IZA Prize 2004 goes to U.S. Economist Edward Paul Lazear

Institute for the Study of Labor (IZA) honors eminent labor economist and pioneer of personnel economics

The IZA Prize in Labor Economics 2004 is awarded to the renowned U.S. economist Edward P. Lazear (Stanford University). IZA Director Klaus F. Zimmermann announced the decision of the IZA Prize Committee in Bonn today. The annual award was established by IZA with support from Deutsche Post World Net to honor outstanding contributions to the scientific analysis of labor markets and labor policy. Carrying a cash reward of 50,000 Euro, the IZA Prize is one of the largest international science awards in economics. Participants of the official award ceremony in Berlin on October 25 include Federal Minister of Economics and Labor Wolfgang Clement, Vice Chairman of the CDU/CSU Parliamentary Faction Friedrich Merz, and CEO of Deutsche Post World Net Klaus Zumwinkel.

56-year-old Edward Lazear is the third American to receive the IZA Prize. His analytical and empirical work has contributed largely to the understanding of today’s labor markets. He has published path-breaking studies on employee incentive mechanisms such as piece rates, age-earnings profiles, profit-sharing and career prospects. Lazear has also studied other important aspects of labor contracts including hiring and promotion strategies, teamwork and the organization of work processes. His work on employee participation and optimal severance pay has become ever more relevant in the current debate.

Edward P. Lazear is considered the founding father of personnel economics as a subdiscipline of labor economics. With his establishment of the Journal of Labor Economics, probably the world’s most influential journal in the field, he has made a significant contribution to the exchange of ideas in labor market research.

According to the award statement, "Lazear is an exceptionally creative thinker, whose input has profoundly shaped both economic research and policy debates." The IZA Prize Committee included Nobel Prize winners George A. Akerlof and Gary S. Becker as well as Richard Portes, President of the Centre for Economic Policy Research (CEPR), London.