](#)
2. **William Baumol, Oliver Williamson, and Sam Peltzmann**  
[\[Industrial Organization\]](#)

Sincerely  
Ludwig