

Theoretical frameworks

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From: Bellemare, 2020 , “**How to Write Applied Papers in Economics**”

Goal of applied economics

We try to answer the following questions

- “Does x cause y ?” or
- “If x increases by one unit, how many units does y change by?,”

This requires use of some theory of change

Asking the right questions

Firstly, a “ decision has to be made about what causal relationship of interest a given article will focus on. In other words, the best applied economics article tend to be rather narrowly focused on a single question, and so you will almost inevitably have to leave some material on the cutting room floor”

Marc Bellemare, 2020.

You may have one of these 2 scenarios

- 1. A theory of change was already developed for the question you are trying to ask
- 2. A theory of change is not yet available fo your research question

Scenario 1

- include a theoretical framework in the article by incorporating or adapting somebody else's theoretical framework
- a research paper need not to innovate on all fronts, that is rarely the case.
- For applied papers, what matters is that the research question, the empirical strategy, or both be novel.
- In most cases, it is perfectly fine to use someone else's theoretical framework—provided that you clearly state that you are doing so.
- You can also adapt somebody else's theoretical framework to suit your needs

Scenario 2

- you have to clearly state your theory of change.
- In some cases, this may require a formal theoretical model.
- In other cases, it is enough to merely present a verbal conceptual framework.
- In all cases, your theoretical framework—be it mathematical or verbal—should start from the primitives and make the necessary assumptions to generate the result “x causes y through mechanism m,” no more and no less.

Remember

- better an informal, chatty conceptual framework than a bad formal theoretical model