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# Financial History

Writing a Research Proposal

## Research Proposal – Assignment

- Your main writing assignment for the course will be a written research proposal (30% of final grade), consisting of
  1. a well-formulated research question
  2. a literature review
  3. a discussion of planned analysis (including possible data sources, possible empirical strategy, and discussion of possible challenges).
- Formulating a research proposal will teach you some of the techniques required for research in economic history. It will also support you in thinking about an eventual Master's Thesis Project.
- The completed research proposal will be due on Thursday, June 30th! Late submissions will be punished with a full letter grade per week. Submissions arriving on or after July 22, 2022 will not receive a passing grade.

## Research Proposal – Assignment

- The proposal will be 8-10 pages in total length (12pt font, 1.5 spacing, standard margins).
- Title page
- Abstract (100-150 words) – 1 page
- Introduction (stating your research question/hypothesis) – 1 page
- Literature Review, should contain a minimum of 8 sources – 2 pages
- Your research plan (including model, empirical strategy, data, charts etc.) – 2 pages
- Summary/Conclusion - ½ page
- References – 1 page

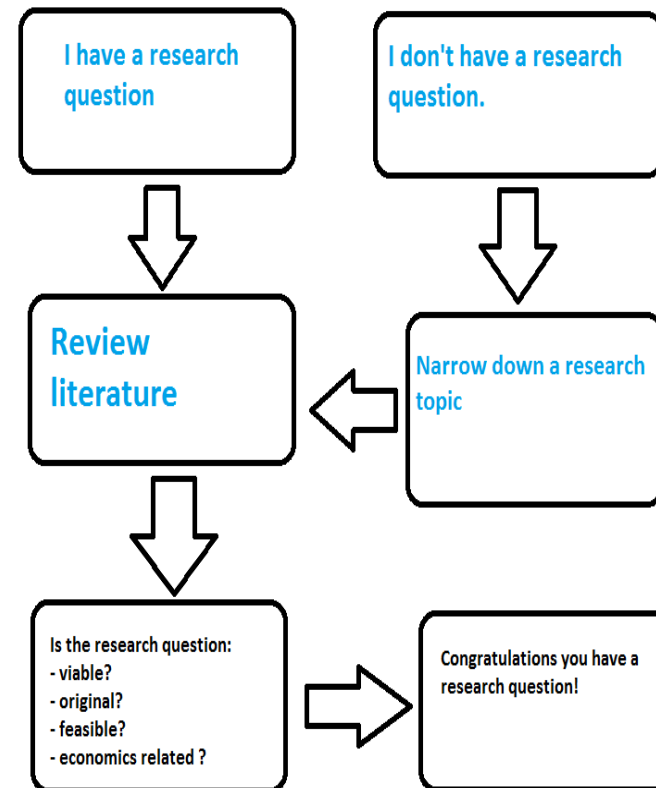
## Where to find ideas?

- A good research project should address an issue that is not completely understood by the existing literature.
- Look for something that interests you and that you enjoy working on!
- Read in an area of interest.
- Use your existing skills/knowledge.
- Try to understand all aspects of a problem.
- Mind-map to organize what has been written and what you might be able to add.
- Think practically: a feasible approach is often to start with an existing paper and explore a variation – i.e. different data (time period/country/industry), add variables, highlight a specific aspect of the problem etc.

## Formulating a Research Question

- A *Research Question* is a statement that identifies the phenomenon to be studied. For example, “Does monetary policy affect the economy?”
- A **valid** and **clear** research question is:
  - *well justified*
  - *original*
  - *feasible*
  - *focused*
- Three broad categories of research in economics:
  - real theory: contribute a mechanism for others
  - applied theory: illuminate the economics of a particular issues
  - empirical work: test a model or estimate a parameter

## Research Question - Flowchart



## Research Question - Common Fallacies

1. Not original
2. Not feasible:
  - a) *Time constraint* (don't have enough time)
  - b) *Resources* (lack of data, codes)
  - c) *Knowledge* (Do I know how to apply model X ? Can I learn in the limited amount of time?)
3. Too broadly defined research question
4. Not well justified
5. Lacking economic history content

## Tips

- Start searching for a topic as **early** as possible (today)
- Once you **narrow down** a topic/area, look at the relevant literature (i.e. carry out a literature review)
- Once you have passed the *literature review test* (has it been already done? No, why not? Is it interesting/relevant?)
- **Ask your self:**
  - Is the question *specific* (not too broad?)
  - Is it *feasible in the allotted time*?
  - Do I have *enough resources* (codes, data) to answer this question?
  - How about *knowledge* (econometrics, theoretical modelling) ?
  - Is the research question falling *within economics*?
  - *If the answer is Yes to all the previous questions congratulations, you have a research question!*



## Literature Review

- a *literature review* as a thematic synthesis of sources used to provide readers with an up-to-date summary of theoretical and empirical findings on a particular topic (Cisco, 2014).
- Students often conceive of literature reviews as a process of summarizing, rather than a process of analysis and synthesis, leading writers to a single-author-per-paragraph structure (Hart, 1998) rather than organizing the literature under specific categories or themes (Galvan, 1999).
- The main goal of the literature review is to synthesize the existing research for the reader and situate your own paper/ project within this existing literature.

## Literature Review (Cisco, 2014)


Introduction  
- Theory / Argument / Hypothesis  
Author<sub>1</sub> says this ...  
Author<sub>2</sub> says this ...  
Author<sub>3</sub> says this ...  
Author<sub>∞</sub> says this ...  
Conclusion

### Theme-Based Literature Review


#### Introduction

- Theory / Argument / Hypothesis

#### Theme 1: \_\_\_\_\_ (subheading)

- Author<sub>1</sub>
  - Author<sub>2</sub>
  - Author<sub>3</sub>
- 

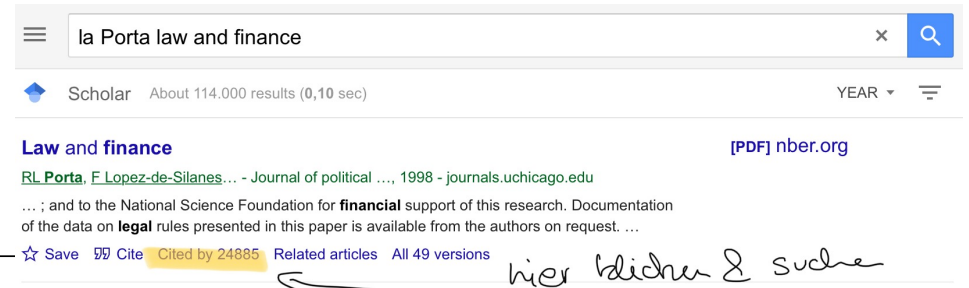
#### Theme 2: \_\_\_\_\_ (subheading)

- Author<sub>4</sub>
  - Author<sub>5</sub>
  - Author<sub>6</sub>
- 

#### Conclusion

## Where to find literature?

- <https://bibliothek.univie.ac.at/en/>
- Journal Databases: <https://bibliothek.univie.ac.at/fb-bsvl/datenbanken.html> (Jstor)
- Working papers: nber.org, cepr, cesifo, <http://repec.org>, google scholar
- Look at the references of articles that you find interesting
- Do a cited reference search (easiest in google scholar) to check where interesting papers have been cited since their publication



The screenshot shows a Google Scholar search for "la Porta law and finance". The search bar at the top contains the text "la Porta law and finance" with a search icon on the right. Below the search bar, it says "Scholar About 114.000 results (0,10 sec)". The search results list an article titled "Law and finance" by RL Porta and F Lopez-de-Silanes, published in 1998 in the Journal of political economy. The article is from journals.uchicago.edu. The snippet of the article text mentions the National Science Foundation for financial support and documentation of data on legal rules. At the bottom of the search results, there are links for "Save", "Cite", "Cited by 24885", "Related articles", and "All 49 versions". A handwritten arrow points from the text "hier klicken & suchen" to the "Cited by 24885" link.

## Your Research Plan

- Identify a viable strategy that would help you answer your research question
- Think about a model, an econometric technique, available data etc.
- Explain your methodological approach (if you are following an existing approach, explain that!)
- Explain where to find your data
- Maybe provide some preliminary charts/summary statistics
- Remember, your plan needs to be feasible and well-motivated! E.g. if you are suggesting an extension of an existing paper- why? What would we learn from this exercise? How does it answer a question that the original paper doesn't already address?

## Where to find Data:

- This is a non-exhaustive list of popular databases that contain historical macro/finance data:
- St Louis FRED: <https://fred.stlouisfed.org>
- NBER Macro History Database: <https://www.nber.org/research/data/nber-macrohistory-database>
- Macrohistory Database at Uni Bonn: <https://www.macrohistory.net>
- Ifo Prussian Economic History database: <https://www.ifo.de/en/iPEHD>
- EUI datapage:  
<https://www.eui.eu/Research/Library/ResearchGuides/Economics/Statistics/MacroDataSet>
- Tradehist database: [http://www.cepii.fr/CEPII/en/bdd\\_modele/presentation.asp?id=32](http://www.cepii.fr/CEPII/en/bdd_modele/presentation.asp?id=32)
- Frech stock markets: <https://dfih.fr>
- Maddison Project database:  
<https://www.rug.nl/ggdc/historicaldevelopment/maddison/releases/maddison-project-database-2020>
- Think about constructing your own data – esp. for financial market data, often easy to obtain (financial press) but not digitized. OCR opens many new possibilities.

## References

- Please provide complete references in the text and also at the end of your research proposal (bibliography).
- The American Economic association uses the [Chicago Manual of Style Author-Date system](#) for all common publication types.
- References should be cited in the text as Lastname (year) or (Lastname, year).
- Examples
- **Bureau of Labor Statistics.** 2000–2010. “Current Employment Statistics: Colorado, Total Nonfarm, Seasonally adjusted - SMS08000000000000000001.” United States Department of Labor. <http://data.bls.gov/cgi-bin/surveymost?sm+08> (accessed February 9, 2011).
- **Leiss, Amelia.** 1999. “Arms Transfers to Developing Countries, 1945–1968.” Inter-University Consortium for Political and Social Research, Ann Arbor, MI. ICPSR05404-v1. <https://doi.org/10.3886/ICPSR05404>.
- **Romer, Christina D., and David H. Romer.** 2010. "Replication data for: The Macroeconomic Effects of Tax Changes: Estimates Based on a New Measure of Fiscal Shocks." *American Economic Association* [publisher], Inter-university Consortium for Political and Social Research [distributor]. <https://doi.org/10.3886/E112357V1>.
- **Ankita Patnaik,** "Data for: Reserving Time for Daddy: The Consequences of Fathers' Quotas," *Journal of Labor Economics* 37, no. 4 (October 2019): 1009-1059. <https://doi.org/10.1086/703115>.
- More information here: <https://www.aeaweb.org/journals/policies/sample-references>

## Timeline

- To be able to successfully complete the research proposal by June 30<sup>th</sup>, 2022 you should follow this timeline:
- **Now- end of April** – find your research question – read, read, read, read.... Take careful notes on all papers you read, this will be the backbone of your lit review.
- **May** – think about your proposed strategy to answer this question – is it empirical or theoretical or based on a case study? Do you have the data to answer the question? Do you have the necessary skills or can you acquire them?
- **June** – write your proposal:
  - Week 1: write the intro, lay out your question and motivate it.
  - Week 2: write your literature review – you have good notes so that should be quick, draft your bibliography
  - Week 3: write your research plan – be specific
  - Week 4: write conclusion and abstract, revise your introduction, finish your references. SUBMIT!

## Think about using research tools:

- Literature review: Mendeley or Zotero
- Notetaking: Many apps, simple word or xls doc are fine, too.
- Econometric approach (R, Stata, look at coding tools, write legible do files, annotate everything you do)
- Writing: Latex preferred (Overleaf), Word ok.



## References

- *Jonathan Cisco (2014). “Teaching the Literature Review: A Practical Approach for College Instructors”, *Teaching & Learning Inquiry*, 2(2), pp. 41–57.*