

## **William Lazonick, Professor in the UMass Lowell Department of Regional Economic and Social Development wins the 2010 Schumpeter Prize**

On June 22 the International Joseph A. Schumpeter Society awarded William Lazonick the 2010 Schumpeter Prize for his book, *Sustainable Prosperity in the New Economy? Business Organization and High-Tech Employment in the United States* (Upjohn Institute for Employment Research, 2009). Also awarded the 2010 Schumpeter Prize was Bart Nooteboom of Tilberg University for his book, *A Cognitive Theory of the Firm* (Elgar, 2009). The two recipients share the cash reward of €10,000.

The Prize is awarded every two years in recognition of a recent scholarly contribution related to the work of Joseph Schumpeter, a leading economist of the first half of the 20<sup>th</sup> century whose name has become synonymous with the study of innovation and economic development. This year the theme of the Prize competition was “Innovation, Organization, Sustainability and Crises”.

Lazonick’s book analyzes the transformation of the mode of business organization that characterizes US high-tech industry. He shows how a business model that was an engine of innovation in the 1980s and 1990s has resulted in an inequitable income distribution and unstable employment. Lazonick argues that, with increasing inequity and recurring instability in the 2000s, the engine of innovation has stalled. At the root of the problem is the corporate focus on stock-price performance, manifested in large-scale stock buybacks and the explosion of executive pay. This book is essential for understanding how the “financialization” of US industrial corporations has weakened the US economy and contributed to the current crisis.

Further information on *Sustainable Prosperity in the New Economy?* can be found at <http://www.upjohninst.org/publications/titles/spne.html>.

William Lazonick is Professor in the Department of Regional Economic and Social Development at the University of Massachusetts Lowell and Director of the UMass Lowell Center for Industrial Competitiveness. He is currently directing a project on financial institutions for innovation and development, funded by the Ford Foundation, with a focus on the United States, Japan, and China. He is also affiliated with the University of Bordeaux, where he is engaged in a large-scale research project on finance, innovation, and growth, funded primarily by the European Commission.

Before coming to UMass Lowell to help build the University’s program on regional economic and social development, Lazonick was Assistant and Associate Professor of Economics at Harvard University (1975-1984), and Professor of Economics at Barnard College of Columbia University (1985-1993). He was also on the faculties of University of Toronto (1982-1983) and Harvard Business School (1984-1986), and was a visiting member of the Institute for Advanced Study in Princeton (1989-1990). During his time at UMass Lowell, Lazonick has also been a professor at University of Tokyo (1996-1997), the Norwegian School of Management (2002-2005), and INSEAD, the European Institute of Business Administration in France (1996-2007).

In 1991 Professor Lazonick was the first economist to serve as president of the Business History Conference, the main professional association of business historians in the United States. His work through the early 1990s was the subject of a chapter in the volume, *American Economists of the Late Twentieth Century* (Elgar, 1996). He was the youngest of 36 economists selected worldwide to write an autobiographical essay in *Exemplary Economists* (Elgar, 2000).

Professor Lazonick holds a Bachelor of Commerce degree from the University of Toronto (1968), a Master of Science degree in economics from the London School of Economics (1969), and a Doctor of Philosophy degree in economics from Harvard University (1975). In 1991 Uppsala University awarded him an honorary doctorate for his work on the theory and history of economic development.

He is the author or editor of twelve books, and has published more than 100 academic articles. Media articles based on his recent research have appeared in *The Financial Times*, *The Observer*, *BusinessWeek*, *Globe and Mail*, *USA Today*, and *Huffington Post*, as well as in many foreign-language newspapers. Lazonick is regularly invited to speak at academic conferences, research institutes, universities, government agencies, and corporate associations throughout the world.