

PAINFUL AND POINTLESS TOO

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A PhD in economics actually deskills the student, making him or her less effective, whether as a practical economist or an academic researcher. I speak as a successful practical consultant who has also published prolifically in the academic press over the last 25 years. I recently wrote up some of my research as a PhD and I was shocked at the pressures.

To be a good practical economist you must be able to:

- allocate your time to what is important,
- be totally rigorous, not assuming away what is difficult to measure for instance,
- be intellectually honest,
- be critical,
- apply hard theory to real problems and get practical solutions,
- produce meaningful results with the results available,
- communicate and persuade,
- work in small bursts,
- meet deadlines.

These are also the skills needed to produce research that is valued by the tradition of economics that I work in. They are not the skills that get a safe PhD.

The PhD is high-risk. There are far too many stories of respected researchers, leaders in their field, being failed for anyone to be complacent. There is as much randomness as in the refereeing of journal articles, but the impact of this randomness on a PhD examination is greater, because you cannot appeal or do the equivalent of submitting your paper to another journal.

There are also non-random reasons for failure. There is a very much higher chance of being failed if you produce inconclusive or negative results, if the examiners do not understand the thesis, or if you are working in a totally different paradigm to your examiners

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- the fact that most economists do not work within the neo-classical synthesis does not save you if your examiners do.

For these reasons I was strongly advised by several people that the only safe way to get a PhD was to do an empirical thesis applying totally accepted theory to a slightly different area. To avoid the risk of producing negative or inconclusive results, I should pick a hypothesis that could easily be disproved, but which could be dressed up so that it was not self evidently wrong.

If I wanted to be rash, I could do a theoretical thesis, adding some twiddles to existing theory, using as many ad hoc assumptions in the process as I wanted.

I refused to do either, as the economist's raison d'etre is the efficient allocation of scarce resources. Any economist allocating three years' of the only fully controllable scarce resource, his or her own time, to such trivial work is ipso facto incompetent.

Instead I attacked the dominant theory in a research programme, in the hope that I could refute the theory and, if possible, the research programme as a whole. This maximized the possible payoff and, since I have the necessary critical skills, the probable payoff. I accepted without a qualm the warning that it was possible that I would find nothing wrong with the dominant theory so I would have no thesis. I accepted with total fury the warning that if I did a superb job of refutation I would almost certainly annoy the examiners who had been using and teaching that theory for years (In fact, I was lucky with my examiners). The implication is clear: the student who allocates his or her time to the research with the highest probable payoff is most likely to fail.

The alternative of creating new theory also has its risks. There are no objective criteria for judging the acceptability of theory. An examiner from another tradition in economics would almost certainly fail the theory. One tradition wants theory based on realistic assumptions which can easily be applied to real world problems. Another accepts that it is extremely difficult to test theories by their predictions, and believes that the realism of assumptions is irrelevant or even, following Friedman, that unrealistic assumptions are to be preferred. Since there is then an infinite number of untestable theories which can be based on acceptable assumptions, the only criterion left for acceptance is the elegance of the mathematical presentation of the theory. Another approach places more emphasis on the validity of the fundamental concepts. (Curiously perhaps, practical economists, who are only too well aware of how conceptual weaknesses can invalidate statistical data, are far more concerned about conceptual validity than many academics.) As a student, you rely mainly on

your supervisor's skill in getting the right examiners. At the same time, you can concentrate on bland areas, on theory which will not irritate examiners from other traditions, even if they do not like it particularly.

The costs of failing a PhD are enormous for the average student. Not only is there no more chance of an academic career, but the wasted years mean that he or she is already perhaps four or five years too late to become a high-flyer in government or business. Worse, a PhD (failed) is not likely to impress employers as much as a BSc(Economics) II(i). There is enormous pressure on students to fake. This is very easy, whether by manipulating data, by data grubbing or by fiddling the theory.

There is not much chance that the faking will be discovered by the examiners in the limited time available to them, and the cost is only that a thesis fails, when an honest thesis would have failed anyway. From odd comments I have heard from lecturers at several universities, it would seem that there is a widespread understanding of the dilemma that students are in, and a willingness to turn a blind eye. Some people, for example, appear to accept that the sample size is limited by a student's financial resources, so a statistically meaningless sample is accepted as long as the methodology is right. This denigrates the practical economist's skill of identifying methods which will produce meaningful results with the resources available.

The acceptance that faking or fudging is widespread and acceptable in an academic context can lead to the situation where economists in the real world feel that with their constraints they are equally free to fudge. The results can be disastrous: in food policy for example faked theory or facts can put millions of lives at risk.

I found that the literature review took far longer than the meat of the thesis. I do not have the necessary skill in taxonomy, nor do I value it (though it is useful that a few academic economists produce review articles for the rest of the profession). With the vast amount of literature produced today, the necessary skill is that of sifting out what is useful. I need the skill of reading papers for ways in which they can help me solve my problem, so I can draw on papers from different traditions. I must rapidly decide whether a paper is worth reading. I find it painful and pointless to wade through papers which are clearly irrelevant or wrong in order to classify them and discuss their contents. Serious criticisms need at least the 2000 or 3000 words of a critical comment, not the odd paragraph in a literature review.

Teaching people the presentational skill for a PhD deskills them for writing journal articles or consultancy reports. The skill has something in common with the skill of a bomb

disposal expert. You have to weigh up every word, wondering if it will make one of the examiners explode. My efforts at this were blue pencilled, and blander substitutes were put in, until the real message had to be read between the lines. An extraordinary degree of blandness is needed to avoid offending either of two unknown examiners. The constraints in consultancy are not nearly so bad: you do at least know most of the people you are writing for, and in the final analysis you have to produce something of substance if you are to be paid. With journal articles it is quite acceptable to annoy 90% of readers as long as 10% are interested and enthusiastic: if 100% of readers are mildly approving, you have failed.

Training people to spend three to six years on a research project is deskilling when almost nobody gets this time to do a project in later life. Whether you are an academic writing papers, a civil servant or a consultant, you have a very limited time to spend on any problem. What is more, you have to work to deadlines, and the idea of postponing your results for a year or two because you have not got your act together is laughable.

The whole concept of a PhD thesis for economics should be examined. At present it is teaching all the wrong skills - one reason, perhaps, why economics has not moved forward in the last thirty years. It also has a random element which wastes human resources. I would prefer a system where the degree was granted on publications, with double weighting given to critical comments. This means you show that you have produced actual, publishable, research, not that you have convinced two examiners that you are fit to do research by yourself in future. The skills tested are a lot closer to those of the practical economist, too.