

## Citation (for the award of Dr. H.C.) – Charles Plott

Charles Raymond Plott (born July 8, 1938) is an American economist. He currently is the William D. Hacker Professor of Economics and Political Science at the California Institute of Technology, where he is also Director of the Laboratory for Experimental Economics and Political Science.

Charles Plott was trained as a theoretical economist who went on to pioneer experimental economics and political science. His research is focused on the basic principles of economic and political process and the use of those principles in the design of new, decentralised mechanisms to solve complex allocation and information revelation problems.

Charles Plott has demonstrated at once the power and the weaknesses of economic and political theories, including behavioural variants. Among other things, he showed whether and when complex economic and political interaction leads to the equilibrium outcomes that economists and political scientists use in their predictions. Before him, equilibration was a maintained hypothesis, and was never verified independently. He has explored the forces behind equilibration, which allowed him to design workable group decision-making protocol for allocation of goods, services and rights.

Charlie Plott's numerous publications have become the standard by which experimentation is evaluated in much of the social sciences. He has developed experimental methods for pretty much every branch of economics and political science, from voting paradigms over game theory to macroeconomics and financial economics. He thereby introduced the scientific method to the social sciences. It is fair to say that his contributions are of the quality that normally lead to a Nobel Prize.

Charles Plott's work has had tremendous impact in industry and policy applications. His experimental work was key for the success of the first set of electromagnetic spectrum auctions in the USA. His pari-mutuel prediction markets are used in companies such as Intel. He proposed the structure for carbon emission markets for the Kyoto protocol. Other contributions included auctions for electric power, landing rights, aquaculture rights and combinatorial fleet vehicle sales. He is not an unknown in Australia either, having contributed immensely to policy implementation, especially in the state of Victoria. As such, he introduced evidence-based policy in the realm of economics, with applications (in Australia) such as taxi license allocations, harbor berth allocation, native forests lumber extraction, medical panel assignment, Hunter River salinity avoidance, fishing rights etc. The latest of his concerns focuses on a sophisticated matching mechanism to transport handicapped children back and forth to school in the Geelong School District.

Prof. Vernon Smith, winner of the 2002 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, states it as follows: "Charles Plott is a leading experimental scientist. He essentially invented experimental political economy. He has been a contender for numerous honours and recognition. He will be an important figure in 21st century economic and social science."