

Joseph E. Stiglitz

Honorary Degree Citation

Joseph E. Stiglitz
Doctor of Humane Letters
May 25, 2004

Economist, author, Nobel laureate, you, Joseph E. Stiglitz, are a leading thinker, educator, and a fearless critic of international economic policies. Your revolutionary work helps explain the circumstances in which markets do not work well and suggests strategies for how selective government intervention can improve their performance.

You were born in Gary, Indiana, in 1943. A graduate of Amherst College, you received your PhD from MIT in 1967 and became a full professor at Yale in 1970. For your significant contributions to the field, you were awarded the John Bates Clark Award by the American Economic Association in 1979. You have taught at Princeton, Stanford, and MIT and were the Drummond Professor and a fellow of All Souls College, Oxford. You are University Professor at Columbia University.

You have made major contributions to macroeconomics and monetary theory, to development economics and trade theory, to public and corporate finance, to the theories of industrial organization and rural organization, and to the theories of welfare economics and of income and wealth distribution.

But your most famous research resulted in the creation of a new branch of economics, the economics of information. You explored the consequences of information asymmetries and pioneered such pivotal concepts as adverse selection and moral hazard, which have now become standard tools not only of theorists, but also of policy analysts. It was for this contribution to the theory of information asymmetries that you shared the Nobel Prize in 2001 with George A. Akerlof and A. Michael Spence.

In addition to making numerous influential contributions to microeconomics, you have played a number of influential policy roles. You served in the Clinton Administration as the chair of the President's Council of Economic Advisors from 1995 to 1997. At the World Bank, you served as senior vice president and chief economist from 1997 to 2000. You are also the cofounder and executive director of the Initiative for Policy Dialogue, which helps developing and transitioning countries explore policy alternatives, and enables wide civic participation in economic policymaking.

Along with your technical economic publications, you are the author of *Whither Socialism*, which examined economic socialism's failure in Eastern Europe, the role of imperfect information in markets, and misconceptions about how truly free our free market capitalist system operates. In 2002, you wrote *Globalization and Its Discontents*, where you assert that the International Monetary Fund puts the interest of "its largest shareholder," the United States, above those of the poorer nations it was designed to serve. And most recently you wrote *The Roaring Nineties*, a history of the boom and bust of the 1990s.

For pursuing truth in economics, for refusing to bend to the will of conventional thinking, and for your commitment to finding a better way for the world to do business, Pace University is honored to confer upon you the degree of Doctor of Humane Letters, *honoris causa*, with all the rights and privileges pertaining thereunto.

Aniello A. Bianco '61
Chairman, Board of Trustees

David A. Caputo
President, Pace University

