

# Letter: Observation-Based Analysis and Industry Studies

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Dear Editors:

The high value that Barbara R. Bergmann places on observation-based analysis is shared by many economists at universities across North America. Indeed, a young research field called “industry studies” has developed around observation-based methods, and the issues being addressed range from globalization to plant location, product and process innovation, and human resource practices.

The development of industry studies began with funding from the Alfred P. Sloan Foundation in 1990 for the creation of multidisciplinary academic research centers focused on particular industries. There are now 26 industry centers associated with the

Sloan Industry Studies Program. In addition to center-based faculty members, hundreds of other scholars from a wide range of disciplines are affiliated with industry studies. As of March 2007, the total count of industry studies scholars is over 800 nationwide, all of whom place high value on research that requires direct personal investment at the plant or firm level in understanding the institutions that shape the modern competitive environment.

Recognition of the value of direct observation as a basis for industry analysis can be traced back to Alfred Marshall, who believed that the scientific foundation of economics and its social impact are enhanced by grounding analysis in the practical experience of industry. Because of this, Marshall committed

himself to plant visits over a fifty year career. In the same spirit, [Martin Feldstein has explained](#) that the National Bureau of Economics Research (NBER) began its “Pin Factory” Initiative in the mid-1990’s to promote deeper understanding by direct observation.

Space does not permit mention of specific research accomplishments by industry studies scholars, although the accomplishments are many and substantial. Instead, let me point interested readers to the program for the [2007 Sloan Industry Studies Conference](#), where the breadth and vitality of this growing research field is evident.

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#### REFERENCES AND FURTHER READING

**Bergmann**, Barbara R. (2007) “Needed: A New Empiricism,” *The Economists’ Voice*, 4(2): Art. 2. Available at: <http://www.bepress.com/ev/vol4/iss2/art2>.

**Helper**, Susan (2000) “Economists and Field Research: ‘You Can Observe a Lot Just by Watching’,” *The American Economic Review*, 90(2):228–32.

**Sloan Industry Studies**. (2007) Program description available at: <http://www.industrystudies.org>.