From the Editor

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Can a crisis last forever? Not according to dictionary definitions, which define a crisis in such terms as turning point and decisive moment. Is the end of a recession (macroeconomic phenomena generally getting worse) automatically a recovery (things generally getting better)? It would appear that the crisis and recession ended in 2009, but the recovery in the United States (especially in jobs and in the health of small business) has been anemic (real GDP) or nonexistent (unemployment rate). The word that does seem to describe the U.S. economy and the public's view of it is "depressed." Carmen Reinhart and Kenneth Rogoff characterize the aftermath of the financial crisis (which did have a turning point in the United States, but maybe not yet in the European Union) as the "Second Great Contraction." If a contraction stays contracted, does it become a depression? Are we floundering through the Second Depression, although paling in "greatness" with the first one? No matter what we call it, how do we get out of it? When? Is public policy as important as we have commonly believed, or must we simply wait for implacable economic processes to work themselves out, largely oblivious to the sound and fury coming from the political sidelines?

It should come as no surprise that this issue does not have The True Answers to these questions, but it does have articles that help to shed light on the problems that continue to bedevil us. As this is written (September 22), there is indeed a sovereign debt problem in the European Union that is worse than a crisis in that there is no resolution in sight. The consequences of the lack of a resolution will continue to spill over to the United States and make its own recovery more difficult. The address of Kenneth Rogoff, this year's recipient of NABE's Adam Smith Award for "leadership in the (economics) profession and the use of ideas and knowledge in the workplace and policy arena," leads off this issue. He traces the

mechanics and causes of sovereign debt defaults and examines the possibility of such default and its consequences in the Eurozone today. He finds that such default is avoidable but painful, although not as painful as failure to cope with it.

Beginning in the 1990s, workers in the United States have trended toward retiring at ever older ages. The second paper of this issue is the winner of the Edmund A. Mennis Contributed Paper Competition by Gad Levanon and Ben Cheng. It traces the causes behind both the trend and the spike in average age of retirement since the onset of the U.S. downturn. It also looks at some of the consequences for private employers and for public policy.

The third paper, the winner of the NABE Contributed Paper Award, is by Michael C. Chow and William C. Dunkelberg. It examines the performance of small businesses in recessions, a particularly important issue given the importance of small business as a source of new jobs. They find that small businesses have fared far worse than large corporations in this recovery and worse than they have in previous recessions. They analyze survey results to develop evidence as to why that is so.

The fourth paper is squarely in the realm of microeconomics: what factors determine the structure and provisions of technology licensing agreements? Thomas A. Varner explores this question with the use of a unique database based on Securities and Exchange Commission filings. He explores both individual firms' characteristics and characteristics of industries that contribute to the variation of licensing agreements.

Much of the analysis of crude oil markets treats crude as a homogeneous commodity. This, according to Philip K. Verleger, Jr., is a serious error and can provide misleading results. His paper presents a "stylized model" of a market for both "sweet" and "sour" crude oil that indicates that environmental regulations, in particular, can have unintended results in their effects on oil markets and that the effects of a market disruption in crude oil supplies depend to a great extent on the type of crude incurring the disruption.

Changes in technology of electricity generation and the institutional setting of the electric power industry have created complex challenges to the technology and provision of transmission and distribution equipment. In this issue's Focus on Industries and Markets, David A. Petina, Michael Murphy, and Andrew C. Gross examine the content and structure of this industry in an era of slow growth of electricity usage and rapid changes in the technological demands and institutional framework of the market for transmission and distribution equipment.

This issue's first book review is of *Transportation Indicators and Business Cycles* by Kajal Lahiri. The reviewer, John Silvia, found it an interesting and worthwhile book as a study in the economics of the transportation sector, as an exercise in the study of business cycles and leading indicators, and as an application of time series analysis of economic data.

The second book review, by W. Steven Barnett, covers Timothy J. Bartik's *Investing in Kids: Early Childhood Programs and Local Economic*

Development. This book takes a broad perspective on what works and what does not in promoting regional economic growth. In particular, over the long run, early childhood education is effective. Obstacles imposed by politicians' focus on short-term results in the face of long-term payoff are addressed and remedies suggested. The book is highly recommended to business economists whose advice is sought on questions of development incentives and public policy.

Barbara Yates Retires from the Editorial Board

Barbara Yates' membership on the *Business Economics* Editorial Board precedes my own accession as Editor in 1999. In all of these years, she has been a reliable and thoughtful contributor, particularly as a referee for many articles. Her contributions will be missed. I wish her the best of fortune in pursuing a fulfilling retirement.

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