



SARADNICI

*Leonid Harvic, Erik Maskin
i Rodžer Majerson*

Nobelova nagrada za 2007.

U ovih četrdeset godina dodele Nobelove nagrade za ekonomiju mogu se na prste izbrojati oni koji nisu iz SAD. Odnosno, do sada je Nobelovu nagradu iz ekonomije dobilo 36 američkih naučnika. Poslednji dobitnik neamerikanac bio je Kanađanin Robert A. Mandel 1999. godine. Nobelovu nagradu iz ekonomije čine: zlatna medalja, diploma švedskog kralja i novčana nagrada od 1,5 miliona dolara. Ova suma se deli ukoliko ima više nagrađenih. Dobitnici Nobelove nagrade za 2007. godinu su upravo tri američka naučnika, od kojih je jedan rodom iz Rusije. To su: Leonid Harvic, Erik Maskin i Rodžer Majerson.

Nagradu su dobili za radove iz oblasti teorije koja objašnjava situacije u kojima tržište (ne)funkcioniše. Odnosno, postavili su osnove teorije odlučivanja i strateške manipulacije koja predstavlja centralnu tačku savremene ekonomske i političke nauke. Njihova istraživanja su pomogla da se objasni mehanizam i proces donošenja odluka u ekonomskim transakcijama, kao na primer: kako će polise za osiguranje života obezbediti najbolje pokriće a bez zloupotreba. Uz ovu teoriju ekonomisti će lakše da identifikuju efikasne mehanizme trgovine, regulisanje šeme i proceduru glasanja.

Harvic, Maskin i Majerson su od 1960. godine proučavali kako teorija igara može pomoći u određivanju najboljeg i najefikasnijeg metoda za korišćenje izvora korisnih informacija, uključujući podsticanje onih koji na tome rade. Ovu teoriju koju je pokrenuo Harvic, a dalje

su je razvili Maskin i Majerson, igra centralnu ulogu u mnogim oblastima ekonomije i delovima političkih nauka. Ona uzima u obzir informacije o individualnim podešavanjima i dostupnim tehnologijama proizvodnje, obično dostupne mnogim akterima koji mogu da koriste svoje privatne informacije za sopstvene interese.

Nagrada je obradovala nove nobelovce a Maskin je možda najbolje definisao šta o njoj misle ovo troje nagrađenih: "Ne mislim da će Nobelova nagrada imati ogroman uticaj na moj život. Ja sam i bez nje bio zadovoljan svojim životom. Institut u kome radim je idealno mesto za mene. Uživam u onome čime se bavim... Mislim da se prava vrednost Nobelove nagrade ne ogleda u tome šta ona znači za dobitnike. Ona neće mnogo uticati na njihovu karijeru, osim što će se njihov glas možda više čuti u javnosti... Nobelova nagrada je veoma važna za javnost uopšte. U svetu osnovnih istraživanja kao što su fizika, hemija, ekonomija ili medicina nema mnogo dešavanja u koje javnost može da zaviri. Mislim da je sjajno da, barem na kratko vreme, ove osnovne oblasti steknu publicitet."

Šta je o ovoj nagradi rekao Harvic, najstariji dobitnik Nobelove nagrade svih vremena? Reagovao je sa nevericom: "Zaista nisam očekivao nagradu... Bilo je momenata kada su ljudi govorili da sam u užem izboru, ali kako je vreme prolazilo i ništa se nije događalo, prestao sam da očekujem priznanje, pogotovu što su polako nestajali ljudi koji su blisko bili povezani sa mojim radom..."

COLABORATORS

*Leonid Hurwicz, Eric
Maskin and Roger Myerson
Nobel Prize for 2007*



In these forty years of awarding the Nobel Prize in Economics, the winners coming from outside the USA could be counted on the fingers of one hand. In other words, the Nobel Prize in Economics has, so far, been awarded to 36 American scientists. The last non-American winner was the Canadian Robert A. Mandel in 1999. Nobel Prize in Economics consists of a gold medal, diploma from HRH King of Sweden, and the cash prize in the amount of 1.5 million dollars. This sum is divided if there are more than one winner. The winners of the Nobel Prize in Economics for 2007 are three American scientists, one of whom hails from Russia. These are: Leonid Hurwicz, Eric Maskin and Roger Mayerson.

They won the Prize for their contributions to the theory which allows for people to distinguish situations in which markets work well from those in which they do not. In other words, they set the fundamentals of decision-making and strategic manipulation theory, which is the focal point of modern economic and political science. Their research helped explain the decision-making mechanism and process in economic transactions, such as, for instance: how can life insurance policies ensure the best coverage, without manipulations. Using this theory, economists will more easily identify efficient trading mechanisms, regulation schemes and voting procedures.

Since 1960 Hurwicz, Maskin and Mayerson have been studying how game theory may help define the best and most efficient method for using useful information sources, including

the incentives for those who are in charge of that. Mechanism design theory, originated by Hurwicz, and further developed by Maskin and Mayerson, plays a central role in many areas of economics and parts of political science. It takes into account the information on individual adjustments and available production technologies, usually accessible to many players that may use their private data for their own interests.

The new Nobel Prize winners were happy about the Prize, and it was Maskin who maybe defined in the best way what all three of them feel about it: "I don't think it's ultimately going to have an enormous effect on my life. I already had a great life. The institute here where I work is ideal. I like what I do. I think the real value of the Nobel Prize socially is not for the winners," he said. "It's not going to make a big difference to their careers, except maybe they'll have a more public voice. But the Nobel Prize is very important for the public at large," he said. "There aren't very many occasions when the public gets a peek into the world of basic research in physics, chemistry, economics, or medicine. I think it's great that, at least for a short time, these basic subjects are publicized."

What did Hurwicz, the oldest-ever recipient of the Nobel Prize, say about this award? His first reaction was disbelief: "I really did not expect the award. There were times when people said I was short-listed, but as the years passed and nothing happened, I stopped hoping for the recognition, especially since the people who knew my work gradually died off."

Leonid Harvic

Leonid Harvic rođen je u Moskvi 1917. godine. Roditelji su mu bili poljsko-jevrejskog porekla, izbeglice iz Varšave pred Kajzerovom vojskom. Njegova porodica ponovo se vraća 1919. godine u Varšavu u strahu od progona boljševika. Leonid je diplomirao pravo na univerzitetu u Varšavi 1938. a svoju svestranost pokazao je i na studijama klavira, fizike i ekonomije. Doktorske studije je počeo 1938. u Londonskoj školi ekonomije ali mu je viza istakla nakon godinu dana. Ne želeći da se vrati u Varšavu potražio je utočište u Švajcarskoj, u Institutu "Des Hautes Etudes", Ženeva. Dan nakon što je stigao u ovu zemlju Hitler je izvršio invaziju na Poljsku. Harvicovi roditelji ponovo su iz Varšave izbegli u Rusiju. Na nesreću, otac mu je odmah uhapšen i poslat u logor a majka i brat u drugu oblast Gulaga u Sibiru. Leonid odlučuje da emigrira u Sjedinjene Države i posle silnih peripetija oko potvrde o dobrom vladanju, odlazi za SAD gde mu se kasnije pridružuju roditelji i brat. Zapošljava se kao saradnik istraživač na univerzitetu u Čikagu (1944-46) ali zbog neslaganja sa Miltonom Fridmanom koji je bio glavni u Kaulsovoj komisiji koja se bavila istraživanjem tada nove oblasti u ekonomiji - ekonometrici prelazi za docenta a zatim profesora ekonomije na Državnom univerzitetu u Ajovi (1946-49). Odavde odlazi za profesora ekonomije, matematike i statistike na Univerzitet u Ilinoisu (1949-1951) i Univerzitet u Minesoti (1951-1999). Na ovom univerzitetu, izuzimajući brojna gostujuća predavanja, ostao je do kraja života. Zajedno sa Volterom Helerom, glavnim ekonomskim savetnikom Džona Kenedija, Harvic je uzdigao katedru u Minesoti na nivo jedne od najboljih na svetu, što je ona i danas. Sedamdesetih godina prošlog veka bio je aktivan i u politici, odnosno u demokratskoj stranci. Tih godina, tačnije 1967. bio je veoma aktivan u kampanji da Vlada SAD pritisne grčke pukovnike da oslobode Andreasa Papandreua, njegovog bivšeg kolegu sa katedre za ekonomiju univerziteta u Minesoti, koji je u

zbačenoj vladi svoga oca bio ministar. Kampanja je bila uspešna, mlađi Papandreu je oslobođen, i mnogo godina kasnije, 1981. postao je prvi grčki premijer socijalista.



Oženio se 1944. godine svojom asistentkinjom Evelin Jensen i dobio četvoro dece, dve ćerke: Saru i Rut i dva sina: Majkla i Maksima. Umro je u Mineapolisu, Minesota 24. juna 2008. godine.

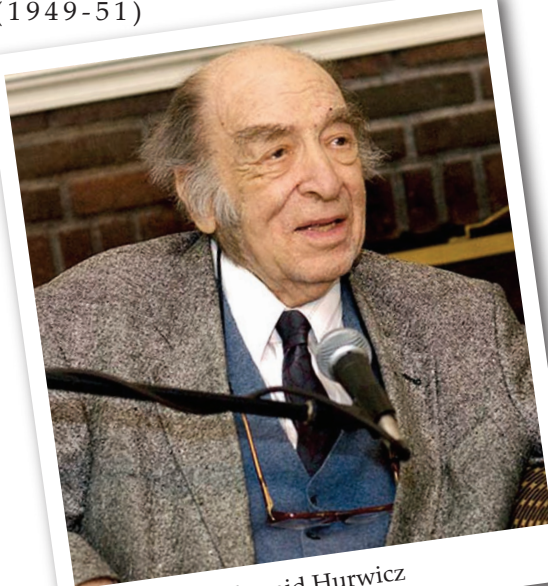
Leonid Harvic je bio jedan od najboljih ekonomista svoje generacije. Višestruko je doprineo razvoju ekonomske teorije, posebno teorije konstruktivnog mehanizma. Ova teorija predstavlja okvir za proučavanje fundamentalnih pitanja koja se tiču društvenih organizacija. Harvic je osmislio okvir za matematičku analizu institucija koje su viđene kao apstraktni komunikacioni sistem. U formalnoj teoriji, mehanizam se definiše putem jezika i seta pravila za prevođenje poruka u odluke o, recimo, proizvodnji ili distribuciji robe. Teorija konstruktivnog mehanizma ima širok opseg i veoma je elegantna. Primenom ovih koncepata, Harvic je dokazao svoju osnovnu teoremu o privatnim tržištima.

Prema klasičnim teoremama, ekonomija dobrobiti smatra se društveno optimalnim, imajući u vidu određene dobro definisane uslove, da proizvodnja i potrošnja treba da budu određene konkurentnim tržištima, a da oporezivanje redistribucije treba koristiti za rešavanje problema neravnomerne raspodele bogatstva. Međutim, ove teoreme ne uzimaju u obzir informaciona ograničenja. Harvic je dokazao da ni jedan mehanizam kompatibilnih podsticaja, zasnovan na privatnim tržištima, ne može biti društveno optimalan.

Harvic je dobitnik, osim Nobelove nagrade,

Leonid Hurwicz

Leonid Hurwicz was born in Moscow in 1917. His parents were of Polish-Jewish origin, the refugees who fled Warsaw to escape the Kaiser's armies. In 1919 the family fled back to Warsaw in fear of persecution by the Bolsheviks. Leonid studied law at Warsaw University, graduating in 1938, but he expressed his versatility elsewhere – he had also studied piano, physics and economics. In 1938 he began a PhD in economics at the London School of Economics, but his visa expired after a year. Understandably reluctant to return to Poland, he sought refuge at the Institut des Hautes Etudes in Geneva. The day after he arrived in Switzerland, Hitler invaded Poland. Hurwicz's parents once more became refugees – again they fled from Warsaw to Russia. Unfortunately, his father was immediately arrested and interned in a labour camp, while his mother and brother were sent to a different part of the Gulag, in Siberia. Leonid decided to emigrate to the United States, and, after immense difficulties about obtaining the certificate of good behaviour, he made his way to the US, where his parents and brother were later able to join him. He found a job as a research associate at Chicago University (1944-46) but, since he did not get on with Milton Friedman, who was the driving force at Cowles Commission, conducting research in econometrics, then a new field in economics, he left to become Associate Professor of Economics, then Professor of Economics, at the Iowa State University (1946-49). After that, he leaves to become Professor of Economics, Maths and Statistics at the University of Illinois (1949-51)



Leonid Hurwicz

and University of Minnesota (1951-1999). It was this University, aside from numerous visiting professorships, he was to remain at for the rest of his life. With Walter Heller, John F. Kennedy's chief economic adviser, Hurwicz built the Minnesota faculty into one of the best in the world, which it remains to this day. During the 1970s, he was active in Democratic Party politics. In those years, more precisely in 1967, Hurwicz threw himself into a campaign to get the US government to press the colonels to release Andreas Papandreou, his former colleague in the Minnesota economics faculty, who was a senior minister in the overthrown government headed by his father. The campaign succeeded, Papandreou junior was released, and, many years later, in 1981, went on to become Greece's first socialist prime minister.

In 1944 he married Evelyn Jensen, his teaching assistant, and got four kids, two daughters: Sarah and Ruth, and two sons: Michael and Maxim. He died in Minneapolis, Minnesota, on 24 June 2008.

Leonid Hurwicz was one of the finest economists of his generation. He made many important contributions to economic theory, especially to the mechanism design theory. This theory is a framework for studying fundamental questions about social organizations. Hurwicz invented a framework for the mathematical analysis of institutions, seen as abstract communication mechanisms. In the formal theory, a mechanism is defined by a language and a set of rules for translating messages into decisions about, for example, production or distribution of goods. Mechanism design theory has great scope and elegance. Using these concepts, Hurwicz proved a fundamental theorem about private markets.

According to the classical theorems of welfare economics, it is socially optimal, given certain well-defined conditions, to leave production and consumption to be determined by competitive markets, and use redistributive taxation to deal with wealth inequalities. But these theorems do not take account of informational constraints. Hurwicz proved that no incentive-compatible mechanism based on private markets can be socially optimal.

In addition to the Nobel Prize, Hurwicz won numerous other acknowledgments, such

i brojnih drugih priznanja: Econometric Society President (1969.), National Academy of Sciences (1974.), American Economic Association, National Medal of Science (1990.) i dr.

Autor je nekoliko knjiga "Designing Economic Mechanisms" koju je napisao zajedno sa Stanley Reiter 2006. godine, "Construction of outcome functions guaranteeing existence and Pareto-optimality of Nash equilibria" sa koautorom D. Schmeidler 1978. godine, "Feasible Nash implementation of social choice rules when the designer does not know endowments or production sets" sa još dva autora: E. Maskin i A. Postlewaite 1995. godine, "Outcome Functions Yielding Walrasian and Lindahl Allocations at Nash Equilibrium Points" 1979. godine, itd.

Erik Maskin

Rad Erika Maskina u ekonomskoj teoriji ima dubok uticaj na mnoge oblasti ekonomije, političkih nauka i prava. Nobelovu nagradu za teoriju koja je, između ostalog, pomogla ekonomistima da indentifikuju efikasne mehanizme trgovine, šeme regulisanja i procedure glasanja, primio je sa velikim uzbuđenjem i kako je tom prilikom istakao "posebno kada je delite sa dvojicom istaknutih kolega. Leonid Harvic, otac teorije konstruktivnog mehanizma, umnogome je inspirisao moj rad, a Rodžer Majerson je stari prijatelj, saradnik i izuzetan ekonomista."

Na pitanje novinara DAN-on line šta je bio glavni katalizator koji je omogućio da dođe do inventivnosti u slučaju pronalaska koji mu je doneo Nobelovu nagradu, Maskin je odgovorio: "Moj rad je bio iz oblasti oblikovanja mehanizma, grane ekonomije koja proučava kako se oblikuju institucije za ostvarivanje socijalnih ciljeva. Ono što sam uradio bilo je da sam pružio kriterijum za određivanje do kojih se ciljeva može doći pojedinim mehanizmima a do kojih ne može. Ovaj kriterijum sam

otkrio isprobavajući mnogo primera na osnovu kojih sam utvrdio šablon."

U drugom intervjuu, za on line vesti jevrejske zajednice u Nju Džersiju Maskin je objasnio uticaj teorije konstruktivnog mehanizma: "Suština većeg dela ekonomije je u pokušaju praćenja ekonomskih događaja i razumevanja njihovih uzroka zbog kojih su se odigrali, kao i u pokušaju da se predvide budući ekonomski događaji. Ono čime se bavim u okviru konstruktivnog mehanizma je, na neki način, suprotno tome. Mi počinjemo sa željenim ishodom. Pitanje je kako da izgradimo mehanizam - proceduru, instituciju, igru - koje će nas dovesti do tog ishoda. To je, ukratko, suština teorije konstruktivnog mehanizma".

Prema Maskinovim rečima teorija konstruktivnog mehanizma se može primeniti na veoma širok spektar disciplina. Može se koristiti u osmišljavanju međunarodnog sporazuma o sprečavanju zagađenja vazduha ili za kreiranje sistema zdravstva... Suština konstruktivnog mehanizma je nastojanje da se pomire javno dobro i privatne aspiracije uključenih strana.

Erik Maskin je rođen u Njujorku a odrastao je u Nju Džersiju u neortodoksnoj jevrejskoj porodici. Na Harvardskom univerzitetu je 1976. godine završio osnovne, master i doktorske studije. Predavao je na Masačusetskom institutu za tehnologiju od 1984. do 1988. godine, nakon čega se vratio na Harvard gde je 1997. godine imenovan za počasnog doktora ekonomije. Bio je i predsednik Ekonometrijskog društva i urednik

časopisa za ekonomiju i ekonomske teme. Od 2000. radi u Institutu za napredna istraživanja a kao gost predavač predaje na Princeton univerzitetu. Član je Američke akademije nauka i umetnosti i dopisni saradnik britanske akademije.

Maskin je oženjen profesorkom istorije Gejl Sotel i ima sina Džozefa i ćerku Šarlot. Žive u kući koja se nalazi u ulici Merse, u Princetonu, koja je jedino prebivalište u



Eric Maskin

as: Econometric Society President (1969), National Academy of Sciences (1974), American Economic Association, National Medal of Science (1990), etc.

He wrote several books: ‘Designing Economic Mechanisms’, co-authored with Stanley Reiter in 2006, ‘Construction of outcome functions guaranteeing existence and Pareto-optimality of Nash equilibria’, co-authored with D. Schmeidler in 1978, ‘Feasible Nash implementation of social choice rules when the designer does not know endowments or production sets’, co-authored with E. Maskin and A. Postlewaite in 1995, ‘Outcome Functions Yielding Walrasian and Lindahl Allocations at Nash Equilibrium Points’ in 1979, etc.

Eric Maskin

The contribution of Eric Maskin in economic theory has significantly influenced many areas of economics, political science and law. The Nobel Prize he received for the theory which, among other things, helped economists identify efficient trading mechanisms, regulation schemes and voting procedures, was met with elation on his part, especially because, as he underlined on the occasion, he shared it with two of his prominent colleagues. “Leonid Hurwicz, the father of design mechanism theory, inspired my work to a considerable extent, and Roger Mayerson is my old friend, collaborator and extraordinary economist”.

When asked by the DAN online journalist about what was the main catalyst that enabled him to be so inventive regarding the discovery that brought him the Nobel Prize, Maskin replied: “My work was in the field of design mechanism, a branch in economics that examines the formation of institutions for the achievement of social goals. What I did was provide a criterion for determining which goals may be reached by means of certain mechanisms, and which may not. I discovered this criterion by trying out many examples on the basis of which I identified a pattern.”

In another interview, for New Jersey Jewish community online news, Maskin explained the impact of design mechanism theory: “Most of economics is an attempt to look at economic events and try to understand why they happened, and also to try to predict



economic events in the future. But what I do in mechanism design is, in a sense, the reverse of that. We start with the outcome we want. Here’s a social goal we want to achieve. The question is, how can we build a mechanism - a procedure, a mechanism, an institution, a game - which will lead to this outcome? That, in a paragraph, is what mechanism design is.”

According to Maskin, mechanism design theory can be applied to a very wide range of disciplines. It might be used to design an international agreement on clean air, or to devise an efficient health-care system. The essence of mechanism design is trying to reconcile some public good and the private aspirations of the parties involved.

Eric Maskin was born in New York, but grew up in New Jersey in an unorthodox Jewish family. He received his bachelor’s, master’s, and doctoral degrees at Harvard University in 1976. He taught at the Massachusetts Institute of Technology from 1984 to 1988, and then went home to Harvard, where he was named the Louis Berkman Professor of Economics in 1997. Among many other positions, he has served as president of the Econometric Society and as editor of the Quarterly Journal of Economics and Economics Letters. In addition to his post at the Institute for Advanced Study, which he assumed in 2000, Maskin teaches advanced graduate students at Princeton University as a visiting lecturer with the rank of professor of economics. He is a Fellow of the American

Americi trojice nobelovca: naučnika Ajnštajna, fizičara Frenka Vilčeka i Maskina. Za nju Maskin kaže: "To je jako uzbudljivo. Rekao bih da smo jednostavno imali sreće da je ta kuća slobodna. Porodica Ajnštajn ju je donirala Institutu kako bi bila prodana njegovim članovima. Intrigira me ta veza sa Anštajnom. Verujem da preovladava blagonakloni duh".

Maskina mnoge pojedinosti vezuju za Harvica. On mu je oduvek bio idol i zbog njega se i odlučio za ovu oblast ekonomije. Sem toga, pripadaju jevrejskoj verskoj zajednici i muzički su obrazovani, Maskin obožava tradicionalnu narodnu muziku Jevreja i svira klarinet. Voli i da kuva i to stara jevrejska jela koja je spremala njegova baka.

Rodžer Majerson

Nobelovu nagradu za ekonomiju Majerson je zaslužio svojim doprinosom teoriji konstruktivnog mehanizma, koju je osnovao Leonid Harvic. Majerson je ovu teoriju dalje razvio uz pomoć svojih kolega, uključujući i Erika Maskina, trećeg dobitnika Nobelove nagrade za ekonomiju u toj godini.

Pomenuta teorija omogućava ljudima da razlikuju situacije u kojima tržišta dobro funkcionišu od onih u kojima ona ne funkcionišu. Ekonomistima je teorija pomogla da identifikuju efikasne mehanizme trgovine, šeme regulative i procedure glasanja. Danas, teorija konstruktivnog mehanizma igra centralnu ulogu u mnogim oblastima ekonomije i pojedinim oblastima političkih nauka.

Majerson je ostvario revolucionarni doprinos teoriji konstruktivnog mehanizma kada je otkrio fundamentalnu vezu između alokacije koju treba implementirati i monetarnih transfera

koji su potrebni kao podsticaj informisanim agentima da bi se istinito obelodanile informacije koje poseduju. Ova Majersonova teorija nazvana je teorijom ekvivalentnosti prihoda i predstavlja suštinski segment u moru literature o teoriji konstruktivnog mehanizma. Naročito se primenjuje prilikom osmišljavanja aukcija. Danas je nemoguće raditi u oblasti konstruktivnog mehanizma bez temeljnog poznavanja Majersonovih rezultata.

Počasni profesor ekonomije na Univerzitetu u Čikagu pružio je veliki i originalni doprinos u oblasti ekonomskih i političkih nauka. U teoriju igara uveo je poboljšanje Nešovog koncepta ekvilibrijuma, pod nazivom "pravi ekvilibrijum". Primenio je instrumente teorije igara na oblast političkih nauka kako bi proučio i uporedio sisteme političkih izbora. Razvio je, takođe, osnovne ideje konstruktivnog mehanizma, kao što su principi otkrića i teorema ekvivalentnosti prihoda. Osim toga, Majerson je razvio i računarski softver za reviziju formula i za analizu simulacija i odluka, uz pomoć Microsoft softvera.

Rođen je 1951. godine u Bostonu. Diplomirao je sa najvišom ocenom i stekao zvanje mastera u oblasti primenjene matematike na Univerzitetu Harvard 1973. godine. Zvanje doktora nauke dobio je, takođe, iz oblasti primenjene matematike na istom fakultetu tri godine kasnije. Kao profesor predavao je 25 godina na Univerzitetu Nortvestern a kao gostujući profesor ekonomije na Univerzitetu u Čikagu. Na ovaj fakultet prelazi 2001. godine gde i danas radi.

Autor je knjiga: Teorija igara: Analiza konflikta (1991) i Modeli verovatnoće u ekonomskom odlučivanju (2005). Pored toga, objavio je i brojne članke u časopisima:

Ekonometrija, Matematika istraživanja operacija i Međunarodni časopis teorije igara. U poslednjih deset godina u ovim časopisima bio je i član redakcionog odbora.

Svetlana Pantelić
Specijalista za marketing i informisanje UBS



Academy of Arts and Sciences, and a Corresponding Fellow of the British Academy.

Maskin is married to Gayle Sawtelle, a history lecturer, and has a son Joseph and a daughter Charlotte. They live in a house in Mercer Street in Princeton, which is said to be the only residence in America where three Nobel laureates have lived – scientist Einstein, physicist Frank Wilczek, and now Maskin. Concerning the house, Maskin says: “It’s very thrilling. I should say it was just good luck on our part that the house happened to be available. The Einstein family donated it to the institute to be sold to the institute’s faculty members. I’m tickled by the Einstein connection. I think there is a benevolent spirit presiding.”

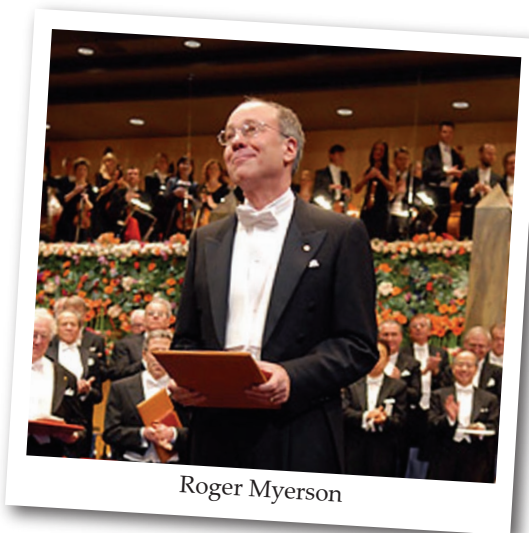
There are many things connecting Maskin to Hurwicz. He has always been his idol and was the very reason he went into this area of economics. In addition, they both belong to the Jewish religious community and are educated in music – Maskin loves the traditional Jewish folk music and plays a clarinet himself. He also loves to cook old Jewish dishes that his grandmother used to prepare for him.

Roger Myerson

Myerson earned the Nobel Prize in Economics for his contributions to mechanism design theory, initiated by his co-winner Leonid Hurwicz. Myerson further developed this theory with the assistance of his colleagues, including Eric Maskin, the third recipient of the 2007 Nobel Prize in Economics.

The mentioned theory allows for people to distinguish situations in which markets work well from those in which they do not. It has helped economists identify efficient trading mechanisms, regulation schemes and voting procedures. Today, mechanism design theory plays a central role in many areas of economics and parts of political science.

Roger Myerson made a path-breaking contribution to the theory of mechanism design when he discovered a fundamental connection between the allocation to be implemented



Roger Myerson

and the monetary transfers needed to induce informed agents to reveal their information truthfully. Myerson’s fundamental theorem, now called the revenue equivalence theorem, forms

a crucial part of a vast literature on mechanism design. It is used especially heavily in the design of auctions. It is now impossible to work in the field of mechanism design without a thorough understanding of Myerson’s result.

The Glen A. Lloyd Distinguished Service Professor in Economics at the University of Chicago, Myerson has made seminal contributions to the fields of economics and political science. In game theory he introduced a refinement of Nash’s equilibrium concept, called “proper equilibrium.” He has applied game theoretic tools to political science to study and compare electoral systems. He also developed fundamental ideas of mechanism design, such as the revelation principle and “revenue-equivalence theorem.” In addition, Myerson has developed computer software for auditing formulas and for simulation and decision analysis for use with Microsoft spreadsheet software.

He was born in 1951 in Boston. He graduated with merit and gained a master degree in applied mathematics from Harvard University in 1973. He earned his Ph.D., also in applied mathematics, from the same University three years later. During his 25-year tenure at Northwestern University, Myerson twice served as a Visiting Professor in Economics at the University of Chicago. He joined this University in 2001, where he still works today.

He is the author of *Game Theory: Analysis of Conflict* (1991) and *Probability Models for Economic Decisions* (2005). Myerson has also published numerous articles in *Econometrica*, *Mathematics of Operations Research* and the *International Journal of Game Theory*. In the last ten years, he served as an editorial board member in these magazines.