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# *Econometrics* Best Paper Award 2016

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*Econometrics* has had a distinguished start publishing over 92 articles since 2013, with 76,475 downloads. To mark the quality of the published articles I am pleased to announce the inauguration of the annual *Econometrics* award for the best article of the year, starting with articles published in 2015; the award carries a prize of 500 CHF.

The best article was judged by a distinguished panel of econometricians forming the Econometrics Award Advisory Board and comprised members of the Editorial Board of Econometrics and econometricians renowned for the extent and quality of their contributions and international experience.

The criteria for judgement were: originality of method, impact and longevity of contribution, clarity of exposition, and comparability of quality and contribution relative to major journals in the field, such as *The Journal of Econometrics* and *The Journal of Business and Economic Statistics*.

I am pleased to announce that the Best Paper Award 2016 has been awarded to:

**Bent Nielsen** (Nuffield College, Oxford) and **Andrew Whitby** (the World Bank), for their article entitled:

> A Joint Chow Test for Structural Instability, *Econometrics*, **2015**, *3*, pp. 156–186.
> Available online at: http://www.mdpi.com/2225-1146/3/1/156

The authors develop the widely used Chow test in two important ways. The first is to show that the assumption of exogenous regressors can be relaxed to allow lagged dependent variables and deterministic terms. This is an important theoretical and practical development as it justifies the use of the Chow test for the widely estimated class of autoregressive distributed lag models, which consider a single equation as part of a vector autoregressive model. A typical use of the Chow test is in its one-step ahead, or pointwise, form as part of a diagnostic for a structural break at an unknown time. In the second important contribution, the authors develop a Supremum version of the pointwise test, which can be applied to detect parameter change or an outlier at an unknown breakpoint and is applicable for processes that are stationary, unit root or explosive.

Overall, the article sets a standard of excellence on all of the criteria required for a distinguished contribution to econometrics. There was an excellent development of theory, supported by simulations and a relevant application; moreover the exposition demonstrated the very best in clarity and structure. This winning article is likely to be widely cited and of considerable use to applied researchers, becoming part of the standard "toolkit" of econometricians.

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