Guest editorial

Principles of Econometrics

As econometricians seek to provide methods that are appropriate for empirical inference in economics, they confront deep conceptual issues as well as difficult technical questions. Contemporary research articles and textbooks tend to emphasize the technical questions that occupy econometricians rather than the conceptual issues with which they struggle. Someone wanting to obtain a sense of the conceptual issues might do well to engage econometricians in conversation rather than read their writings.

From time to time, active researchers and teachers should step back, take stock of the foundations of their field, and communicate their findings. With this in mind we organized a conference on ‘Principles of Econometrics’ held at the University of Wisconsin-Madison in May 1998. Our invitation to the participants, who are shown in the accompanying photograph, encouraged them to address three broad questions.

In what respects are the intellectual foundations of econometrics secure and in what respects are they fragile?

In what respects do econometric methods succeed in supporting empirical research in economics and in what respects is prevailing empirical practice at odds with basic econometric precepts?

How are the principles of econometrics taught to students and how are they presented in the textbooks that support econometrics teaching?

The outcome was a set of serious and thoughtful presentations. Some participants presented new research on foundational issues, some analyzed outstanding problems that have defied resolution, some traced major themes in the history of econometric thought, and some addressed pedagogical considerations that affect the way in which econometrics is understood and applied by general economists.

While organizing the conference, we felt it important that its substance be communicated to a wider audience. We approached the Editorial Board of the Journal of Econometrics with a proposal for an Annals issue containing articles based on a selection of the conference presentations. We are pleased that the Editorial Board agreed to this proposal, and we hope that readers will share our pleasure.

Following the conference, each of the nine papers in this issue was submitted for publication. The submissions were reviewed by the Editors and others, who
provided detailed comments to the authors. Authors then revised and resubmitted their papers for publication. The order of the articles within the issue is alphabetical, by name of first-listed author.

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