Lecture 7: From Theory to Hypotheses

Benjamin Graham
The Game plan

• Housekeeping
• Induction vs. Deduction
• More about the research process
• Deriving testable hypotheses
• An example
Some Housekeeping

• The literature review homework is up online
  • Due Friday September 18
  • Bring questions to section
Induction and Deduction

• Induction

Observation ➔ Pattern ➔ Theory

Descriptive research
Induction and Deduction

• Deduction

- Hypothesis
- Observation
- Confirmation or Refutation
- Explanatory Research
- Theory
The Research Process

1. Research Topic
2. Read the Literature
3. Research Question
4. Read the Literature
5. Theory
6. Read the Literature
7. Hypotheses
8. Read the Literature
9. Research Design
10. Conduct our Research
11. Publish
The Research Process in Academia: Publishing

- Write a draft
- Circulate to your colleagues
  - Then revise
- Present at a conference
  - Then revise
- Submit to a journal
  - Editor evaluates
  - 2-3 anonymous reviewers write reviews
  - Three possible results: Accept with revisions, revise and resubmit, or reject
- Revise until its published or (revise and) try another journal
Types of Social Theories

• Grand Theories
  • Theories about the way the international system works. These provide an orientation.

• Theories of the middle range
  • Theories about specific social phenomena

• Hypotheses
  • Empirically testable predictions
Grand Theories

• Theories about the way the world works. They provide an orientation.

• Rational Choice: Everything in society happens because of decisions people make on the basis of self interest.

• Realism: World politics is a domain in which unitary states, each seeking security, interact under conditions of anarchy.

• Liberalism: Global peace can be achieved once the correct international institutions, along with complementary norms, are in place.
Deriving Testable Hypotheses

• If my theory is true, what are its observable (falsifiable) implications?
• Grand theories have many implications.
A Good Hypothesis

• Simple, clear
• Concepts are easy to define & measure
• The best hypotheses are the hardest tests for the theory
  • The higher the risk of falsification, the better
An Example

• Theory: Different classes of foreign investor have different access to local private information.
  • Foreign banks > Foreign direct investors > portfolio investors

• What is a direct implication of this theory?
• Is that implication observable?