Do not put the cart in front of the oxen!

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A very popular saying of my country summarizes very well the feeling of structuralist econometricians towards the "in-vogue trend" of empiricist econometricians who are prone to "listen to the data" instead of using the existing theory as foundation. According to the first, the empiricist analysis is disconnected from the economic theory, but what is really behind this surge of empiricism and the apparent decline in structuralist econometrics? In my opinion, even a simple pedestrian can realize that some of the values (such as hard working and patience) that led to the world to an amazing development in knowledge are not so important today. This is not only exclusive to econometricians but also in almost every different scientific discipline already existing.

A sort of compulsion to succeed as fast as possible is the new rule. The society has become obsessed with being successful. Few people are decided to pay the price for the development of important new knowledge, which implies an extensive effort without a clear payoff. Second, people heavily rely nowadays in the "discoveries" that machines can do. Even though this revolution has led to important developments in fields like medicine, is not so clear the extrapolation to a more intangible science, like the Social Sciences.

After this parenthesis, let us go back to the economic discussion which is the important topic in this context. I agree with the position of structuralist econometricians, for several reasons. First, to have a theoretic support is quite relevant in order to infer economic causality, instead of statistical causality. Given the colossal availability of information, spurious correlations abound. Moreover, with the statistical and technological tools available it could be possible to find relations in variables as disconnected as the price of a specific stock in the Nasdaq and the weather in a specific region of south Africa. However, Does this mean causality? Does these kind of relations have any predictive power in the long run? I would say definitely not. Second, although

it is arguably that the ability to produce new material using reduced form models is quite greater than that of structural models, the practical use of it is not so clear because of the lack of interpretation. A third point is what Michael Keane states, "One is forced to accept that all empirical work in economics, whether experimentalist or structural relies critically on a priori theoretical assumptions." (Keane, 2009). In other words, understanding that both trends have this key feature in common, the apparent benefit of the empiricism over structuralism disappears. Let me push forward on this, it is possible that a naive model (even using some variables of interest) fits better the data instead of a structural model. Nevertheless, is the use of a more adjusted mathematical model giving us light in order to implement policies or decisions? I would say: hardly, sometimes (just in order of not saying an absolute not).