

Research Project Plan

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The following document is an outline and notebook concerning a review study that aims to quantify between group differences in competition studies written by two groups of economists: Central Bank vs. University.

1 Problem Statement

Rationale

Describe the rationale for the review in the context of what is already known.

Hypothesis: Central Bank Researchers face higher **reputation risk**, compared to university researchers, when publishing studies about market power abuse. Economists employed by central banks are placed under **higher public scrutiny**, hence their publications can have stronger **signalling effect**.

Objective

We aim to quantify if there are significant, measurable differences in competition papers published by two groups of researchers.

Possible "*sources*" of heterogeneity :

1. When looking at the same market, using the same (*similar?*) methodology two groups get either contrary or close but **different** (insignificant, smaller confidence, higher variability) outcomes.
2. Looking at the two groups we find significant semantic differences. As a result, we would be able to classify paper to either group based on the words they use.
 - (a) First idea: Latent Semantic Analysis to find proximity between different papers.
 - (b) I purchased Natural Language Processing book, so further ideas to come.

2 Meta-Study:

Generally accepted structure required for the meta-study.

Save study protocol before actual study

The *before* protocol **has to include**:

- Problem statement
- Literature search strategy
- Exclusion/inclusion criteria

Literature search strategy

- Which databases
- Key words/definition of the search strategy
- Publication restrictions (e.g. language)

Eligibility criteria

Decide which of the collected papers to include/exclude.

- Clear distinction between central bank and who university economist.

After the selection process is done create PRISMA Flow diagram to summarise the articles exclusion/inclusion process.

Calculate the size effects

Def. Effect size is usually a standardised measure of the magnitude of observed effect (Clark-Carter, 2003; Field, 2005c).

Do the basic meta-analysis

Estimate effects in the population by combining the effect sizes from a variety of articles. The estimate is a weighted mean of the effect sizes.

Here ideal outcome would be to find clear **heterogeneity** in the effect sizes between two groups.

3 Language Processing / Semantic Analysis

The initial idea is to run Latent Semantic Analysis and by looking at word frequency in each document try to classify papers based on their comparability/similarity between each other.

4 Problems

The Effect size

According to Stanley et al. in “*Reporting Guidelines for Meta-Regression Analyses in Economics*”, in order to conduct successful meta-study:

- A precise definition of how effects are measured (the ‘effect size’), accompanied by any relevant formulas.
- An explicit description about how measured effects are comparable, including any methods used to standardise or convert them to a common metric.

As I already pointed out we face significant difficulty when it comes to the second point. Also we cannot just look at the sign and/or significance since the main purpose of the meta-study is to aggregate multiple papers to average out the bias that might come from single study and therefore find the “*true*” outcome.

However, maybe we could use **Cohen’s d**: $\frac{\mu_1 - \mu_2}{\sigma}$, where two means would be papers classified to central bank or university and the variance can be a pooled estimate based on both groups individual size and variances (for me it looks very similar to pooled t-static for unequal variances). We would have to do the comparison for individual models separately.

Although, just looking at Panzar-Rosse I can see problem since different papers use **different estimation methods**:

1. Revenue equation: $\log(TR)$ with $\log(TA)$ as a control variable
2. $\log(TR/TA)$ without $\log(TA)$ as a control variable
3. Price equation: $\log(TR/TA)$ with $\log(TA)$ as a control variable

References: (work-in-progress)

1. Stanley et. al. *Meta-analysis of economics research reporting guidelines*
2. A. P. Field, R. Gillett *How to do a meta-analysis*, British Journal of Mathematical and Statistical Psychology