

ECONOMIC SCIENCES PRIZE 2020

Research that improves auctions in practice

Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel

The Economic
Sciences Prize was
established by
Sveriges Riksbank,
Sweden's central
bank.



Who is rewarded with the Economic Sciences Prize?



The prize is awarded to a person or persons who have produced works of outstanding importance in the field of economic sciences.

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2020 Economic Sciences Prize



The prize is awarded for research that has contributed new ways to use auctions that benefit sellers, buyers and taxpayers around the world.

2020 Economic Sciences Laureates

"for improvements to auction theory and inventions of new auction formats"



Paul R. Milgrom Born: 1948, USA



Robert B. Wilson Born: 1937, USA

ILL. NIKLAS ELMEDHED. © NOBEL MEDIA

Different types of auctions

Which is best for the seller – to maximise the selling price or to get some more long-term benefit?





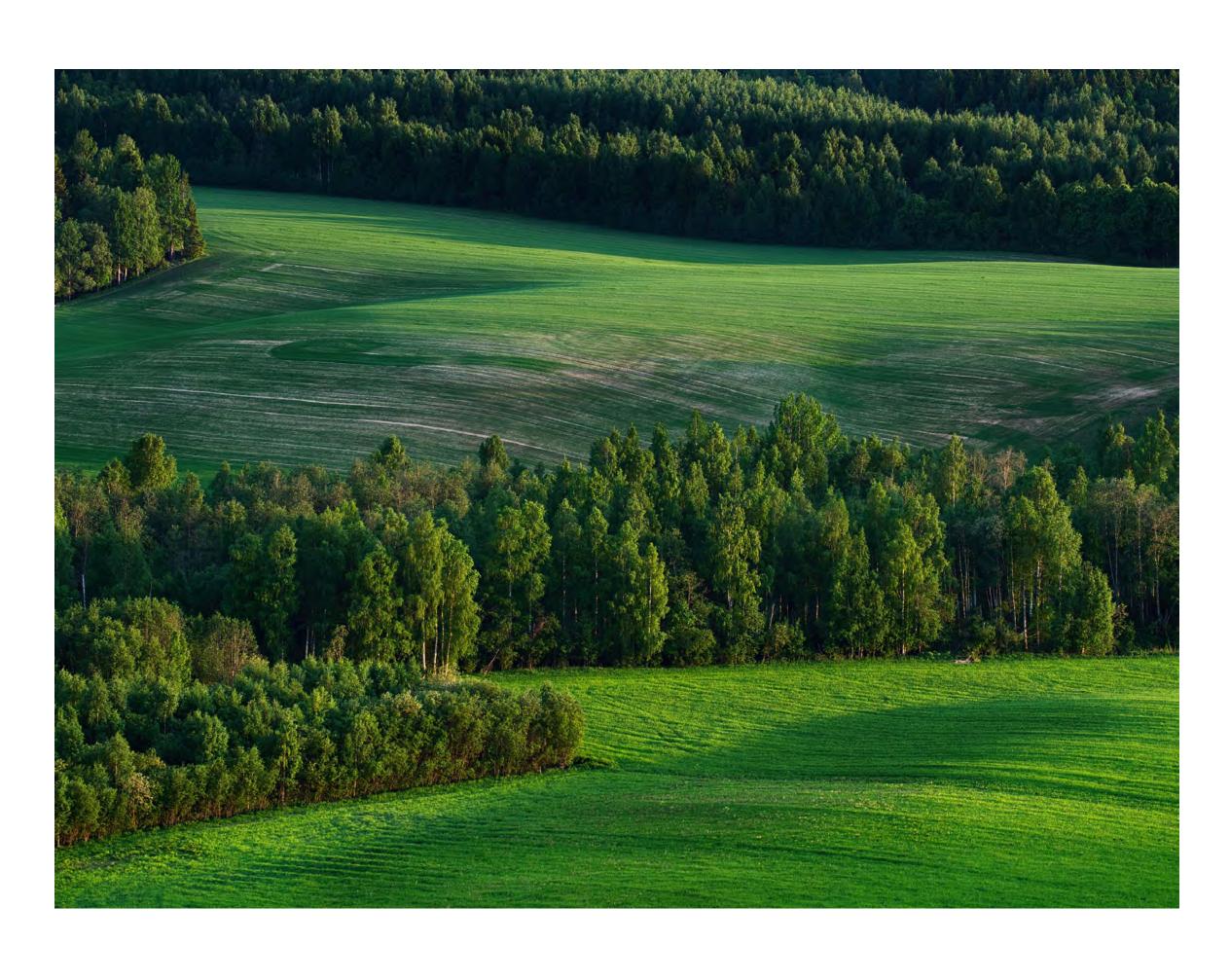


Private values



When the different bidders have values that are entirely independent of each other, we call these "private values".

Common values



Common values are when the value of what is being sold is equal to all the bidders.

Both private and common values

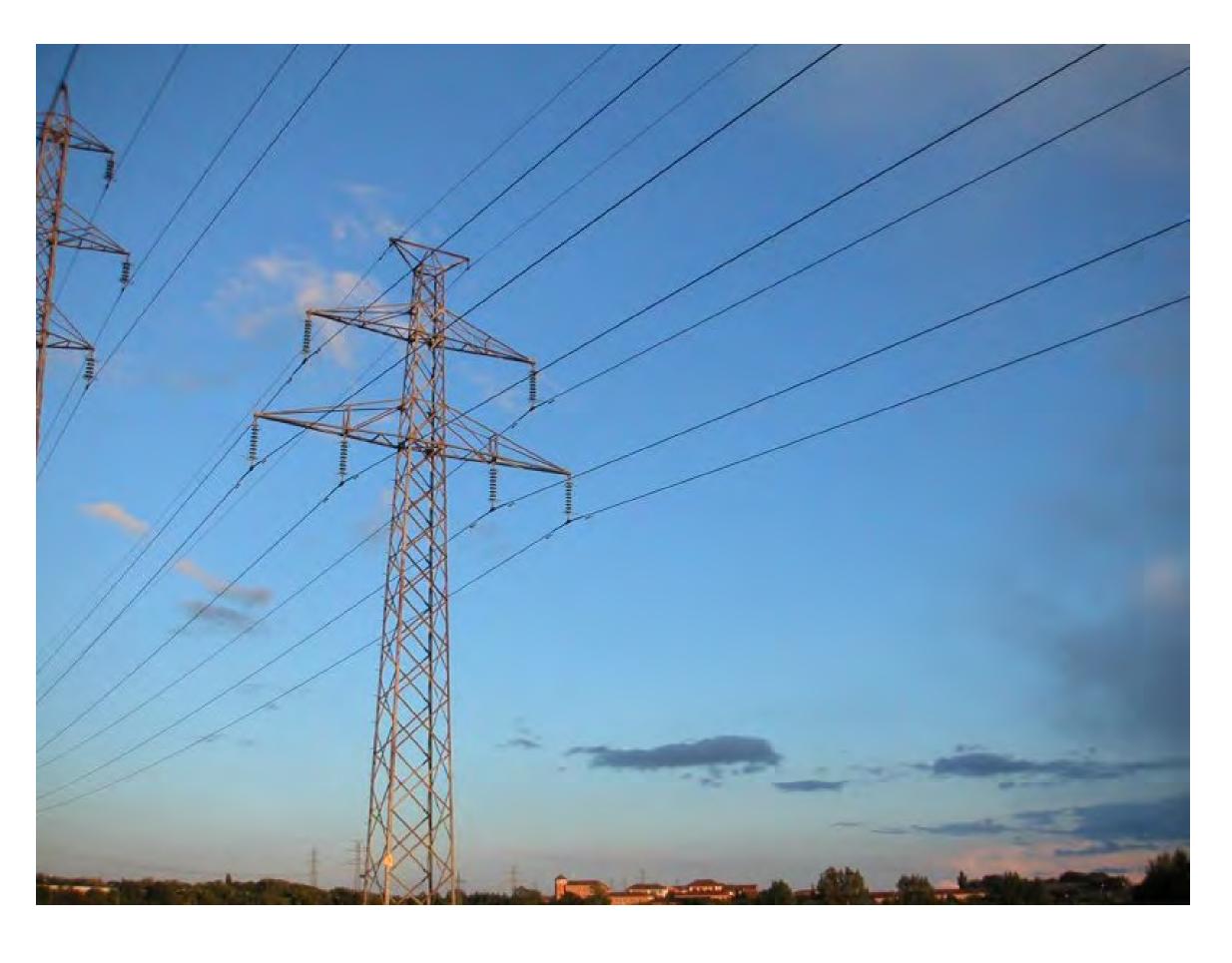
In most auctions, the bidders have both private and common values.



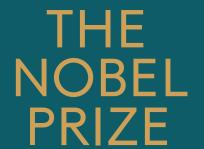




Better auctions in practice



The laureates have not only devoted themselves to auction theory; they have also invented new auction formats.



FOR THE GREATEST BENEFIT TO HUMANKIND