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## From the Editor

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Two wise individuals are led into a pitch black room and are asked to identify what they find there. They are told that the only thing that is in the room is an elephant, which neither had ever seen before. One of the savants grasps the trunk and declares that the elephant is like a giant serpent. The other grasps a leg and declares that the elephant is like a tree.

The first two papers of this issue remind me of that story. Both papers were written by wise and insightful individuals—Patrick L. Anderson, the winner of the 2013 Mennis Contributed Paper Award, and James H. Stock, a Member of the President’s Council of Economic Advisers. The elephant, in this case, is the slow recovery in the wake of the Great Recession. Anderson and Stock provide very different approaches to understanding the slow recovery: they are describing the same elephant, but different parts. The two papers are important steps in the ongoing attempt to describe and understand the whole elephant.

In the third paper of this issue, Hal Varian, the chief economist of Google, looks at the new directions arising from the explosion of the ability to gather, store, and analyze massive amounts of information. The confluence of data, tools, techniques, and expertise are continually creating new services and new analytical capabilities. The biggest challenge facing economists in the use of “big data” is to develop the expertise to take full advantage of its opportunities.

Eleonora Bartoloni and Maurizio Baussola look at credit risk in manufacturing firms by using two different credit scoring approaches, a logistic regression model and data envelopment analysis, a nonparametric approach. They conclude that both provide insight and that practitioners would be well advised to use multiple approaches.

Barbara Insel examines the development and outlook for the global wine industry. Technology and

policy have resulted in wine production expanding so that each inhabited continent now has major wine producers whose combined output exceeds global consumption. Her paper examines how this came to be and why consumption has grown in some major markets and declined in others.

Diane C. Swonk, a former president of NABE, reviews *The Map and the Territory: Risk, Human Nature, and the Future of Forecasting* by Alan Greenspan. She read the book from the perspective of a business economist to learn about an influential economist’s “journey to figure out what he missed and how those insights reshaped how he looks at the future.” Among the topics that Greenspan addresses are the importance of recognizing the importance of irrational behavior, the importance of Fannie Mae and Freddie Mac in the 2008 financial crisis, financial regulation, dysfunction in government, and entitlement spending. Swonk finds that reading this book “was a journey that was worth the walk with someone who helped found our profession and continues to challenge himself to learn.”

Thomas A. Hemphill reviews *Firm Commitment: Why the Corporation is Failing Us and How to Restore Trust in It* by Colin Mayer. He finds that it is well-written, provocative, and informative. Mayer analyzes how the corporation is failing us, why it is happening, and what should be done about it. In particular, the corporation fails to accept responsibility for nonshareholder stakeholders. Neither regulation nor market forces have been effective in providing a remedy. This is particularly true for the agency problem between shareholders and management. Mayer proposes a view of corporate commitment that, in Hemphill’s words, “requires credible corporate values, effective corporate governance, and the encouragement of long-term corporate shareholding.”

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