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Professor Wins Nobel Memorial Prize in Economic Sciences

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By [Elena Barbre](#)

Vernon Smith, professor of economics and law, has been awarded the 2002 Nobel Memorial Prize in Economic Sciences for his contributions to the field of experimental economics. He shares the \$1 million prize with Princeton University professor Daniel Kahneman.



"We are extremely pleased for and proud of Vernon Smith for receiving this great and distinguished honor," says President Alan Merten. "There is no greater recognition an academician can receive than the Nobel Prize. It is a fitting measure of the commitment he has demonstrated throughout his entire career to his profession and to his field."

Smith laid the foundation for experimental economics nearly 50 years ago by pioneering the use of laboratory experiments in evaluating the performance and function of markets. Results of these experiments have given economists a deeper understanding of the actual workings of real-world markets and institutions and have helped guide public policy in electric power and water markets and in the design and testing of a pollution

permit trading system.

Smith is a faculty member in the School of Law and the Department of Economics, and leads a team of economists at the [Interdisciplinary Center for Economic Science](#). He came to George Mason thanks in part to a \$3 million grant from the [Charles G. Koch Charitable Foundation](#). Smith is the second George Mason scholar to receive the Nobel Memorial Prize in Economic Sciences--economics professor James Buchanan received the award in 1986 for his groundbreaking work on public choice theory.

"We are honored to be the only law school in America with an active Nobel Prize winner on its faculty," says School of Law Dean Mark Grady. Smith teaches a law school course on exchange institutions and the law.

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