

A Tale of Two Tellers

MY mother eases her car into the drive-through lane at our local bank, signs the back of her check, and places it in a metal canister. WHOOSH—the cylinder flies through a pneumatic tube to the teller inside the building.

In a few minutes, the teller squawks her thanks from the intercom speaker nearby. Another WHOOSH, and the canister returns. Inside we find a deposit receipt and a lollipop. Welcome to high-efficiency consumer banking, circa 1973.

Summer 2016. In our kitchen, I watch my oldest son rip open his paycheck and whip out his iPhone. TAP. SWIPE. CLICK. The deposit is made in an instant, thanks to an app that plugs him into an electronic banking network.

Welcome to banking in the second machine age—the era of smart devices and network-connected machines. The difference between the two transactions speaks to the impressive efficiency gains made possible by advances in computing technology over the past four decades.

This issue of *F&D* focuses on how technology is driving growth. We look at the power of smart machines and artificial intelligence to transform economic life.

How can technology drive growth? In our lead article, Google Chief Economist Hal Varian looks at “transmission channels.” As with drive-through tellers, ever-more-powerful technology allows us to streamline, replacing less efficient practices (the drive-through teller) with more efficient ones (smartphone deposits).

Other articles in our cover package chronicle technology’s power to transform: Sanjiv Ranjan Das examines big data’s influence on economics and finance; Aditya Narain documents the rise of a new breed of hybrid financial technology—fintech—firms; and Sharmini Coorey touts distance learning for better policymaking.

We also look at potential downsides. Andrew Berg, Edward Buffie, and Felipe Zanna imagine a future economy dependent on smart machines—or robots. Output and productivity go up, but so does inequality—not a result the authors cheer. And Chris Wellisz probes a dark side—cybercrime and cybertheft—that routinely grabs headlines and reminds us of technology’s capacity to raise the bar on mayhem.

Elsewhere in this issue, we examine the impact of remittances on monetary policy, dedollarization in Peru, and the efficacy of public-private partnerships, among other topics. And we profile Nancy Birdsall, the former head of the Center for Global Development, who has dedicated her career to fighting poverty and inequality through compelling research.

This issue marks my last as Editor-in-Chief. After almost 4 years and 15 issues of *F&D*, I am moving to the job of Publisher of the IMF and passing the baton to Camilla Andersen, who along with Managing Editor Marina Primorac, Creative Director Luisa Menjivar, and our crack editorial team will carry forward *F&D*’s long tradition of publishing accessible, thought-provoking articles on the global economy. I’m proud to have been part of this tradition and am thankful to have worked with such a talented team.

Jeffrey Hayden
Editor-in-Chief