A Biographical Sketch of Wei Lun Visiting Professor Orley Ashenfelter as introduced December 14, 2000 at The Chinese University of Hong Kong

Professor Orley Ashenfelter is Joseph Douglas Green 1895 Professor of Economics and Director of the Industrial Relations Section at Princeton University and has been Editor of the *American Economic Review*, the world's largest peer-reviewed economics journal, for the past 15 years. His innovative research has spanned a broad array of topics in the economic analysis of labor markets.

As Director of the Office of Evaluation of the US Department of Labor in 1972, Professor Ashenfelter began the work that is now widely recognized as the separate field of "quantitative social program evaluation." His influential work on the econometric evaluation of government retraining programs led to the systematic development of rigorous methods for the quantitative evaluation of many social programs. The key characteristic of these methods is the goal of simplicity and credibility in the quantitative analyses. Without credibility, Professor Ashenfelter recognized, the results of any analysis will never lead to social changes. The methods he developed included the use of randomized trials for the evaluation of training programs, convincingly demonstrated by him in 1976 and the rigorous development of longitudinal program evaluation methods (now often called the "difference-in-differences" methods) in 1978.

Professor Ashenfelter is also regarded as the originator of the use of so-called "natural experiments" to infer causality about economic relationships. This approach, now becoming universal in all the social sciences, is associated with Princeton University's world famous Industrial Relations Section, of which Professor Ashenfelter is the Director. His research using twins to control for genetic factors that may confound the estimation of the payoff to schooling is an example of this approach. He has also used this approach to estimate the valuation of a statistical life, the impact of arbitration statutes on wages, the impact of the end of mandatory retirement rules on the retirement decisions of faculty, and the effects of many other public policies that affect the labor market.

Professor Ashenfelter has also been the leader in the very recent emphasis in quantitative economic analysis on the use of creative methods of data collection. Faced with what seemed an impossible task in the absence of the appropriate data, he moved his research forward by engaging in creative data collection. To study the effects of training programs on worker earnings using longitudinal data, Professor Ashenfelter was a leader in persuading the appropriate governmental agencies to part with administrative records that contained the crucial information. His research on the payoff to schooling among twins is based on data collected directly in the field at a festival twins annually attend. His study of faculty retirement decisions is based on retrospective data collected directly from Universities.

Through his work with a long list of outstanding graduate students at Princeton University, Professor Ashenfelter has done nothing less than lead a quiet movement that has revolutionized the study of labor markets. In addition, Professor Orley Ashenfelter is a Guggenheim fellow and Benjamin Meeker Visiting Professor at the University of Bristol. He edited the *Handbook of Labor Economics* and is currently co-editor of the *American Law and Economics Review*. 