

ANNUAL SCRANTON UNIVERSITY HENRY GEORGE LECTURE

By Bill Batt, Albany, NY

The thirtieth annual Henry George Lecture at Scranton University was given by Professor Susan Athey on November 4, 2015. Dr. Athey is the Economics of Technology professor in the Stanford Graduate School of Business, and focuses on the economics of the internet. Her prowess in both statistics and economics has made her a rising star in an industrial arena that has brought her into close work with Google, Facebook, Microsoft, and other leading firms. Her afternoon seminar and evening lecture were a stop-off on her way to another presentation in Paris the following day.

The focus of her talks to the assembled Scranton students and faculty were how statistical algorithms provided the means by which search programs can rate and rank items for sale (such as on eBay), as well as news items, and other searches. Her talks, both in the afternoon and evening, had significant detail, showing not only methodologies but also measurement of outcomes. Although this work falls within a Wikipedia definition that addresses the "production, distribution, and consumption of goods and services," it reaches a far more remote realm of economic study than most students are familiar with. It shows that the field of economics is very wide-ranging. *The New York Times* carried an article this past September 10 that suggested that the "center of gravity for economic thought in the United States" is shifting to Stanford.

With all the focus on applications in the dot.com industry, my questions had to do more on the use of this technology (and it is, in a sense, technology) in the public sector and in the pursuit of economic justice. Professor Athey offered the thought that these emerging tools had the potential of making government much more efficient, particularly when they are joined with spatial applications such as GIS (geographic information systems). The estimate of GIS experts, after all, is that between 80% and 90% of all data is spatial in nature. For now, however, the cost of developing many of the applications and their associated algorithms is so high that the public sector cannot compete for the time and expertise of those competent and interested in this area. It should not be overlooked, however, that many of the applications grow from the seminal work of the late Columbia University economist (and Nobel laureate) Bill Vickrey. Vickrey's name and citations are found regularly in Susan Athey's writing as well as in others working in this subfield. Vickrey's most cited piece is "Counterspeculation, Auction, and Competitive Sealed Tenders," which appeared in a 1961 issue of the *Journal of Finance*. It should not be overlooked that Vickrey had earlier studied mathematics before his study of economics. One needs to point out that Vickrey received his Nobel prize in 1996 along with Scottish economist James Mirrlees, both of whom identified themselves as Georgists.

There is a good deal of pride among the Scranton Business School's Depts. of Economics and Finance about the record of invitations for the annual Henry George Lecture, as well as the spring seminar. Both come from the original Schalkenbach Foundation bequest underwriting the series. In the thirty years of their presentation, there have been nine guest speakers who have later gone on to win the Nobel prize — ten if one adds the recent spring seminar presentation of

Princeton economist Angus Deaton.

In 1984 the Schalkenbach Foundation endowed four institutions of higher education with funding to expand awareness of the ideas of Henry George. Scranton University along with St. Johns, Williams, and Pace Universities, all received grants, and Scranton and St. Johns have elected to endow lectureships. Schalkenbach board member John Kelly, a successful realtor in Scranton was instrumental in securing the grant for his Alma Mater. Because Scranton invested its bequest particularly well, it can bring to its campus some of the most highly regarded and paid scholars in the economics profession. In its effort to identify and invite the stars in the economic field, it is understandable that the Georgist orientation of any candidates might be a lower priority, even though there are among the Scranton University community some who would like to see a closer relationship between Henry George and the events held in his name.

But this of course involves trade-offs, as the economics Nobel is given by the *Sveriges* (Swedish) *Riksbank*, is not an organization likely to be sympathetic to a proponent of the public's capture of economic rents that banks now enjoy. (It should be noted also that the Nobel Prize in Economics which the *Riksbank* awards was first granted only in 1969, not among one of the original awards established by Alfred Nobel in 1895.) Certainly, however, the Henry George program selection committee in the Scranton Kania Business School is by no means averse to reviewing candidates that show a sympathy to Georgist approaches to economics and social justice. The challenge to the Georgist movement is to recommend the names of potential speakers that are likely to find Georgist ideals worthy of further exploration and promotion.

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