NPIV estimation through functional SGD

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Summary

NPIV estimation

Our approach

Where we are at

Next steps

Instrumental Variables

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- We end up estimating f instead of $h^\star$!

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- How does it help us?

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- Still does *not* imply $h = h^\star$, but reduces bias *if Z is a good instrument*.

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with
  - $r_0(Z) = \mathbb{E}[Y \mid Z]$,
  - $\mathcal{T}[h](Z) = \mathbb{E}[h(X) \mid Z]$.
- Risk measure:
$$\mathcal{R}(h) = \mathbb{E}\left[\frac{1}{2}\left(\mathbb{E}\left[Y - h(X) \mid Z\right]\right)^2\right] = \mathbb{E}\left[\frac{1}{2}\left(r_0(Z) - \mathcal{T}[h](Z)\right)^2\right].$$

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- Immediate idea:

$$\begin{cases} h_0 \equiv 0, \\ h_t \leftarrow h_{t-1} - \alpha_t \nabla\mathcal{R}(h_{t-1}) & \text{for t } \geq 1\ . \end{cases}$$

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- Solution 1: "No problem, we estimate everything!" ...doable, but horrible, since $\mathcal{T}^*[\mathcal{T}[h] - r_0]$ involves plugin estimates into other estimates. Goodbye theoretical guarantees.

Stochastic Gradients

- Solution 2: Notice that

$$\nabla\mathcal{R}(h)(X) = \mathbb{E}_Z\left[\Phi(X,Z)(\mathcal{T}[h](Z) - r_0(Z))\right],$$

where $\Phi(x,z) = \frac{p(x,z)}{p(x)p(z)}$.

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- Second idea: *Now* we estimate everything:

$$\begin{cases} h_0 \equiv 0, \\ h_t \leftarrow \widehat{\Phi}(\cdot, Z_i) \left(\widehat{\mathcal{T}[h_{t-1}]}(Z_i) - \widehat{r}_0(Z_i) \right). \end{cases}$$

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Prototype

Prototype gave reasonable results

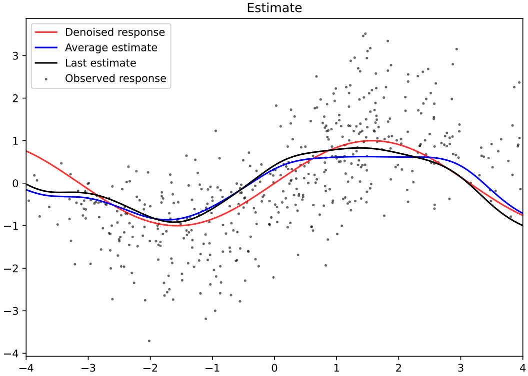

Figure: In red we have $h^\star = \sin$, in black we have h_N and in blue, $\frac{1}{N}\sum_{t=1}^{N} h_N$.

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- This is helping us find better ways to estimate Φ and $\mathcal{T}$ (mainly RKHS methods).

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- Finalize convergence guarantees.
- Implement modifications which the theory points to.
- Benchmark against current methods.

References

[1] Yuri R. Fonseca and Yuri F. Saporito. *Statistical Learning and Inverse Problems: A Stochastic Gradient Approach*. 2022. arXiv: 2209.14967 [stat.ML].

[2] Whitney K. Newey and James L. Powell. "Instrumental Variable Estimation of Nonparametric Models". In: *Econometrica* 71.5 (2003), pp. 1565–1578. ISSN: 00129682, 14680262. URL: http://www.jstor.org/stable/1555512 (visited on 07/03/2023).

Thank You!