

Nobel Prize in Economics, 2021

October 12, 2021

In news- Three US-based economists, **David Card, Joshua Angrist, Guido Imbens** have won the 2021 Nobel prize for Economics.

About the awardees-

- The Nobel Committee awarded one half of the prize to **David Card for his empirical contributions to labour economics** and the other half jointly to **Joshua D. Angrist and Guido W. Imbens for their methodological contributions to the analysis of causal relationships.**
- Card worked on research that used restaurants in New Jersey and in eastern Pennsylvania to measure the effects of increasing the minimum wage.
- He found that an increase in the hourly minimum wage did not affect employment, challenging conventional wisdom which held that an increase in minimum wage will lead to less hiring.
- Card's work also challenged another commonly held idea, that immigrants depress wages for native-born workers.
- He found that incomes of the native-born can benefit from new immigration, while it is earlier immigrants who are at risk of being negatively affected.
- Angrist and Imbens worked out the methodological issues that enable economists to draw solid conclusions about cause and effect even where they cannot carry out studies according to strict scientific methods.

Note- Unlike the other Nobel prizes, the economics award wasn't established in the will of Alfred Nobel and the Nobel Prize in Economic Sciences is awarded by the Royal Swedish Academy of Sciences, Stockholm. The Prize is based on a

donation received by the Nobel Foundation in 1968 from Sveriges Riksbank on the occasion of the Bank's 300th anniversary. It is the last prize announced each year.