

# Guidance on PhD Research in International Economics at Crawford

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This note represents my personal views on the PhD research process. They are intended as a complement to the PhD guidelines offered by the Crawford School and the ANU. You may find it helpful to read this before approaching me to discuss your thesis.

## **The aim of your thesis**

A PhD represents a significant contribution to the field of knowledge, in this case international economics and finance – this should be your aim from the very outset. A word of advice. Writing a thesis to high standards is hard work requiring lots of energy and imagination.

A typical thesis should be able to generate three-four papers, linked together by a common theme. Your work should be publishable in top international journals and you should aim to get all of these papers as close to journal standard as possible by the time you complete.

It is critically important that you set yourself the highest possible standards. This will stand you in good stead in the job market, regardless of whether you seek a career in academe, a policy institution in your own country, firms such as Goldman Sachs, or international organizations such as the IMF or the World Bank.

## **Choosing a topic**

Fortunately, international economics/finance is full of questions which leading academics and policymakers are currently struggling with, and for which there are far from definitive answers. Being able to weigh in on these problems with your own insights is your main objective – your job, in short, is to find the “*research frontier*”. Will other researchers in the field look at the problem in a different way after they read your work?

So choose a topic that is important and which interests you. A summary test is to ask: “*will the editor of a leading journal or head of research at a major central bank find my paper(s) interesting and worthwhile?*” If the answer is “*no*”, then I suggest you spend more time identifying a suitable topic.

Unfortunately, this means that some topics that you find compelling may not have enough “*meat*”. Country-specific studies are particularly vulnerable in this regard – it is more difficult to demonstrate that you are working on an important problem and that your approach to the problem is new. In the case of applied theoretical work, you should ask if your theoretical models help explain stylized facts that are not amenable to standard explanations, or offer policy guidance. In applied econometrics work, you should strive to cast doubt on/rule out some views of the world that scholars in the field might otherwise have maintained.

I am happy to provide you with my perspectives on what the interesting research and policy questions are. To make the most headway, however, I suggest you become acquainted with the nature and content of my recent research work (see the Crawford website).

### **Your approach**

Having a good question is half the battle. The other is answering it well. This takes good scholarship and an investment in techniques, be they analytical or empirical. Take note. These investments are preparing you not only to answer the questions in your thesis, but are also preparing the ground for your subsequent research after the PhD. Depending on the problem you are studying, you could find yourself doing game theory, dynamic programming, panel data econometrics, or second order differential equations. It will be your responsibility to acquire these tools during the course of the thesis. You may need to seek help in acquiring these tools from other economists in Crawford or elsewhere on campus. Indeed, these academics may be members of your PhD committee.

My own methodological approach is to use simple analytical models to offer insights on real-world policy puzzles. Good theoretical work does not mean papers with lots of theorems and lemmas. Often the truest sophistication is to express novel ideas with no more than a simple diagram.

I would, therefore, suggest that at least two chapters of the thesis be of an applied theoretical nature, but with substantial contact with empirics and the stylized facts of the problem in hand. A third chapter may be explicitly empirical, tied to underlying theory, and using up-to-date techniques to answer an interesting question. The fourth chapter could be theoretical or empirical. But it could also be normative in character, carefully drawing out the policy implications of the preceding analysis and applying the findings to a country/region-specific setting.

### **Writing matters**

Your job as a researcher is not just to create knowledge, but also to communicate it effectively. The Governor of the Bank of England, Mervyn King, is fond of saying that *"sloppy drafting reflects sloppy thinking"*. You cannot persuade your thesis examiners or journal editors to whom you submit your work that you have done something worthwhile if they cannot figure out what you did or why it might be vaguely important.

The effort in writing should be at least as much as the effort in solving your models. I expect a native English speaker to go through 3-4 final drafts for each paper in the thesis and a lot more (6-7) for a non-English speaker. Polish, polish, and polish again.

The thesis is your work and yours alone. While I am there to offer advice and suggestions, I cannot write it for you. If English is not your first language, there are

various people on campus to help you with your writing and language. When I receive your draft chapters for comment, I would like to focus on the substantial economics and the overall state of the draft, not on issues of syntax and grammar.

### **Some other handy hints**

- *Read the working papers of the intellectual leaders in your topic.* There is usually only a small set of people pushing forward the frontiers on a particular topic. Identify this community;
- *Familiarise yourself with the contents of the best journals.* You should expose yourself to material broader than your research topic and, in the process, come understand what top research looks like;
- *Go to seminars.* These can be a source of ideas and they can help you learn how to present your own ideas. What is the marginal contribution of the work relative to past work? How do the audience and speaker engage with each other;
- *Present your chapters as papers once they are completed, both at ANU and outside.*
- *Interact with your fellow PhD students across campus;*
- *Attend courses that help you acquire key techniques or exploit synergies from another field to answer a question in yours;*
- *Arrange a meeting with me once a fortnight.* These meetings may be more or less frequent, depending on the state of the thesis and our timetables. Be sure to have something specific on paper to discuss at the meeting and send it to me in advance.

Finally, it is important not to become discouraged along the path to doing research. There are many ups and downs when writing your PhD thesis and you will undoubtedly run into many blind alleys. This is a natural part of the research and learning process. Do not be shy in approaching me for advice.

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January 2008