

Professor Avinash Kamalakar Dixit

DOCTOR OF SOCIAL SCIENCES *honoris causa*

Citation

Professor Avinash Dixit is an exceptionally distinguished member of the economics profession. Born in Bombay where he studied Mathematics and Physics, he was further educated at Cambridge University where he graduated with First Class in Mathematics, and at the Massachusetts Institute of Technology where he received his PhD in Economics in 1968. He was an assistant professor at the University of California, Berkeley, a fellow of Balliol College, Oxford, and professor at the University of Warwick, before joining Princeton University in 1981 where he remained affiliated ever since.

Professor Dixit has made fundamental contributions to numerous major fields of economics including microeconomics, macroeconomics, international economics, finance (investment under uncertainty), international trade, industrial organization, public economics, law and institutions of economic governance, political economy, and growth and development. He has been President of the two most important economics organizations in the world: the Econometric Society and the American Economic Association, and is also an elected Fellow of the National Academy of Sciences, the American Academy of Arts & Sciences, the Econometric Society, a Foreign Fellow of the British Academy, and earlier this year was elected Fellow of the American Philosophical Society.

Professor Dixit's path-breaking article on "Monopolistic competition and optimum product diversity," co-authored with Professor Joseph Stiglitz (Nobel laureate 2001 and Lingnan honorary doctorate 2005) and published in the *American Economic Review* in 1977, unified the two rival macroeconomics camps of neoclassical economics and neo-Keynesian economics, laying down the foundation for the synthesis of modern macroeconomics. This analytical framework has in turn been successfully applied by Professor Dixit and by others to areas such as international trade, in work that has received Nobel prizes. At the same time, this theoretical apparatus has also been central to fundamental contributions by others to the economics of innovation and its linkages to trade and growth.

Professor Dixit is also a pioneer and reference point in the study of the irreversibility of economic decisions, meaning irreversibility on issues such as investment where some of the cost may not be undone if the market turns out to be bad after the investment takes place, or irreversibility of a decision to declare bankruptcy, which again cannot be undone if future developments show that you should have stayed the course. Economists have always been more comfortable dealing with decisions *on margins*, largely *symmetrical*, and Professor Dixit developed models that help us understand these large and irreversible decisions, helping us understand why some firms may hesitate to enter a market where there are obvious profits to be made, or why others may be reluctant to declare bankruptcy even when they are losing money.

Professor Dixit is also a pioneer and important researcher on the study of strategic competitive or anticompetitive behaviour by firms, for example investing what would seem an excessive amount, as a means to deter other firms from entering that market. This concept and topic is now staple material in first-year economics courses as much as in advanced PhD programmes across the world and is directly associated to his name.

In recent years, Professor Dixit has turned his attention to issues of economic governance, which people have long known are centrally important, but where proper modelling and analysis long proved to be too hard and elusive. Here again his research has offered important insights into how formal or informal governance mechanisms can provide effective property rights and contract enforcement. He has found ways to successfully apply ideas from the theory of the firm to analyze the behaviour of politicians and bureaucrats, and with that to analyze the quality of government and governance which are increasingly recognized as central to the performance of countries.

Since last year, Professor Dixit has accepted an appointment as Lingnan University's Distinguished Adjunct Professor of Economics, which will bring him to Lingnan for six weeks or so during the initial five years of his appointment. Thanks to his generosity towards our colleagues and his intellectual curiosity, Professor Dixit has provided very insightful guidance to the research of our colleagues, and has no doubt started to make a great contribution to the pursuit of academic excellence at our University.

Mr Chairman, for his remarkable contributions to the economics profession, may I present Professor Avinash Dixit to you for the conferment of the degree of Doctor of Social Sciences *honoris causa*.

Written and delivered by Professor Ma Yue / Professor Jesús Seade

Avinash Kamalakar Dixit教授

榮譽社會科學博士

贊辭

著名經濟學家Avinash Dixit教授在學界享負盛譽。他出生於孟買，修讀數學及物理學，其後於劍橋大學考獲一級榮譽數學學位，1968年於麻省理工學院取得經濟學博士學位。他曾任加州大學柏克萊分校助理教授、牛津大學巴里奧爾學院院士及華威大學教授，1981起加入普林斯頓大學至今。

Dixit教授在多個主要經濟學領域作出了重大貢獻，包括微觀及宏觀經濟學、國際經濟學、金融(不確定性下的投資)、國際貿易、工業組織、公共經濟學、法律及經濟監管體系、政治經濟及增長與發展等。他曾出任世界計量經濟學會及美國經濟學會兩個全球最重要經濟組織的主席，亦是美國科學院、美國藝術與科學學院以及世界計量經濟學會的院士和英國人文社會科學院外國院士，本年初又獲選為美國哲學學會院士。

Dixit教授早年與2001年諾貝爾得獎者同時是2005年嶺大榮譽博士的Joseph Stiglitz教授合作撰寫了一篇題為〈壟斷競爭和最佳的產品多樣化〉的開創性論文，1977年在《美國經濟評論》發表。該篇論文結合了新凱恩斯及新古典兩個對立的宏觀經濟學學派，為綜合現代宏觀經濟學建立基礎。Dixit教授及其他經濟學家將這個分析框架成功應用到不同領域例如國際貿易等範疇上，由此衍生的成果更獲得了諾貝爾獎項。同時，此理論框架亦促使其他經濟學家在創新經濟學及與其相連繫的貿易和增長方面作出重大貢獻。

Dixit教授也是經濟決策不可逆性的開拓者和參照權威。所謂經濟決策的不可逆性，即例如投資因市場情況轉壞以致部分成本不能收回，或在宣佈破產後即使將來的發展顯示決定錯誤也無法回頭。經濟學家一向認為處理邊際決策相對容易，此邊際決策多屬對稱的。Dixit教授發展出多個經濟模型，幫助我們理解這些重大而不可逆轉的決策，明白某些公司為何看見進入市場有明顯利益也會猶豫，或在損失金錢時也不願意宣佈破產。

此外，Dixit教授率先研究公司的策略性競爭或反競爭行為，例如以看似過度的投資為方法，令其他公司不敢進入市場等。這個概念現已普及全球，成為上至經濟學博士、下至本科一年級課程必讀的課題，而且直接以Dixit教授的姓氏命名。

近年，Dixit教授把注意力轉移到經濟治理上。雖然學者一直都知道經濟治理極為重要，但要發展出這個概念的經濟學模型和分析實在非常困難。Dixit教授的研究深入分析了正式及非正式管治機制如何提供有效的產權和合約履行，成功把應用於公司的理論套用在分析政治家和政府官員的行為上。有了這些理論基礎，我們就更能明白政府及其管治的質素，是一個國家表現優劣的核心元素。

自去年開始，嶺大邀請到Dixit教授成為本校的特約兼任經濟學教授，在受任的首五年間，每年到訪嶺南約六個星期。Dixit教授樂於跟嶺大教員分享自己對知識的種種好奇，令教員獲得非常獨到的研究指引，無疑有助本校追求更卓越的學術成就。

主席先生，為表揚Dixit教授對經濟學界的傑出貢獻，本人謹恭請閣下頒授榮譽社會科學博士予Avinash Dixit教授。

由馬躍教授/施雅德教授撰寫及宣讀