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F. A. Hayek's Influence on Nobel Prize Winners

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Abstract

F.A. Hayek's broad research program has led some to conclude that his impact on economics has been minimal. This citation study examines the frequency of Nobel laureates cited by other laureates in the official Prize Lectures to understand how elite economists influence other elite economists. It finds that Hayek is the second most frequently mentioned laureate in the Prize Lectures, and he has the second most publication citations of the laureates. Hayek's influence on the top-tier of economists is substantial.

Introduction

Friedrich A. Hayek's academic contributions span an impressive number of fields, including monetary and capital theory, constitutional economics, law, psychology, and political philosophy. Throughout his career, his work has challenged the mainstream economics profession by arguing against the acceptance of scientific socialism by mainstream economists, questioning the assumption of given information and static (rather than dynamic) markets, and denying the positivist methodology -- which is still dominant -- in favor of emphasizing the complexity of social phenomenon.

Peter Boettke argues, however, that most people recognize Hayek for his "political vision and not his economic analytics" (2000: xii). He notes that Hayek's early prominence as an economist turned to "ridicule" with the rise of Keynesianism. *The Road to Serfdom* restored

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Hayek's fame but firmly established him as an *ideological* opponent to socialism instead of an economist, and he notes that even a distinguished economist like Paul Krugman believes that if it were not for his politics, Hayek would be "virtually forgotten" (ibid.). Hayek's broad-ranging research program has eclipsed his economic contributions. To what extent, then, has Hayek's work actually influenced economists?²

This paper provides empirical evidence on Nobel Prize winners' influences on other Nobel laureates. I examine all of the Nobel laureates' Prize Lectures and tally the number of citations to other laureates. The lectures are primarily summary works about the contribution mentioned by the Nobel Committee, so citations in the lectures should reflect accurately the influences on the laureates' main work.

I use only the lectures listed as the "Prize Lecture" on the official Nobel Prize webpage. Many of the laureates have published variations of their prize lecture in journals or written commentaries in newspapers like the *Wall Street Journal* and *New York Times*, and using the lectures on the official webpage seems like the least arbitrary method for choosing among different versions. I examine the written lectures, not the prize speech which is sometimes included and different.

I exclude two laureates from this study³. I exclude John Nash because the Nobel website does not provide a Prize Lecture for him; instead, it lists a Prize Seminar with commentary by Kuhn, Harsanyi, Selten, Weibull, Damme, and Hammerstein with some limited discussion by Nash. William Vickrey died before giving his lecture, so Jean-Jacques Laffont gave a speech in his honor. Although likely to be consistent with each laureate's research influences, the citations are not actually attributable to them.

² Boettke, Coyne, and Leeson (2008) discuss Hayek's influence by identifying the unifying theme throughout his work – coordination – and showing its relevance in eight areas of research, seven of which are explicitly economics.

³ Paul Krugman is not included because his Prize Lecture has not been given at the time of writing.

Clearly, this is not a perfect test of Hayek's influence. It is possible that an economist works in a field that Hayek initially inspired, but the field has since lost that explicit distinction. Alternatively, an economist may simply not cite Hayek despite a clear influence. For example, even James Buchanan -- who cites Hayek roughly three times more than either Kenneth Arrow or Milton Friedman in his collected works (Buchanan 2002) -- does not cite him in his Nobel lecture. There is also variation in the length and style of the prize lectures, with some being shorter, more biographical pieces and others being detailed elaborations of the laureate's contribution. Moreover, the internet may have increased access to academic materials and may bias the later winners to cite more people or more often. Despite these shortcomings, starting with the Nobel Prize lectures seems like a reasonable place to start to understand Hayek's influence on the other laureates in economic science.

Results

I record the number of times a laureate is cited in the others' lectures. This measure gives no indication of the extent to which a person is cited in a lecture, only the number of laureates who cited him at all. For the fifteen lectures without a clearly defined "references" section, I simply examine the lecture and record the laureates mentioned. I exclude self-citations. Table 1 displays the results.

TABLE 1

| Economist | Citations Received | Economist | Citations Received | Economist | Citations Received |
|------------|--------------------|-----------|--------------------|-------------|--------------------|
| Arrow | 15 | Aumann | 4 | Sen | 2 |
| Hayek | 13 | Maskin | 4 | Spence | 2 |
| Samuelson | 12 | Nash | 4 | Tinbergen | 2 |
| Friedman | 10 | Prescott | 4 | Allais | 1 |
| Lucas | 10 | Stiglitz | 4 | Engle | 1 |
| Phelps | 10 | Kuznets | 3 | Fogel | 1 |
| Modigliani | 9 | Kydland | 3 | Granger | 1 |
| Becker | 7 | Leontief | 3 | Haavelmo | 1 |
| Miller | 7 | Mirrlees | 3 | Kantorovich | 1 |
| Solow | 7 | Myrdal | 3 | Klein | 1 |
| Stigler | 7 | Scholes | 3 | McFadden | 1 |
| Coase | 6 | Sharpe | 3 | Mundell | 1 |
| Debreu | 6 | Vickrey | 3 | North | 1 |
| Hicks | 6 | Akerlof | 2 | Ohlin | 1 |
| Hurwicz | 6 | Buchanan | 2 | Schelling | 1 |
| Kahneman | 6 | Frisch | 2 | Smith | 1 |
| Koopmans | 6 | Harsanyi | 2 | Stone | 1 |
| Tobin | 6 | Heckman | 2 | Lewis | 0 |
| Markowitz | 5 | Meade | 2 | Selten | 0 |
| Merton | 5 | Myerson | 2 | | |
| Simon | 5 | Schultz | 2 | | |

To get a better idea of whether these are passing citations or substantive discussions, I count the number of laureate's publications cited in the references section. For example, if a lecture cites Coase's 1937 and 1960 pieces, I would record a "2" for Coase for this lecture. I do not discount coauthored publications. As mentioned above, fifteen of the lectures do not have a references section. For all laureates mentioned in these lectures, I simply record a one. Clearly, this will bias the results. I put an asterisk (in Table 2) next to the laureates who did not have a "references" section. The reader is free to speculate about to whom the laureates may have given multiple citations. Notably, neither Buchanan nor Coase have a references section, which I suspect would generate quite a few more citations for Hayek. Table 2 displays the results.

Table 2

| Economist | Citations Received | Economist | Citations Received | Economist | Citations Received |
|------------|--------------------|--------------|--------------------|-----------|--------------------|
| Arrow | 37 | Hicks* | 8 | Meade* | 2 |
| Hayek* | 23 | Mirrlees | 8 | Myerson | 2 |
| Samuelson | 20 | Prescott | 7 | Schultz | 2 |
| Lucas | 18 | Tobin | 7 | Sen | 2 |
| Phelps | 18 | Buchanan* | 6 | Smith | 2 |
| Kahneman | 16 | Koopmans | 6 | Tinbergen | 2 |
| Friedman | 15 | Kydland | 6 | Allais* | 1 |
| Maskin | 14 | Leontief* | 6 | Engle | 1 |
| Merton | 13 | Simon | 6 | Fogel | 1 |
| Stiglitz | 13 | Aumann | 5 | Granger | 1 |
| Becker | 12 | Heckman | 5 | Haavelmo* | 1 |
| Modigliani | 12 | McFadden | 5 | Klein* | 1 |
| Markowitz | 11 | Nash | 5 | Mundell | 1 |
| Miller | 11 | Sharpe | 5 | North | 1 |
| Solow | 10 | Kantorovich* | 4 | Ohlin* | 1 |
| Stigler* | 10 | Kuznets* | 4 | Schelling | 1 |
| Hurwicz | 9 | Myrdal* | 3 | Stone | 1 |
| Scholes | 9 | Spence | 3 | Lewis* | 0 |
| Akerlof | 8 | Vickrey | 3 | Selten | 0 |
| Coase* | 8 | Frisch | 2 | | |
| Debreu | 8 | Harsanyi | 2 | | |

Concluding Discussion

Hayek's influence on Nobel Laureates is, by these measures, substantial. Hayek comes in second – trailing Arrow – under both measurement methods. The elite of the economics profession, Coase, Friedman, Hicks, Hurwicz, Koopmans, Lucas, Maskin, Myerson, North, Phelps, Sen, Smith, and Stigler, all deem Hayek's work as important and influential to economics. I have presented a very simple measurement; I hope it will stimulate a more thorough and accurate study of Hayek's influence on the other Nobel laureates.

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