

Problem Set #1

First Part

Journal article: Yao Lu & Ran Tao. 2017. “Political Organizational Structure and Collective Action: Lineage Networks, Semiautonomous Civic Associations, and Collective Resistance in Rural China.” *American Journal of Sociology* 122 (6): 1726-74

Model: This article uses a fixed-effects linear probability model to examine the relationship between organization structure and collective petitions. β , Γ and Δ are coefficients.

$$P(y_{it} = 1|x) = \mu_t + \alpha_i + \beta * L_{it} * O_i\Gamma + X_{it}\Delta + \epsilon_{it}$$

Exogenous Variables: L_{it} , O_i , X_{it} , μ_t and α_i .

1. L_{it} indicates land requisition in village i in year t.
2. O_i is a vector of variables related to village organizations, including senior association and lineage structures (Oligopoly, Monopoly, Temple and Church).
3. X_{it} is a vector of control variables including per capita annual income(log), village population(log), enterprise number, proportion of some population features (working only in agricultural sector, away as migrant workers, working-age population and ethnic minority), per capita household farmland(log), proportion of irrigated arable land, per capita fiscal transfer from upper-level government(log) and villagers working in upper-level government.
4. μ_t and α_i are fixed effects (the effects of unobserved variables for the occurrence of collective petition). μ_t represents the fixed effects in year t but constant across villages, α_i represents the fixed effects specific to i village but constant over time.

Endogenous Variable: The occurrence of collective petition for village i in year t (y_{it}) is the endogenous variable and its conditional probability $P(y_{it} = 1|x)$ is on the left side of the equation.

Model Type: First, although it contains time t, this model is a typical static panel data model because the changes at time t have immediate (not lagged) effects on the dependent variable and other factors related to time are controlled by fixed effects μ_t . Second, as a linear probability model, it is linear. Third, it is also stochastic since it contains error term ϵ_{it} .

Missing variable: The variable “gender” might be valuable because villagers with different gender may have different collective potential. Therefore, it should be put into the vector of control variables.

Second Part

Model

I use a binary logistic model to explore the decision of marriage. The variables contains Y_i (decision to get married, $P(Y_i = 1|X)$ in equation represents the probability of decision to get married), X_H (homosexual identity, yes or no), X_L (legal same-sex marriage, yes or no), X_S (sex, female or male), X_R (Republican, yes or no), X_E (year of education) and X_I (income[log]).

$$\log\left(\frac{P(Y_i = 1|X)}{1 - P(Y_i = 1|X)}\right) = \beta_0 + \beta_1 X_H + \beta_2 X_L + \beta_3 X_H X_L + \beta_4 X_S + \beta_5 X_I + \beta_6 X_S X_I + \beta_7 X_R + \beta_8 X_E + \epsilon_i$$

Data generating process

We can simulate the log-odds given all the parameters since one-unit X_i increase changes the log-odds by β_i (or add the influence from interaction term if any), and also compute the change of the probability of decision to marriage by multiplying the unite-change of X_i by e^{β_i} (or count in the influence from interaction term if any).

Key factors and other factors selection

I assume that homosexual identity, same-sex marriage legality and their interaction term will be key factors because illegality of same-sex marriage means homosexual people nearly have no opportunity of deciding to marriage. Besides, whether a people is Republican probably have a big influence on marriage because the Republican people typically value family.

Besides, income(log) is very likely to have some influence due to the fact that developed countries usually have a low marriage rate than developing country. I also interact sex with income(log) since I assume that male people with low income(log) has low ability to marry but low income(log) may have a smaller influence on female group. Finally, given that well-educated people usually reflect the value of marriage more often and are more likely to doubt it, I believe it would also have some influence on the decision to marriage.

Preliminary test

I can adopt four methods to do preliminary tests. First, I can compute the standard errors of the coefficients and then the p-values of all variables. Those which have sufficiently small p-values are statistically significant. Second, I will drop one or two variables that seem relatively unimportant, compute the maximum log-likelihood of different models and the significance of their difference and hence compare the fitness of different models. Third, I will compute different error rates through cross-validation method. Although this method cannot directly indicate significance of individual variables, it can still assess the predictive power of them if dropping some variables would drastically increase or decrease the error rate. Finally, looking for a new set of data as test dataset and then testing the real predictive power of the model would be a better method.