

Cambridge University Press

0521803616 - Simplicity, Inference and Modelling: Keeping it Sophisticatedly Simple

Edited by Arnold Zellner, Hugo A. Keuzenkamp and Michael McAleer

Frontmatter

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Simplicity, Inference and Modelling

The idea that simplicity matters in science is as old as science itself, with the much cited example of Occam's razor, 'entia non sunt multiplicanda praeter necessitatem': entities are not to be multiplied beyond necessity. A problem with Occam's razor is that nearly everybody seems to accept it, but few are able to define its exact meaning and to make it operational in a non-arbitrary way. Using a multidisciplinary perspective, with contributions from philosophers, mathematicians, econometricians and economists, this monograph examines simplicity by asking six questions. What is meant by simplicity? How is simplicity measured? Is there an optimum trade-off between simplicity and goodness-of-fit? What is the relation between simplicity and empirical modelling? What is the relation between simplicity and prediction? What is the connection between simplicity and convenience? The book concludes with reflections on simplicity by Nobel laureates in economics.

ARNOLD ZELLNER is H. G. B. Alexander Distinguished Service Professor Emeritus of Economics and Statistics at the University of Chicago.

HUGO A. KEUZENKAMP is Professor of Economics at the University of Amsterdam and director of SEO Amsterdam Economics.

MICHAEL MCALEER is Professor of Economics at the University of Western Australia in Perth.

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Contributors

M. Isabel Ayuda *University of Zaragoza*

Antonio Aznar *University of Zaragoza*

Marcel Boumans *University of Amsterdam*

A. W. F. Edwards *University of Cambridge*

Malcolm R. Forster *University of Wisconsin, Madison*

Mattias Ganslandt *University of Lund and the Research Institute of Industrial Economics, Stockholm*

Carmen García-Olaverri *Public University of Navarra*

Bert Hamminga *Tilburg University*

Uwe Jensen *University of Kiel*

Hugo A. Keuzenkamp *University of Amsterdam*

Ming Li *University of Waterloo*

Michael McAleer *University of Western Australia*

Peter C. B. Phillips *Yale University*

Werner Ploberger *University of Rochester*

Jorma Rissanen *IBM Research Division, Almaden Research Centre, San Jose*

Herbert A. Simon† *Carnegie Mellon University*

Elliott Sober *University of Wisconsin, Madison*

Aris Spanos *Virginia Polytechnic Institute and State University*

Dirk Tempelaar *Maastricht University*

Paul Vitányi *University of Amsterdam*

Arnold Zellner *University of Chicago*