

Title: The effect of competition in contests: A unifying approach

Speaker: Dr. Sumit Goel, NYU Abu Dhabi

Area: Economics

Date: 07.08.2025, Venue: P22 @ 2.30 – 3.30PM

Abstract:

We develop a new methodology for analyzing contests among symmetric agents under complete or incomplete information, based on characterizing equilibrium effort in terms of the probability of outperforming an arbitrary opponent. This approach enables tractable analysis of all-pay contests with finite type-spaces, where we show that the (most-competitive) winner-takes-all contest maximizes both total and maximum effort under linear or concave costs, thereby resolving an open question. However, increasing competition by making prizes more unequal need not raise effort, as we uncover an interior discouragement effect when relatively inefficient types are sufficiently common. An experiment provides qualitative support for these findings. Our techniques apply broadly and may be especially useful in settings where mixed equilibria hinder analysis.

Speaker Profile:



Sumit Goel is a Postdoctoral Associate in the Division of Social Science at New York University Abu Dhabi (NYUAD). Previously, he obtained a PhD in Social Sciences from California Institute of Technology and MS in Quantitative Economics from Indian Statistical Institute (Delhi). His research interests lie in the field of microeconomic theory, with a focus on mechanism design and social choice.

Webpage Link: <https://goelsumit.com/>