

Opening Statement of
Nominee for Member of the Council of Economic Advisers
Carl Shapiro
before the
Committee on Banking, Housing, and Urban Affairs
of the
United States Senate
March 8, 2011

Chairman Johnson, Ranking Member Shelby, and Members of the Committee, I am honored to appear before you as a nominee to serve as a Member of the Council of Economic Advisers.

Before I begin, I would like to introduce you to my family. My parents, Sherman and Ellen Shapiro, were able to come from California to be here today. My daughter, Eva, and my son, Benjamin, are also present. My partner and best friend, Marti Hearst, is also here today.

I am especially pleased that my father Sherman can be here today. He grew up terribly poor during the Great Depression. Through hard work and a tremendous dedication to improving himself, he was able to earn a Ph.D. in economics at the University of Chicago. He taught me the virtues of giving all Americans the opportunity to make the most of themselves, while always stressing the importance of personal responsibility.

I was born in Austin, Texas and grew up in South Bend, Indiana and Wilmette, Illinois. I went to school at M.I.T., earning my Ph.D. in 1981. I was on the faculty of Princeton University during the 1980s, and have been a Professor at the Haas School of Business and the Department of Economics at the University of California at Berkeley since 1990. I was honored with an endowed chair in 1994; since then I have been the Transamerica Professor of Business Strategy. I served as the Director of the Institute of Business and Economic Research at U.C. Berkeley from 1998 to 2008. During 1995-1996 and again during 2009-2011, I served as chief economist in the Antitrust Division of the Department of Justice, supervising some 50 Ph.D. economists to provide sound economic analysis in support of antitrust enforcement.

My research, consulting, and public service have consistently emphasized the importance of promoting competition and innovation as drivers of economic growth. I have special interest, and expertise, in the economics of innovation and high-tech industries. My book with Hal Varian, *Information Rules: A Strategic Guide to the Network Economy*, which applies economic principles to the information economy, has been widely read by managers and adopted for classroom use. If confirmed as a Member of the CEA, I hope to contribute my expertise to the development of policies that promote economic growth by creating a business environment that encourages private sector innovation and investment.

The CEA has a great tradition, going back 65 years, of providing high-quality, unbiased economic policy advice to the President based on the best thinking and scientific evidence the economics profession has to offer. If confirmed, I look forward to continuing that tradition.

Thank you. I would be happy to answer any questions you might have.