From the editor

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This issue includes material from the recently-completed (live!) NABE Annual Meeting, and we want to again thank the Peterson Foundation for its support.

The first piece is Hal Varian's Adam Smith Award address. Varian has had two distinguished careers: as a noted academic economist, and as Google's first and, so far, only, chief economist. His talk focused on how at Google he started applying basic economics to add value, in such areas as ad pricing and forecasting, and noted how Google Trends began to be used to track high-frequency economic developments.

The next two papers are the winners of this year's Mennis and Contributed Paper awards. In their Mennis-winning paper, a team from CoreLogic—Molley Boesel, Su Chen, and Frank Nothaft—use their firm's data to develop new indexes for single-family house rent, the owners' equivalent portion of which is the largest single component of the CPI. Their analysis is sobering. Their conclusion is that the published CPI data has grossly understated rent growth, and that the published data will ultimately catch up to their measure, suggesting that overall inflation will remain elevated for some time to come.

The Contributed Paper winner was written by Azhar Iqbal and Sam Bullard. They analyze the longer-term costs of the COVID-recession, with the primary gauge a comparison of longer-term trends estimated by the CBO in 2019 and 2021 for variables such as potential GDP. They find that there has been especially large damage to employment.

This issue also includes the winner of the 2020 Mennis award, written by Erik Brynjofsson, Wang Jin, and Kristina McElheran. Their paper is on the connection between the use of modern predictive analytic techniques and firm performance. What accounts for the effectiveness of such tools? The authors, in their extensive work, show that circumstances are important: the payoff is larger for firms that

have already accumulated a mass of IT capital, or have a well-educated workforce, or use production processes suitable for high flow-efficiency production.

The paper by Sanea Tashiro and Stephen Choi discusses the interplay between the Uber ride-sharing platform and the traditional tax industry. They find that the introduction of Uber into a metropolitan area has had little effect on the earnings or work hours of taxi drivers. They explain this somewhat surprising result as a consequence of the employee-worker relationship being fundamentally different in kind in the "sharing" economy model, exemplified by Uber, vs. the standard contractual relationship existing in the taxi industry.

In the book reviews, Rik Hafer looks at Stephanie Kelton's *The Deficit Myth*. Kelton argues that "Modern Monetary Theory" explains why governments can use aggressive policy to address many problems without worrying overly much about the details (taxes vs. borrowing) of financing larger spending. Hafer disagrees; he is wary of increasing the size of government, and notes that the sort of monetary actions Kelton proposes to help finance her programs will, contrary to what she argues, boost inflation.

John Calverly discusses Harold James' book on the emergence of the modern Bank of England, over the years 1979–2003, when the Old Lady of Threadneedle Street went from, essentially, an advisor to, and an arm of, the Exchequer to become a true independent Central Bank. The book goes into detail on this tumultuous period, discussing the economic and financial environment and the various legislative and institutional changes: from our perspective, the most eye-opening was the (ultimately short-lived) removal of any financial supervisory authority from the Bank.

Christopher Meissner looks at William Quinn and John Turner's work on the history of financial bubbles. He highly recommends the book as offering a concise and entertaining look at the phenomena.

My review is of Charles Camic's biography of Thorstein Veblen. I was intrigued by learning how prominent and respected Veblen was in academic economic circles of his day (not the isolated crank sometimes thought), but I

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found that there was at times excessive detail in the book, and thought there could have been a better job elucidating Veblen's connection to economic issues of his day, and found it puzzling there was no reference to Veblen's contemporary, Irving Fisher, or his work.

Rajeev Dhawan reviews Viral Acharya's reprint of speeches he gave as a deputy governor of the Bank of India. Acharya is another of the many recent examples of distinguished academics who have served in such roles at Central Banks (Bernanke, Fischer, King, Rajan... etc., etc.). Dhawan was impressed by Acharya's emphasis on the differences

between a Central Bank in a developing economy, with a less sophisticated private banking and financial system, and one in the developed world.

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