# OTEFA Newsletter

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Some Thai economists including myself, finance scholars and finance professionals gathered in San Francisco in January at the annual meeting of the American Economic Association. One subject of discussion was the professional challenges that arise from differences in early education system. For most of us, the major challenge is the lack of training for expressing ideas. In Thailand we were trained to excel in taking exams by reproducing simple exercises and reciting class materials. Challenging instructors was unacceptable and conformists were rewarded in classroom. For these reasons, we tend to be risk-averse, reserved and have poor writing and public speaking skills. We gradually improved these skills in graduate school but continue to need coaches after graduation.

As junior researchers, we are constantly interviewed by senior colleagues from other institutions. Hence, effective communications in seminars, conference presentations, conference receptions, lunches, dinners, coffee breaks and 2-minute elevator rides are necessary. The most frequently asked question (FAQ) I receive in the initial encounters is “Where did you do your Ph.D.?” Where scholars earned their Ph.D. is equivalent to last name in the Thai society, since they both determine the degree of instant acceptance. Having a Ph.D. from a reputable school can create welcoming atmosphere, which usually leads to the FAQ No. 2 “Who did you work with?” or “Who was your advisor?” and the FAQ No. 3 “What was your thesis about?” A brief explanation of my thesis often results in the FAQ No. 4 “What do you work on now?”

After the FAQ No. 4, the conversation about research may not continue. Uninterested individuals usually politely switch to other topics such as teaching or personal background. Some may abruptly end the conversation. At that point, where I earned my Ph.D. becomes entirely irrelevant. If I cannot get someone to be interested in my work by speaking, I will likely not be able to do so by writing. If that person organizes a conference, I will likely not get invited to discuss or present papers. If that person is an editor of a journal or an editor’s friend, I will likely not get invited to review papers as a referee. If the person is a referee for my paper submitted to a journal to be considered for publication, my paper will likely not be carefully read or accepted. In this industry, we either publish or perish, thus communication skills are critical for a survival. As I continue along the research track, the importance of the FAQ No. 4 increases over time, because I am expected to create new products like firms in any industry. My research productivity or lack thereof is observed by senior colleagues. To keep producing work to satisfy the expectations, I need information about market demand and supply conditions.
As a market for creativity, the research industry has comparable information transmission mechanism to the entertainment industry. The FAQ No. 3 “What was your thesis about?” is comparable to asking Angelina Jolie and George Clooney “What was your first role?” or asking Snoop Dogg “What was your first song?” Jolie, Clooney and Snoop Dogg are clearly talented. However, to continue producing work requires more than talents. To be specific, successful artists have excellent producers and marketing team. Likewise, successes of young researchers depend also on the producers and the marketing team. The role of producers is played by the Ph.D. advisors and/or the senior colleagues. The marketing team includes the researchers themselves, former classmates, the Ph.D. advisors, former colleagues and current colleagues.

Professional associations play a complementary role to the producers and the marketing team. To be specific, the primary function of professional associations is to transmit information about market demand and supply conditions by various means of communication: journal publications, conference presentations, workshops, newsletters, social events, rumors, chitchats and gossips. The secondary function is to promote research by granting awards or funding. The associations in the area of economics and finance are classified by categories such as the field of research and the region of residence or research interests, and designed to serve members’ needs. Thai researchers share some needs with those from other Asian countries, given similarity of learning culture. It is encouraging that a number of those from India, Japan, China and Korea have succeeded at the international level. These scholars in fact alleviated the problem of information asymmetry by forming professional associations.

As a professional association, the OTEFA is in the start-up stage. Its management structure and activities are subject to debates among members. Within one-year time frame, the newsletter editorial team will circulate the bylaws for reviews, discussions, proposals for changes and voting for an approval. There are issues we can explore, such as new activities. For instance, in the long run we may consider ally the OTEFA with the Allied Social Science Associations (ASSA). That will provide an opportunity to run a parallel session in the annual meeting of the ASSA, to promote research by Thai researchers and students, along with quantitative research on the Thai economy and its financial issues by scholars from any countries. We may possibly consider interacting with other associations.

Today the job market for researchers in economics and finance cuts across borders and types of institutions. Researchers in economics and finance are employed by universities, research institutes, financial institutions, government agencies and consulting firms in various countries. I believe that the information transmitted by the OTEFA will contribute to the professional advancement of Thai researchers and finance professionals at the international level in the future. Although such advancement does not instantaneously result in the economic advancement of Thailand, it certainly represents a progress.
From the Reporters

What is Your Area of Research?
How about Economics of Terrorism?

- Paan Jindapon

When I was in graduate school, I often heard other students talked about “hot” research topics. Should I follow the crowd and write a paper in those topics? If you're a graduate student, you might think about this question a lot because you want to find a very good topic for your dissertation; if you're a professor, your students might want you to give them an answer to the question. [If your student asks you this question, that’s good news because at least he knows what the hot topics are.] My answer would be “write about anything that you like; any topic can be made interesting.” I might be wrong, but that’s what I believe at the moment. If you are open to some new research topic, I’d like to suggest Economics of Terrorism. Is it a hot topic? I’d say yes. How often do you hear about terrorism in the media? Unfortunately, too often.

Since the 9/11 attack, the literature on economics of terrorism has been growing drastically. In the ISI Web of Knowledge, there are 321 articles under keyword: terrorism and subject: Business and Economics; 88% were published after 2002. It has to be one of the fastest growing areas. The trend is also observed in the film industry; there are many movies about real terrorist groups and real attacks, including Munich (2005), United 97 (2006), and The Baader Meinhof Complex (2008)-just to name a few. You might argue that terrorism on films is just a fad, but I do believe that research on terrorism is not. This area of research has strong foundations in both micro and macroeconomics and it still has room to grow.

Sandler, Tschirhart, and Cauley (1983) are the first who use game theory to explain terrorism behavior. Yet, the most cited work in the field is an empirical study on the effectiveness of counterterrorism policies by Enders and Sandler (1993). As mentioned earlier, over 200 papers on terrorism were published in the last 7 years; so not all of them appear in elite journals. Some are worth mentioning here. If you're interested in applied microeconomics, you might want to read Krueger and Maleckova (2003) and Pape (2003). If you prefer macroeconomic analyses, you might want to read Abadie and Gardeazabal (2003) and Eckstein and Tsiddon (2004). You can find an overview and some specific discussions of this area (both theoretical and empirical) in Enders and Sandler’s book called The Political economy of Terrorism (2006). Walter Enders and Todd Sandler won the National Academy of Sciences award for behavioral research relevant to the prevention of nuclear war in 2003.
There are at least two reasons why you should include terrorism in your research agenda. First, there are many aspects of terrorism that have not been explored. I believe that an empirical study of terrorism in Thailand or Southeast Asian countries can draw a lot of attention. I also think that there should be more studies on terrorism and financial markets. All you need is a unique data set; strong econometric methods would be nice. Second, Todd Sandler organizes a conference on terrorism and policy every year at University of Texas at Dallas. I went to the conference twice and I can say that it is my favorite conference. I got a lot of constructive comments from a very nice group of researchers. The next conference should be in May 2010 and I guess that there will be a call for paper in November-December this year. If you start your research on terrorism now, you may be able to submit your paper for the next conference. If you're interested, please send me an email. I'll let you know about the conference and hopefully I'll see you at UTD next year.

References
From the Reporters

Why You Should Never Lose Hope!
Coping with the Aftermath of Manuscript Rejections

- Nattavudh Powdthavee

Perhaps this is not something to boast about, but I like to think that I am the current world record holder of having the most number of rejections for one manuscript in economics. My paper on mental risk-sharing in marriage has been rejected a mind-numbing 14 times in the last four years (and twice in a space of two days by two different journals – one rejection in the morning, resubmitted in the afternoon, and then got rejected again in the evening). Andrew Clark, a colleague of mine at the Paris School of Economics, once told me that I should keep the record going no matter what. Having my paper sent around the world and back is good for the science, he joked. But it never got that much easier for me. It doesn't matter how many times the I-think-your-paper-is-better-suited-in-another-journal (which is another way of letting you down easy) editorial letter has arrived in my inbox. Rejection always hurts.

Trying to cope with manuscript rejection is definitely not a brisk walk in the park – anyone working in academia could tell you that. After spending weeks and weeks working on your paper, polishing it, reading it a hundred times over, and then to have it thrown back at your face after months of waiting can indeed be very soul-destroying. And I should know; I've actually been through it all. Name a journal, and there's a good chance that I've already been rejected from there. Let's put it this way, if I were to print out all of the rejection letters I have ever received in my youngish career, there would probably be enough papers to cover my entire bedroom wall. Maybe even with a few to spare.

But to quote my mentor, Andrew Oswald at the University of Warwick, who was consoling me on my bad fortunes over a full plate of sashimi one London afternoon, "You should never lose hope!" According to Andrew, many great economists he and I know working in our field have been through a series of publishing angst themselves. Richard Easterlin’s most influential paper on happiness and income (1) couldn’t find a home in an economic journal after months of trying (it was famously rejected by the AER as ‘nonsense’ back in the 1970s); in the end, it was published as a book chapter. But even so, that paper has, to this date, been cited more than 800 times – an incredible feat for a book chapter. Andrew Clark, now a prominent professor in Paris, went through a phase of manuscript rejections after he completed his PhD in the 1980s. The same goes for Robert MacCulloch, a well-respected economist at Imperial College London. Even Andrew Oswald himself, arguably one of the best economists UK has to offer, had to go
through (and in some regards still do go through from time to time) rejections from many double-blind reviewed journals.

“A good idea sometimes takes time to mature and to be appreciated”, he once told me. Sometimes a paper can be rejected on the basis that it is not econometrically rigorous enough, or that it is not sufficiently interesting to the general audience. But that does not mean that your idea isn’t great. The analogy to research on happiness is all too clear. In the early 1990s, Andrew Oswald, whilst still a senior research officer at the London School of Economics, organized an international conference on the then-new economics of happiness, which only a handful of people attended. “Nobody cared much for people’s happiness then”, he said. “Most economists believed that we should only care about objective things – money, inflation, unemployment. Happiness, to them, should be left to psychologists to study and not economists.” Back then, many papers written on the economics of happiness were the kind of papers that received an outright rejection from economic journals. The field as it is viewed today is changed, of course. Now the economics of happiness, as a branch of behavioral economics, is moving towards the kind of acceptance it deserves from economists. To illustrate, a search of ECONLIT for journal articles with either ‘Happiness’, ‘Life Satisfaction’ or ‘Well-being’ in the title, identifies 465 published articles between 1960 and 2006. Of these 363 (78%) have been published since 1995, 285 (61%) have been published since 2000, and one-third of the literature (37%, or 173 articles) has appeared in print in just the last three years. Heck, we even have a Nobel Prize winner who is a psychologist in Daniel Kahneman!

Publishing in academic journals is also a very random process. I remember when I first started out in my academic career I was asked to referee a paper for one of the well-respected economic journals in the UK. As a first-time referee, I was so very careful to pick out all the wrong details of that paper, which led me to overlook the broad picture of what that paper is trying to paint. My extreme scrutiny led me to conclude that it should be rejected from the journal. I later found out that the paper, which was subsequently published in a lower rank journal, became very influential in the field and spurred many citations by so many well-known scholars afterwards. That’s when I realized that I should not have been too hasty to judge a book by its cover, and became a lot mellower now in my judging on whether or not a paper should be rejected outright or deserves a revise and resubmit decision. An anecdote similar to this can be found in one of my conversations with Andrew Clark. I once asked him what he thinks is his most precious paper and he replied, “It’s the one on satisfaction and comparison income (2). The paper was pretty badly written though as it was done in a rush. The numbers were probably all wrong too as the econometric methods used were very elementary. It was rejected a couple of times by the top journals before eventually found its home in the Journal of Public Economics. But, boy, did it lead to a revolution in the field.” To date, the paper, which was published in 1996, has been cited more than 800 times in just over a decade.

I started this article thinking that maybe I should end by talking about how to try and get your paper published. But over the course of writing it I came to think, ‘Who am I to tell you that?’ I have never published in the top-5 journals (AER, QJE, JPE, Econometrica, and Review of Economics Studies) and probably never will. My
point is that it is OK not to – sometimes great work can be judged by the way it encourages others to think in the ways that they haven’t thought before. And whenever you get a rejection, as soul‐destroying as it is, try your very best not to take it personally. It will eventually find its home somewhere, and its values will be judged not by us, maybe not even by our peers, but definitely by future researchers in the field. But, of course, that doesn’t mean that you should stop aiming high. If you can get yourself published in the top‐5 journals, please make sure to let me know. I’d be the first one to congratulate you!

**References**


Intellectual Property Rights (IPRs) protection (patents, copyrights, trademarks and, to some degree, geographical indications) has long been regarded as an important instrument to promote technological progress, and thereby long-run economic growth. Many consider IPRs protection a necessity because it provides an incentive to technologically creative individuals and firms to carry out inventive activity by promising them temporary monopoly rights over the fruits of their efforts. Nevertheless, some, especially developing countries, are skeptical about IPRs protection. They believe too strong IPRs protection may be harmful because it increases prices and royalties for goods and services as well as hinders diffusion of technology.

In recent years, there has been a constant pressure by developed countries to harmonize IPRs system around the world. However, such an effort has not been fruitful as scholars and policymakers have not reached a consensus on what the optimal or best IPRs system is. My objective for writing this article is to provide readers with a (brief) survey of prior and on-going research on the design of IPRs systems. Here, I will focus on patent rights in particular.

1. How does Patent Protection Work?

“A patent to an invention provides the patent holder the right to exclude others from manufacturing, using, selling and importing the invention or products in which the invention is embedded. An international patent system would thwart infringement, and increase expected (as well as realized) profits to inventors. Unfortunately, patent law is a national law. Rights granted by a country's national patent office are only applicable within the territory of that country. Thus, a patent granted in one country cannot be substituted for a patent granted in another. An inventor, seeking patent protection to an invention in multiple countries, must take out an application with the national patent office in each of these countries. His decision on where to patent an invention is largely influenced by where the invention will be used and where the products made with the invention will be manufactured, sold and franchised.” (Lo and Sutthiphisal 2009, pp. 6-7).

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* I would like to thank Shih-tse Lo for sharing his insights on IPRs protection and for granting me the liberty to take excerpts from his own work and our joint work to put in this article.
† Examples of geographical indications are the DOC, DOCG and IGT labels for Italian quality wine. Only Italian winemakers in a proper region can claim the labels. Winemakers elsewhere cannot do so even if they use the same types of grapes to make their high quality wine.
‡ For arguments made against IPRs system, see, for example, Jaffe and Lerner (2004, Chapter 3); and Boldrin and Levine (2008).
2. Various Features of a Patent System

A patent system comprises of several key features that scholars believe each has an impact on the level of inventive activity and the rate of technological change.

2.1. Length of Patent Protection

How long should the “temporary” monopoly privilege on the patented invention or idea last? If patent protection is too short for an inventor to recoup investment in R&D, he may not have sufficient incentive to carry out inventive activity. On the other hand, if the protection is too long, the dead weight loss (from monopoly pricing) over the course of the patent statute may sum up to be too enormous for a society to bear. More importantly, the cost of longer protection can also be in the form of a loss of, or at least a decrease, in subsequent inventions that are built upon earlier ones.

This issue of optimal patent length used to be a center of policy debates and had generated a great deal of theoretical work during the late 1980s and the mid-1990s (Gilbert and Shapiro 1990; Denicolo 1996). However, theorists have no longer focused their attention on this issue because in 1994 all members of the World Trade Organization (WTO) have agreed to have 20 years of patent protection (subject to annual renewal fees).

2.2 Arrays of Technologies to be Protected

Which technology is eligible for patent protection? Should technologies related to basic needs such as chemical, pharmaceutical and agricultural products be protected? Although these goods generally involve fundamental R&D that is highly-capital intensive that would benefit from patent protection, the monopoly pricing of these goods may be too high for a large portion of the population to afford them.

Developing countries (and even some developed countries such as Canada) used to provide very limited patent protection, if any, to these technologies. Such a practice seemed to be supported by findings from several empirical studies (Lanjouw 1998; and Qian 2007). These studies explore how an extension of patent rights to chemicals and pharmaceuticals in developing countries affects their inventive activity, and find a small effect, if any, of such a policy change. “Perhaps, successful R&D in chemicals and pharmaceuticals requires workforces with highly specialized human capital and substantial investment in resources. Few developing countries would have the capacity and inclination to carry out significant inventive activity in this field.” (Lo 2009, p. 2) As providing patent protection to these technologies brought a limited change to inventive activity while reducing accessibility of the products embedded with such technologies, it seemed optimal for developing countries to provide no patent protection on them. Nonetheless, given the constant pressure from developed countries, now members of WTO are forced to make chemical and pharmaceutical technologies patentable (though the time frame to implement the agreement varies by country).

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§ The multi-national treaty is called Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). All member countries agreed to the 20-year patent protection, but there are some exceptions in terms of when it will be in effect for developing countries.
2.3 Scope of Patent Protection

Should a patent offer a broad scope of protection or a narrow one? An example of a relatively broader scope is when compounds A and B are both claimed in a single patent, then any compound made of a combination of A and B will be protected as well. In contrast, an example of a narrow scope is when an inventor needs to file a patent for compound A, another patent for compound B, and a patent for each and every possible single combination made of A and B.

A broader scope offers a better protection (a stronger incentive to inventors) and requires less filing of patent applications (a lower cost of seeking patent protection). Nevertheless, a broader scope may make it harder for rivals to circumvent or make subsequent improvements on the patented technology. Gilbert and Shapiro (1990) and Klemperer (1990) offer theoretical framework on this issue. Sakakibara and Branstetter (2001) examine the Japanese Patent Reforms in 1987 that focused on broadening the scope of patent protection, and they find no evidence of a change in R&D and patenting of Japanese firms after the Reforms.

2.4 Examination Process

Before an invention is granted a patent protection, it must be administrated and examined by a government agency (often the national patent office). Should the examination of the invention be rigorous and scrutinized by the Patent Office? Can the examination be based on a registration system or a simple examination that relies on the public by publishing the patent applications in a public domain instead? Prior work suggests that a more rigorous examination process leads to fewer patent litigations and revoked patents, while a registration system or a simple examination process likely brings more law suits and overturned rights. Sokoloff and Khan (1990) argue that the evolution of examination systems in the U.S. and Britain explained the changes in their rates of technological development.

2.5 Application Fees

How much should the Patent Office charge for filing a patent application? If the fees are too high, some potential inventors are turned away. If the fees are too low, there will be too many trivial improvements applied for patent protection. Sokoloff and Khan (1990) suggest low application fees are desirable. They show that in the 19th century, a low-fee system in the U.S. allowed a broader spectrum of its population to gain access to patent protection, and these less privileged individuals contributed significantly in the U.S. achievement in technological leadership.

2.6 Enforcement

None of the above features of a patent system would matter if the enforcement of patent protection is limited. A stronger patent protection includes the use of a special court to deal with patent infringement litigations as well as the implementation of larger fines, more severe penalties and higher liabilities. Merges (1992) regards the creation of the Court of Appeals of the Federal Circuit in 1982 as the beginning of the pro-patent era in the U.S. Lo (2009) shows that a strengthening of patent enforcement led to an increase in R&D, patenting by Taiwanese and investment from abroad (FDI) during the late 1980s.
2.7 Priority Claims**

A priority claim is the most fundamental feature of any patent system: who is entitled to the property rights to an invention. Should the patent rights to an invention be granted to the party first to disclose the invention before the patent office, or should they be given to the “true” inventor – the first person who developed the invention? The rule that awards patents to true inventors is referred to as “first-to-invent.” On the other hand, “First-to-file” grants the patent rights to an invention to the person who first files a patent application for that invention, whether or not he is the true inventor.

The first-to-invent principle has often been criticized for its lack of an incentive for inventors to promptly reveal their inventions. In contrast, the first-to-file doctrine encourages early patenting, and thereby disclosure. It accelerates the dissemination of relevant technical information. This may subsequently raise the level of inventive activity, and hence, lead to more technological improvements. While this is arguably a strong case for embracing the first-to-file rule, there are also ample reasons in favor of the first-to-invent regime. The first-to-invent principle promises patent rights to the true inventor of an invention, while the first-to-file doctrine does not. Consequently, a switch to a first-to-file system will dilute the incentive to carry out R&D and may lower the overall level of inventive activity. Furthermore, large corporations have more resources to file patent applications early. Thus, under the first-to-file system, such firms may have an advantage in securing patent over independent inventors and small businesses.

The first-to-file rule was first adopted by European countries and has gradually become the international standard. Virtually every country in the world employs a first-to-file patent system today. In contrast, the U.S. has embraced the idea of first-to-invent ever since its earliest patent statute in 1790. This unique tradition of the U.S. patent system has led to a recurring discussion among inventors, scholars and policy makers over whether the U.S. should abandon its first-to-invent practice and conform to the global norm by switching to a first-to-file system.

In recent years, a switch to a first-to-file system seems imminent for the U.S. To learn about probable effects of such a policy change, Lo and Sutthiphisal (2009) examine a similar switch that occurred in Canada in 1989. They find that the switch failed to stimulate Canadian R&D efforts. Nor did it have any effects on overall patenting. However, the reforms had a small adverse effect on domestic-oriented industries and skewed the ownership structure of patented inventions towards large corporations, away from independent inventors and small businesses. These findings challenge the merits of adopting a first-to-file patent regime in the U.S.

3. Alternatives to Patent Protection

Is patent protection the only mean to achieve advancement in technology? Moser (2005) shows that without patent protection, some European countries did quite well in 19th century as regards invention and innovation, as they developed comparative advantage in industries that did not rely on patent protection (such as

** This section is primarily taken from Lo and Sutthiphisal (2009).
Recently, there has been a surge of interests among scholars in evaluating the economic impact of utilizing a prize-based system instead of patent protection. For the prize-based system, the authority provides a monetary return (or recognition) to inventors of a novel idea (and makes such invention available for public use). An example of the prize-based system is the Longitude Prize in which the British monarch offered a large prize to anyone who could come up with a reliable method of gauging longitude to a specified degree of precision. An on-going research by B. Zorina Khan (and her earlier work with the late Kenneth L. Sokoloff) seems to suggest that a prize-based system may yield a distribution of invention ownership that is different from that of a patent system. Also, see Brunt, Lerner and Nicholas (2008).

References

From the Reporters

Report from Down-under

- Sirimon Treepongkaruna

I am a new member to OTEFA and grateful to join OTEFA. I think it’s such a great idea. Well, this year is my first decade living in Australia. In 1999, I started my PhD at University of Queensland, Brisbane, Australia. Stephen Gray (PhD from Stanford under Kenneth Singleton supervision) was my supervisor. At that time, Steve just got publication on Regime Switching in short rate in JFE. Of course, my thesis is therefore on essay on short-term interest rate. I briefly work as a lecturer at Lincoln University in Christchurch, NZ while finishing up my PhD. Once I got my PhD, I move to the Australian National University, Canberra, Australia in 2002 as a senior lecturer. Recently, in February 2009, I have just moved to Monash University, Melbourne, Australia as a senior lecturer. My current research interests are high-frequency (tick-by-tick) data modelling (in FX and stock market), term structure of interest rate, realised volatility and sovereign rating, dynamic relation between return and high moment in FX, Non-linear joint distribution of different asset classes, and determinant of CDS and ASM in Australia market.

Some of my recent achievements can be highlighted as follows. In 2008, my paper, co-author with Ben Marshall, and Martin Young were accepted for American Finance Association in New Orleans. After the conference, this paper was in top-ten download list on SSRN. So far, we still try to improve the paper. It will be great, if any of you, can give us some comments. It’s about triangular arbitrage in the FX market. Late 2008, one of my papers with Eliza Wu also won a best paper award using SIRCA data from 2008 Australian Banking and Finance Conference. This year, I have given seminar at University of Western Australia, Perth in April.

Also, I have just recently been to the US to attend/present at Eastern Finance Association in Washington DC. I haven’t been to DC for almost 15 years since I got my MBA from GWU. It was so good to go back and visit. Though, I didn’t meet any Thai academics there. In July this year, I will attend 2009 Asian FA conference in Brisbane, Australia. If any of you come, please let me know. This year, I have been on a few conference committees and reviewed more than a dozen papers. These conferences are FMA, Asia in Xiamen, EFA in DC, and AsiaFA in Brisbane. I am also on editorial board for Review of Applied Economics. Finally, I am currently applying for ARC (Australian Research Council) discovery grant. This grant is the most prestige grant in Australia. ARC also allows us to apply for international linkage grant with international partner as well. Hence, in the future, if anyone of you is interested in collaborating research and applying for this grant together, please contact me at: sirimon.treepongkaruna@buseco.monash.edu.au
There is no ready-to-use recipe for successful teaching. I would like to share a few things that work for me during my 8-year teaching undergraduate students in the United States. Since each discipline has its own way of delivery, I hope that you can pick up some of the tips to create your own style of teaching.

Teaching Tip #1: Know Your Audience
A common mistake that the first-time TA tends to do is to teach a class in the way it was taught to them. The TA goes in and starts an intense, monotonic, dry, and technical lecture, exactly the same way it had been taught back in Thailand and in the current Ph.D. program. Before the TA realizes it, he/she has lost all students’ attention in the classroom. So, the first tip aims to help you understand your American students. Like in the showbiz, you need to know your audience.

Sesame Street Generation: Your students grew up watching 30-minute shows with commercial breaks every 10 minutes. So, they are used to the flashy, sing-a-long style of delivery (learning is supposed to be fun!). Moreover, they have short-attention spans. They can concentrate on your lecture for a maximum of 30 minutes, so you need to plan how to effectively break your lecture flow. For example, after 20 minutes, I usually break my boring, writing-on-the-board lecture and switch to other quick, flashy activities before returning back to the lecture again. There is no need to be fancy about these activities. It could be anything from telling a story about Thailand (I often give examples from my Thai background and students love that), putting a problem on the screen and having them solve the problem together, or showing a YouTube video clip about news related to the topic of discussion (e.g. news about a long-line at gas stations when we talk about the gas price control). Give them the commercial break they are used to, and you will find that they wake up a little bit more when you continue on with your lecture in the second half.

Overly Praised Generation: Your students grew up being expected to participate in every activity and they got trophies (medals, ribbons, awards, etc.) from simply participating in it. They have been constantly complimented and praised by grownups on how awesome they are. Keep two things in mind, to successfully connect to them:

i. You need to include your students into the lecture. American students are more confident than Thais. They do not like a one-way teaching style, which most Thai students are used to. They want to share their opinions and hear themselves. Your task is to create a discussion channel for them and to integrate them into your lecture. So, for
example, I started my foreign exchange lecture by asking if anyone has traveled and used foreign currencies. Ask them to share the most interesting thing they bought on that trip and how much it would cost in equivalent U.S. dollars. Of course, they do not learn anything from it. However, they feel like they have contributed to the learning. By being a part of this learning experience, the students stay more motivated and engaged in your teaching.

ii. You need to be prepared to respond positively to your students. It does not take much to create animosity in the classroom. You need to be tactful when students say wrong things or ask dumb questions. Never say: “No, you are wrong.” The word ‘dumb’ or ‘stupid’ should never leave your mouth. When a student gives a wrong answer, I would respond by saying “I like the way you think, but it is not quite what I’m looking for,” or “that is interesting point, but you may have over-analyzed the question.” Always be ready to create positive feedback in all circumstances.

Hopefully, you will find the first teaching tip useful, especially if you are preparing for your first time teaching in the U.S. Take a deep breath before you walk in and put up the best show for your audience.
Finding a Research Topic:
A Dummy’s Experience

- Dr. Lex

Have you ever wondered whether your research topic is any promising? Well, I have. And I was lucky enough to be around people who shared with me their wisdos. I hope you will feel the same.

Let’s start by thinking of a research as a stack of five questions:

(i) What is the question?

A good paper can always be told in two simple sentences: one for the research question and one for the findings. Of course, a paper can answer multiple questions. We just need to decide how to sell it.

So, our first task is to come up with one research question. Anything will do as a starter. Sir Isaac Newton was famous for asking why those apples felt to the ground (his head?). So don’t be shy!

(ii) Why is it interesting?

Now that we have a research question, it is time to start a process of elimination.

Convince ourselves why the question is interesting. (Try “so what?”) If we cannot, well, our advisor and reviewers may not be able to as well. So, drop it and move on.

Oh! Unless it is a very technical paper (say, 80% in Greek letters), do the convincing in a human language!

(iii) How to answer it?

Now that we are here, it is time to think about how to answer the research question. If there is no way to answer it, move on. If you have only one way, simple life!

As life in general, the real issue is what to do when there is more than one way. My rule of thumb is to go with the easiest one available. Perhaps that is because I tend to overestimate my ability. Sigh!
(iv) What is the contribution?

We are almost there! All we need is to convince others that no one else has done what we are doing.

Contributions can be classified into three levels: Theoretical (proposing a new theory to an existing question or simply asking a new question altogether), methodological (answering an existing question with a “better” method, either because the method has just become available or because new data allow the use of a better method) and empirical (same question, same method, but different data). Found any?

(v) What are the expected findings?

Not having a good result will doom any paper, especially an empirical one. So, we need to anticipate the results as much as possible. If the hope of getting a good result is dim, move on. Just working a lot and wishing that things would turn out well has not really worked very well for me. Sigh!

Don’t be too discouraged when things do not work out well. Great researchers produce great researches not because they always pick a great topic, but because they are quick in dropping a not-so-great one. Any guess on how they got their process-of-elimination skill, anyone?

Please feel free to share your comments and research & teaching tips with us by forwarding your article to onorrbin@yahoo.com.
I am pleased to bring you news of the most recent accomplishments by some of our junior members. It is rewarding to be able to report that our Thai students continue to produce high quality research, while maintaining outstanding performance in their programs. We are currently having 17 graduate students as junior members. I am confident in asserting that Thai graduate students in OTEFA continue to make progress toward our mission of disseminating and creating new knowledge. They will be the key engine of OTEFA’s growth in the near future.

Thank you for your interest in our OTEFA community. We would love to hear of our graduate students’ success, so please feel free to send me an email at: onorrbin@yahoo.com

**Norabajra Asava-vallobh** (Econ, Texas A&M U, 2009) is defending his dissertation about ‘*Essays on Efficiency Analysis*’ in May. He recently accepted a job offer from Ministry of Finance in Thailand. Congratulations Dr. Asava-vallobh! And, good luck in your next step.

**Akarapon Houbcharaun** (con, U of Hawaii at Manoa) is going to do his internship at the ADB this summer of 2009.

**Kuejai Jungjaturapit** (Econ, Iowa State U) will complete her M.S. in Economics in December 2009. She plans to continue on the Ph.D. track. She presented ‘*Has Thailand Learned from the Asian Crisis of 1997?*’ at Missouri Valley Conference in 2008. The article is published in Iowa State’s undergrad research journal. Kuejai passed the CFA Level I examination in 2008 and is the CFA level II candidate. Good luck on your next CFA exam!

**Thuttai Keeratipongpaiboon** (Econ, U of London, UK) is working on his dissertation about ‘*Population Ageing: Changes in Household Composition and Economic Behavior in Thailand.*’ His plan is to return to the NESDB after graduation in year 2011.
Vichaiyut Laungsuwon (Econ, Saitama University, Japan) is working on his dissertation about ‘Exchange Rate Regime: Capital Mobility in Asia.’ He involves in the International Conference at Tokyo and Saitama and the USA International Workshop in Japan.

Tanakorn Makaew (Finance, U of Maryland, 2010) will be on the job market this year. His job market paper in international finance is ‘A Structural Model of Cross-Border Mergers’. His working paper, ‘Do Small Firms Benefit More from Foreign Portfolio Investment? Evidence from a Natural Experiment,’ won the best Doctoral Paper in International Finance at Southwestern Finance Association in 2009. Tanakorn actively spent his summer and winter breaks in research. He was a research assistant at CBO and IMF in Washington, D.C. He spent his summer (2008) as a fellow at Summer Institute on Computational Economics at the University of Chicago. In the winner of 2008, he worked as a consultant at World Bank Group, Washington, D.C. At U of Maryland, he taught three classes of Futures & Options and won Joseph M. Wikler Award for Teaching Excellence in 2007. Well done, Tanakorn!

Kraiyos Patrawart (Econ, U of London, UK) is working on his dissertation on ‘The Political Economy of Democratic Accountability and Violent Conflict.’ His article on ‘Does Democracy in Thailand Need Equality in Education?’ is in print and will be published in Samaggi Annual Review, OCSC Press, Thailand. He presented ‘Can Education Equality Be A New Anti-Corruption Tool? Cross-Country Evidence: 1990-2005’ at the Conference on Evidence-Based Anti-Corruption Policy, Thailand. On academic side, Kraiyos won the Royal Holloway College Research Studentship and the Departmental Awards from the Department of Economics, Royal Holloway College. He was an intern at Democratic Governance Team, UNDP Asia-Pacific Regional Centre in Bangkok during the summer of 2008. Kraiyos was a co-founder of "Thai Student Abroad Movement" (TSAM), which is a knowledge network of Thai students abroad, aiming at establishing the responsive democracy and sustainable development in Thailand. Great job!

Pinyarat Sirisomboonsuk (Ops. Management, Texas Tech U, 2012) contributed her assistance to a book, ‘Project Management: The Managerial Process’ written by Gray and Larson. Her contribution was recognized on the preface of the book. She is also currently co-writing a paper with her colleague on ‘Decision Support for Project and Change Management.’ On academic side, Pinyarat won Rawls College of Business Scholarship, TTU scholarship, and a Fellowship from AT&T Foundation. Congratulations!

Saranwut Takapong (Econ, Harvard U) recently won Firestone Medal for Excellence in Research from Stanford University and Douglas Dillion Fellowship at Harvard University. He is currently working as a RA to Prof. Kenneth Rogoff at Harvard U. Way to go, Saranwut!

Yupana Wiwattanakantang gave interviews about her research on Thai family business structure to the Financial Times.

Sirimon Treepongkaruna has the following publications and forthcoming articles:
Nattavudh Powdthavee presented “Anticipation, free rider problem, and adaptation to trade union,” at the Departmental Seminar at the University of Kent, UK. His recent publications are the following:

1. Ill-health as a household norm: evidence from other people’s health problems, Social Science & Medicine, 68, 251-259
2. Think having children will make you happy?, Psychologist, 22(4), 308-311
3. Happiness Quantified: A Satisfaction Calculus Approach, Book Review for Journal of Economic Literature, 47(1), 204-207
5. How important is rank to individual perception of economic standing? A within-community analysis, Journal of Economic Inequality, forthcoming
6. Daughters and leftwing voting, with Andrew Oswald, Review of Economics & Statistics, forthcoming

Nattavudh gave interviews on “Think having children will make you happy?” to the BBC. His research was featured in the NY Times, the London Times, the Daily Mail, and the Irish Times (April issues) in several occasions. For more information, see: [http://www.powdthavee.co.uk](http://www.powdthavee.co.uk)

Onsurang P. Norrbin was appointed to the Director of International Economic Education & Assistant-in Professor of Economics, the Department of Economics, Florida State University, Tallahassee, Florida.

Kanda Naknoi served as a discussant at the annual meeting of the International Economics and Finance Society joint with the 2009 ASSA Meeting and a grant proposal reviewer for the National Science Foundation. Recent presentations:

1. The Marginal Product of Capital, Capital Flows and Convergence, (with Sirsha Chatterjee) at the research seminar of the Federal Reserve Bank of Dallas.
2. Exchange Rate Pass-through and Market Structure in Multi-country World, (with David L. Hummels) at the 2009 Midwest Macro Meeting

Media coverage: Featured in the cover story of the Fund Strategy magazine (Dec 8)

Yothin Jinjarak published the following articles: