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Nobel Prize for Economic Sciences, 2021

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Why in News

The **2021 Nobel Prize in Economic Sciences** has been awarded in one half to **Canadian-born David Card** and the **other half jointly to Israeli-American Joshua D Angrist and Dutch-American Guido W Imbens**.

- David Card has been awarded for his **empirical contributions to labour economics**. Joshua D Angrist and Guido W Imbens won the award **“for their methodological contributions to the analysis of causal relationships.”**
- The **2020 Nobel Prize in Economic Sciences** was awarded to **Paul R Milgrom and Robert B Wilson** “for improvements to auction theory and inventions of new auction formats”.

Key Points

- **About:**
Established: Unlike the other Nobel prizes, the **economics award wasn't established** in the will of **Alfred Nobel** but by the **Swedish central bank** in his memory in 1968.

- **Contributions:**

- **David Card:** He has analysed how **minimum wages, immigration and education** impact the labour market.
 - One of the significant findings of this research was that **“increasing the minimum wage does not necessarily lead to fewer jobs”**.
 - It also led to the understanding that **“people who were born in a country can benefit from new immigration, while people who immigrated at an earlier time risk being negatively affected”**.
 - It also illuminated the **role of resources available in school** in shaping the future of students in the labour market.
- **Joshua Angrist and Guido Imbens:** They were rewarded for their **“methodological contributions”** to the research tool. Their work demonstrated **“how precise conclusions about cause and effect can be drawn from natural experiments”**.

Nobel Prizes 2021

Field	Recipient	Contributions
<u>Chemistry</u>	Benjamin List and David W.C. MacMillan	Finding an easier and environmentally cleaner way to build molecules that can be used to make compounds, including medicines and pesticides (organocatalysis).
<u>Physics</u>	Syukuro Manabe, Klaus Hasselmann and Giorgio Parisi	Understanding of complex physical systems.
<u>Medicine</u>	David Julius and Ardem Patapoutian	For their work in the field of somatosensation, that is the ability of specialised organs such as eyes, ears and skin to see, hear and feel.
<u>Peace Prize</u>	Maria Ressa and Dmitry Muratov	For their efforts to safeguard freedom of expression, which is a precondition for democracy and lasting peace.
<u>Literature</u>	Abdulrazak Gurnah	For his uncompromising and compassionate penetration of the effects of colonialism and the fate of the refugee in the gulf between cultures and continents.
<u>Economics</u>	David Card, Joshua Angrist and Guido Imbens	Research on wages, jobs

Source: IE