

Package ‘semiIVreg’

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Title Semi-Instrumental Variable (semi-IV) Regression

Version 1.0.0

Description semi-Instrumental Variable (semi-IV) estimation for general models, from Bruneel-Zupanc (2024). The main `semiivreg()` function is designed to work as easily as `lm()` or `ivreg()`. It automatically provides estimation of the marginal treatment effects (MTE) as well as eventual ATE (if the treatment effects were, in fact, homogenous).

Encoding UTF-8

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LazyData true

URL <https://www.cbruneel.com/>, <https://cbruneelzupanc.github.io/semiIVreg/>

VignetteBuilder knitr

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| | |
|----------------|------------------------------------|
| construct_data | <i>Data construction functions</i> |
|----------------|------------------------------------|

Description

These functions are used to construct the data from a given formula. Handles change from factor into several dummies for example. They also create reference individuals at which to evaluate the MTE and MTR (if no default is provided). For the numerical variables, take the average of the variable; for the factors, take the first level.

Usage

```
construct_data(formula, data)

create_ref_indiv(formula, data)

transform_factor(formula, data)
```

Arguments

| | |
|---------|--------------------------|
| formula | The formula of the model |
| data | The original dataset |

| | |
|-----------|--|
| Kappa_fun | <i>Control functions transformations for selection probabilities</i> |
|-----------|--|

Description

These functions provides pre-specified transformations to control flexibly for the selection probabilities in the regression.

These correspond to $\kappa_d(p)$ and corresponding $k_d(u)$ in Bruneel-Zupanc (2024).

Special functions are used for homogenous treatment effect specifications because the code is different. July 2024: for now, only polynomial transformations are encoded.

Usage

```
Kappa_fun(p, pol_degree = 5)

kdu_transform_fun(u, d, pol_degree = 5)

Kappa_homogenous_fun(p, pol_degree = 5)

ku_transform_homogenous_fun(u, pol_degree = 5)
```

Arguments

| | |
|------------|---|
| p | Vector of propensity scores to transform into a flexible function. |
| pol_degree | Degree of the polynomial transformation. |
| d | Which potential outcome to consider (only needed for $k_d(u)$ with heterogenous treatment effects). |

Details

See Andresen (2018) or Bruneel-Zupanc (2024) for computation details linking $\kappa_d(p)$ and the corresponding corresponding $k_d(u)$.

$\kappa_1(p) = E(U_1|U_D \leq p)$ and $\kappa_0(p) = E(U_0|U_D > p)$ while $k_d(u) = E(U_d|U_D = u)$.

In the case of homogenous treatment effects: $k_0(u) = k_1(u)$. This provides some restriction on κ , hence the special functions.

Examples

```
v = seq(0.1, 0.9, by=0.1)
# Transformations for general Heterogenous TE functions:
Kappa_fun(p=v, pol_degree=6)
k1u = kdu_transform_fun(v, d=1, pol_degree=6)

# Transformations for Homogenous TE functions:
Kappa_homogenous_fun(p=v, pol_degree=6)
ku = ku_transform_homogenous_fun(v, pol_degree=6) # no d anymore, same for both d here;
```

mtr_est_poly

MTE and MTR sub-estimation functions

Description

These functions allow to estimate the mte and mtr, and their confidence intervals, based on coefficients estimated from the main model in the main function. More details can be found in Bruneel-Zupanc (2024).

Different formulas must be applied depending on whether the treatment is homogenous or heterogeneous.

Usage

```
mtr_est_poly = function(d, data, seq_u,
                        bwd = NULL, bw_y = NULL, bw_method = "plug-in",
                        pol_degree1, pol_degree2,
                        var_outcome, var_treatment, var_w0, var_w1, var_covariates)
```

```
mtr_fun_poly = function(ref_indiv, est0, est1, k0, k1)
```

```
lpoly_regress(x, y, bw=NULL, bw_method="plug-in", degree, drv)
```

```
mtr_coeff(coeff, vcov, var_cov_2nd, est_method="sieve")
```

```
mtr_est(coeff, vcov, names_var, df)
```

```
mtr_predict_sieve(coeff, vcov, ref_indiv, var_treatment, var_cov_2nd, pol_degree, seq_u, t_value, e
```

Arguments

| | |
|-------------|--|
| seq_u | Sequence of v at which to compute the prediction for $kd(v)$. |
| bw_method | Method to compute the bandwidth (if bandwidth is NULL) |
| ref_indiv | Newdata (reference individuals) at which to compute the predictions. |
| x | Vector of x values |
| y | Vector of y values |
| bw | Pre-specified bandwidth |
| degree | Degree of the polynomial: recommended to set to $drv + 1$ |
| drv | Derivative order of the function to be estimated. |
| coeff | Vector of (stacked) coefficients for mtr0, mtr1. |
| vcov | Covariance matrix of these coefficients. |
| est_method | Either "sieve" or "homogenous". |
| names_var | Names of the variables corresponding to the coefficients. |
| df | Degrees of freedom for the p-values. |
| var_cov_2nd | Names of the covariates and semi-IVs |

Value

Returns the raw (stacked regression) coefficients and covariance matrix corresponding to mtr0, mtr1 and mte function.

Returns the mtr0, mtr1 and mte estimates tables with their standard errors and p-values. Also exports the corresponding estimates and vcov matrices.

Returns mtr0, mtr1, and mte estimates with confidence intervals for the specified ref_indiv.

| | |
|--------------|--|
| mtr_plot_fun | <i>Marginal Treatment Effect (MTE) and Responses (MTR) plots</i> |
|--------------|--|

Description

Plot the MTR and MTE estimated curves with their confidence intervals.

Usage

```
mtr_plot_fun(dat_plot, common_supp)
```

```
mte_plot_fun(dat_plot, common_supp)
```

Arguments

| | |
|----------------------|--|
| dat_plot | Data frame with the estimated MTE and MTR values and their confidence intervals. Must contain specific variables: Phat, mtr0, mtr1, mtr0_lwr, mtr1_lwr, mtr0_upr, mtr1_upr, mte, mte_lwr, mte_upr. |
| common_supp | Vector of two values indicating the common support of the plot. Default is the full support 0,1. |
| conf_band | Indicates whether to plot the confidence intervals. Default is "TRUE". |
| colMTE, colD0, colD1 | Color of the MTE, MTR0 and MTR1 curves. |

Details

Attention: by default in `semiivreg` the confidence intervals are computed analytically, and include an error because the first stage propensity score. This is corrected in `semiivreg_boot` by bootstrapping the entire estimation to obtain the confidence intervals.

roydata

Generalized Roy Data with Heterogenous Treatment Effects

Description

A data frame of 100,000 observations drawn from a simulated Roy model with heterogenous treatment effects using `simul_data()`.

Usage

```
data(roydata)
```

Format

The data contains the following information which would be observed in a standard dataset:

y The observed outcome.

d The treatment.

w0, w1 The semi-IVs entering only D=0 and D=1.

Xbinary, Xcontinuous Two covariates, one binary and one continuous.

It also reports the typically unobserved potential outcomes and shocks:

y0, y1 The unobserved potential outcomes.

P The unobserved true treatment probability.

latent, V, Ud, U0, U1 The unobserved shocks V. Ud is the normalized V ranks. U0 and U1 are the outcome shocks. latent gives the latent utility term in the selection equation.

The data was generated using the following R code:

```
N=100000; set.seed(1234)
model_type = "heterogenous"
param_error = c(1, 1, 0.6, 0.5)
param_Z = c(0, 0, 0, 0, 1.5, 1.5, 0.9)
param_p = c(0, -0.7, 0.7, 0, 0, 0)
param_y0 = c(3.2, 0.8, 0, 0)
param_y1 = c(3.2+0.4, 0.5, 0, 0)
param_genX = c(0.4, 0, 2)

roydata = simul_data(N, model_type, param_y0, param_y1,
                     param_p, param_Z, param_genX, param_error)
```

roydata2

*Generalized Roy Data with Homogenous Treatment Effects***Description**

A data frame of 100,000 observations drawn from a simulated Roy model with homogenous treatment effects using `simul_data()`.

Usage

```
data(roydata2)
```

Format

The data contains the following information which would be observed in a standard dataset:

y The observed outcome.

d The treatment.

w0, w1 The semi-IVs entering only D=0 and D=1.

Xbinary, Xcontinuous Two covariates, one binary and one continuous.

It also reports the typically unobserved potential outcomes and shocks:

y0, y1 The unobserved potential outcomes.

P The unobserved true treatment probability.

latent, V, Ud, U0, U1 The unobserved shocks V. Ud is the normalized V ranks. U0 and U1 are the outcome shocks. latent gives the latent utility term in the selection equation.

The data was generated using the following R code:

```
N = 100000; set.seed(1234)
model_type = "homogenous"
param_error = c(1, 1.5, -0.6)
param_Z = c(0, 0, 0, 0, 1.5, 1.5, 0.9)
param_p = c(0, -0.5, 0.5, 0, 0, 0)
param_y0 = c(3.2, 0.8, 0, 0)
param_y1 = c(3.2+0.4, 0.5, 0, 0)
param_genX = c(0.4, 0, 2)

roydata2 = simul_data(N, model_type, param_y0, param_y1,
                      param_p, param_Z, param_genX, param_error)
```

Description

Semi-IV regression function from [Bruneel-Zupanc \(2024\)](#). Syntax inspired from `ivreg`. Returns MTE and MTR curves with confidence intervals. The estimation is almost *instantaneous* (a few seconds at most).

By default, return analytic standard errors not accounting for the fact that the propensity score is estimated in a first stage in `semiivreg`. Use `semiivreg_boot` to obtain 'correct' bootstrapped confidence intervals (takes a bit longer).

Usage

```
semiivreg(formula, data, propensity_formula=NULL, propensity_data = NULL,
          ref_indiv =NULL, firststage_model = "probit",
          est_method = "locpoly", # "locpoly", "sieve", or "homogenous".
          se_type = "HC1",
          bw0 = NULL, bw1 = NULL, bw_y0 = NULL, bw_y1 = NULL, bw_method = "plug-in",
          pol_degree_locpoly1 = 1, pol_degree_locpoly2 = 2,
          pol_degree_sieve = 5, conf_level = 0.05,
          common_supp_trim=c(0,1), trimming_value=NULL, automatic_trim=FALSE,
          plotting=TRUE)

semiivreg_boot(formula, Nboot=500, data, propensity_formula=NULL, ref_indiv =NULL,
               firststage_model="probit", est_method = "locpoly", se_type="HC1",
               pol_degree_transform = 5, common_supp_trim=c(0,1), trimming_value = NULL,
               automatic_trim = FALSE, plotting=TRUE, conf_level = 0.05, CI_method = "delta")

semiiv_predict(semiiv, newdata, seq_v=NULL)
```

Arguments

| | |
|---------------------------------|--|
| <code>formula</code> | Formula of the regression, of the form <code>outcome ~ treatment semi-iv0 semi-iv1 commoncovariates</code> . The treatment variable should be binary (0, 1). covariates with an effect that differs on $D=1$ and $D=0$ should be included in each <code>semi-iv0</code> and <code>semi-iv1</code> . with <code>est_method = "locpoly"</code> : cannot restrict covariates to have common effects (not implemented), so <code>commoncovariates</code> will just be estimated as having generally a different effect on $Y0$ and $Y1$. |
| <code>data</code> | Dataframe containing the data. |
| <code>propensity_formula</code> | Formula for the 1st stage. If nothing specified, just runs a probit of <code>d ~ semi-iv0 + semi-iv1 + covariates</code> (removing the redundant variables). |
| <code>propensity_data</code> | Data used to compute the 1st stage; ignore by default set to <code>NULL</code> and <code>= data</code> . Mainly useful for internal bootstrap function is the first stage formula is different from the default one. |

| | |
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| ref_indiv | Specify the reference individual (in terms of covariates) at which we will evaluate the function. by default takes the average value for the numerical covariates, and the reference level for factors. |
| firststage_model | By default, the first stage is a probit model. Can specify another model (e.g., "logit"). |
| est_method | Estimation method: default is "locpoly" for Robinson (1988) double residual regression for partially linear model. Other options include "sieve" to specify flexibly the control function as a polynomial with pol_degree_sieve, and "homogenous" which is a sieve where we also impose homogenous treatment effect. |
| se_type | Type of standard errors if sieve/homogenous estimation. By default = "HC1". Can otherwise me any of the possibilities of vcovHC in the sandwich package. Also possible to have se_type="nonrobust" for the non-robust (lm default). |
| bw0, bw1 | Bandwidth of the first residual regressions of Wd and X on Phat. Need to be specified in the order of the covariates as specified in the model. Be very careful with factors. Default NULL and computed using the specified bw_method. |
| bw_y0, bw_y1 | Bandwidth of the second regression of Y (net of the effects of the covariates) on Phat. Default NULL and computed using the specified bw_method. |
| bw_method | Method to compute the bandwidth of the local polynomial regressions. Default is simple "rule-of-thumb" method. Alternatives include "cv" for cross-validation and "plug-in" for plug-in bw (Fan and Gijbels, 1996). Note that the "cv" and "plug-in" are computed on a randomly drawn subsample of at most 5000 observations. For replicability, set a seed before running semiivreg. Plug-in bandwidth is computed only with a degree that is odd. |
| pol_degree_locpoly1 | Degree of the local polynomial regression of the covariates on Phat. Default is 1 as recommended by Fan and Gijbels (1996) because we want to estimate the regular function. |
| pol_degree_locpoly2 | Degree of the local polynomial regression of Y (net of the effects of the covariates) on Phat. Default is 2 as recommended by Fan and Gijbels (1996) because we want to estimate the derivative function. |
| pol_degree_sieve | Degree of the polynomial transformation for the control function. |
| conf_level | Confidence level for the confidence intervals. |
| common_supp_trim | Vector of two values indicating the set of propensity scores at which we will evaluate the function. Default is the full support $[0, 1]$. But can be trimmed manually. |
| trimming_value | Can either be a vector c(0.05, 0.95) indicating the quantile of the propensity score above which and below which we keep the observations for both D=0 and D=1. Can also be a single value, in which case symmetric trimming up and down. Inserting a trimming_value generates automatic_trim = TRUE automatically. |
| automatic_trim | If TRUE, the estimation of the second stage is done on the common_support only. |

| | |
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| plotting | TRUE if wants to plot at the end of the function, FALSE otherwise. |
| Nboot | Number of bootstrap samples. |
| CI_method | "delta" for delta method, "curve" for bootstrap the MTE curves directly. With <code>est_method = "locpoly"</code> , only "curve" method is possible. |
| semiiv | Object returns from a semiivreg estimation. |
| newdata | New data for which to predict the MTE and MTR. |
| seq_v | Sequence of v at which to predict the MTE and MTR. By default: NULL fits the default interval of the original semiivreg (equally space grid of v , with step size of 0.001 on the common support). |

Value

A list with the following elements:

`$data` Returns data of output estimation used to plot the MTE and MTR. In details:

`$RES` Dataframe with the estimated MTE and MTR values (and their confidence intervals if `est_method="sieve"` or "homogenous") for a sequence of unobservable resistance to treatment in the identifiable common support.

`$data` Original data used for the estimation where we added the propensity score estimated, named `Phat`, and where we made the transformation of the eventual factor variables as dummies.

`$ref_indiv` Reference individual(s) at which we evaluate the MTE and MTR.

`$Xdat` Set of covariates (this output is used for the bootstrap).

`$deltaX` Returns the estimated effects of the covariates and semi-IVs (without intercept) for the specified reference individuals.

`$estimate` Returns the estimation of:

`$est`, or `$est0` and `$est1` If `est_method = "locpoly"`, `est0` and `est1` returns the second stage estimates of the effect of the covariates and semi-IVs on their respective potential outcomes. Coming out of the double residual regression à la Robinson (1988), running a no-intercept OLS of the residuals $Y - E(Y|P)$ on the residuals of every semi-IVs, $Wd - E(Wd|P)$, and covariates, $X - E(X|P)$.

`$mtr0`, `$mtr1` and `$mte` If `est_method = "sieve"` or "homogenous", returns the functional form estimated for both MTR and MTE.

`$kv` Returns the estimated $k_d(v)$ ($=E(Ud|V=v)$). Includes the constant. If sums with the effect of covariates and semi-IVs (`deltadX`), gives the `mtr_d`.

`$propensity` First stage estimate of the propensity score.

`$est_kappa` If `est_method = "sieve"` or "homogenous", this returns the estimated model for $E(Y|D=d, X, Wd, P)$. From this, we extract $Kappad(P) = E(Ud | D=d, P=p)$ from which we compute the `kd(v)` and `mtrd(v, x, wd)` functions.

`$avg_MTE` Average of the MTE over the identified common support. If full common support, it is an estimate of the $ATE(x, w0, w1)$. If `est_method="homogenous"`, the MTE is constant so it also gives the $ATE(x, w0, w1)$.

`$bw` Returns the bandwidth used (or estimated via `bw_method`) in the Robinson double residual regression.

`bw0` and `bw1` are the bandwidths of the first residual regressions of Yd , Wd and X on `Phat`.

`bw_y0` and `bw_y1` are the bandwidths of the second regression of Y (net of the effects of the covariates) on `Phat`. These are the one that matters for the smoothness of the MTE and MTR estimates.

`$plot` Returns separately the following plot objects: `supp` (support), `mtr`, `mte`.

`$supp` Returns the common support of the propensity score `Phat` between the two treatment group.

`$call` Returns the call of the function and the covariates and semi-IVs used.

The estimated model

`semiivreg` estimates the marginal treatment effect (MTE) and marginal treatment response (MTR) of a binary treatment variable using semi-IVs, `W0` and `W1`. As with standard IVs (see Andresen, 2018), we estimate a semi-parametric partially linear model, as described in Bruneel-Zupanc (2024). For more details on the model and estimation procedure, see the vignette `vignette("semiIVreg", package = "semiIVreg")`, also available online [here](#). For more details on the use of the `semiivreg` function, see also the vignettes `vignette("semiIVreg_heterogenousTE", package = "semiIVreg")` and `vignette("semiIVreg_homogenousTE", package = "semiIVreg")`. For more details about causal inference with semi-IVs in general, see Bruneel-Zupanc (2024).

Caution about the Estimated Standard errors

By default, `est_method="locpoly"` returns no standard errors.

If `est_method="sieve"` or `est_method="homogenous"`, it returns **analytic standard errors**: but these are wrong because they do not account for the fact that the propensity score is estimated.

In any case, we recommend to use `semiivreg_boot` to obtain 'correct' bootstrapped confidence intervals. Implemented separately because the bootstrap takes more time, while the baseline `semiivreg` function is almost instantaneous.

Author(s)

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References

Bruneel-Zupanc, C. (2024). Don't (fully) exclude me, it's not necessary! Identification with semi-IVs. arXiv preprint arXiv:2303.12667.

For empirical applications of the estimation of Marginal Treatment Effects with standard IVs, see for example:

Carneiro, P., Heckman, J. J., & Vytlacil, E. J. (2011). Estimating marginal returns to education. *American Economic Review*, 101(6), 2754-2781.

Brinch, C. N., Mogstad, M., & Wiswall, M. (2017). Beyond LATE with a discrete instrument. *Journal of Political Economy*, 125(4), 985-1039.

In particular, see Andresen, M. E. (2018). Exploring marginal treatment effects: Flexible estimation using Stata. *The Stata Journal*, 18(1), 118-158.

For double residual estimation of partially Linear models, see Robinson, P. M. (1988). Root-N-consistent semiparametric regression. *Econometrica: Journal of the Econometric Society*, 931-954.

For local polynomial regressions choice of degree: Fan, J., & Gijbels, I. (1996). Local polynomial modelling and its applications.

Examples

```
# Load data:
data(roydata)

# Run the semi-IV regression
semiiv = semiivreg(y~d|w0|w1, data=roydata)
semiiv = semiivreg(y~d|w0|w1|Xbinary + Xcontinuous, data=roydata) # with covariates
semiiv = semiivreg(y~d|w0+Xbinary|w1+Xbinary|Xcontinuous, data=roydata)
# Xbinary has different effect on Y0 and Y1, Xcontinuous has the same.
semiiv = semiivreg(y~d|w0|w1, data=roydata, propensity_formula = d~w0+w1+w0:w1)
# if want to specify another first stage

semiiv$plot$mtr # if want to plot mtr_plot
```

simul_data

Simulate data from the Generalized Roy Model with semi-IVs

Description

This function simulates data from the Generalized Roy Model with semi-IVs, following the simulation specified in Bruneel-Zupanc (2024).

For more details about the exact specification, see the vignettes [here](#) or by running `vignette("simul_data", package = "semiIVreg")`.

Usage

```
simul_data(N, model_type="heterogenous",
           param_y0, param_y1, param_p, param_Z, param_genX, param_error)
```

Arguments

| | |
|-------------|---|
| N | Number of observations |
| model_type | Type of model: "heterogenous" or "homogenous" |
| param_y0 | Parameters for Y0 = (delta0, beta0, beta0X1, beta0X2) i.e., intercept, effects on w0, X_1, X_2 on Y0. |
| param_y1 | Parameters for Y1: (delta1, beta1, beta1X1, beta1X2). i.e., intercept, effects w1, X1, X2 on Y1. |
| param_p | Parameters for the selection: (alpha, alpha0, alpha1, alpha2, alphaX1, alphaX2) i.e., intercept and effects of w0, w1, w0w1, Xbinary, Xcontinuous on the latent utility. |
| param_Z | Parameters for the simulation of the semi-IVs: mean of W0 when X1=0, of W1 when X1=0, of W0 when X1=1, of W1 when X1=1; then variance of W0, W1, and covariance of W0 and W1. |
| param_genX | Parameters for the covariates: p_X1, mu_X2, sigma_X2. |
| param_error | Parameters for the error terms: depends on model_type: if heterogenous: variance of U0, U1, covariance of U0 and U1, variance of the cost (which has mean 0). if homogenous: variance of U, variance of V, covariance of U and V. |

Details

This function simulates data from the Generalized Roy Model with semi-IVs, following the simulation specified in Bruneel-Zupanc (2024).

For more details about the exact specification, see the vignette [here](#) or by running `vignette("simul_data", package = "semiIVreg")`. One can use it to simulate general model with heterogenous treatment effects, but also restricted ones with homogenous treatment effects.

`simul_data` was used to simulate the dataset available with this package, `data(roydata)` to obtain the simulated model with heterogenous treatment effect, and `data(roydata2)` to obtain the simulated model with homogenous treatment effect.

Value

A data frame with the following columns:

y The observed outcome.

d The treatment.

w0, w1 The semi-IVs entering only $D=0$ and $D=1$.

Xbinary, Xcontinuous Two covariates, one binary and one continuous.

y0, y1 The unobserved potential outcomes.

P The unobserved true treatment probability.

latent, V, Ud, U0, U1 The unobserved shocks V . Ud is the normalized V ranks. $U0$ and $U1$ are the outcome shocks. `latent` gives the latent utility term in the selection equation.

References

Bruneel-Zupanc, C. (2023). Don't (fully) exclude me, it's not necessary! Identification with semi-IVs. arXiv preprint arXiv:2303.12667.

Andresen, M. E. (2018). Exploring marginal treatment effects: Flexible estimation using Stata. The Stata Journal, 18(1), 118-158.

Heckman, J. J., Urzua, S., & Vytlacil, E. (2006). Understanding instrumental variables in models with essential heterogeneity. The Review of Economics and Statistics, 88(3), 389-432.

Heckman, J. J., & Vytlacil, E. J. (2007). Econometric evaluation of social programs, part II: Using the marginal treatment effect to organize alternative econometric estimators to evaluate social programs, and to forecast their effects in new environments. Handbook of econometrics, 6, 4875-5143.

Examples

```
N = 10000; set.seed(12345)

# Example 1: Heterogenous Treatment Effects.
model_type = "heterogenous"
param_error = c(1, 1, 0.6, 0.5) # var_u0, var_u1, cov_u0u1, var_cost
param_Z = c(0, 0, 0, 0, 1.5, 1.5, 0.9)
# meanW0 Xbinary0, meanW1 Xbinary0, meanW0 Xbinary1, meanW1 Xbinary1, varW0, varW1, covW0W1
param_p = c(0, -0.7, 0.7, 0, 0, 0) # constant, W0, W1, W0xW1, Xbinary, Xcontinuous
param_y0 = c(3.2, 0.8, 0, 0) # intercept, W0, Xbinary, Xcontinuous;
param_y1 = c(3.2+0.4, 0.5, 0, 0) # the +0.4 = ATE; W1, Xbinary, Xcontinuous;
param_genX = c(0.4, 0, 2)

data = simul_data(N, model_type, param_y0, param_y1, param_p, param_Z, param_genX, param_error)
```

```
# Example 2: Homogenous Treatment Effects (constant MTE)
model_type = "homogenous"
param_error = c(1, 1.5, -0.6) # var_u, var_v, cov_uv
param_Z = c(0, 0, 0, 0, 1.5, 1.5, 0.9)
param_p = c(0, -0.5, 0.5, 0, 0, 0) # the constant <=> mean_V
param_y0 = c(3.2, 0.8, 0, 0)
param_y1 = c(3.2+0.4, 0.5, 0, 0)
param_genX = c(0.4, 0, 2)

data1 = simul_data(N, model_type, param_y0, param_y1, param_p, param_Z, param_genX, param_error)

# Set the effects of w1 or w0 on its outcome to zero if want a valid IV, e.g.,
# param_y1 = c(3.2+0.4, 0, 0, 0) # w1 is a valid IV
# or: param_y0 = c(3.2, 0, 0, 0) # w0 is a valid IV
```

| | |
|---------------|--------------------------------------|
| supp_plot_fun | <i>Propensity score support plot</i> |
|---------------|--------------------------------------|

Description

Returns the support plot by treatment status of the propensity score Phat included in a dataset.

Usage

```
supp_plot_fun(data, common_supp)
```

Arguments

| | |
|----------------------|--|
| data | Dataframe containing the treatment status, under a factor variable Treatment and the propensity score under the name Phat. |
| common_supp | Vector of two values indicating the common support of the plot. Default is the full support 0,1 . |
| colMTE, colD0, colD1 | Color of the MTE, MTR0 and MTR1 curves. |

Examples

```
# Plot the true common support (with true - unobserved - propensity score)
# Using simulated data.
data(roydata); data=roydata;

# Syntax adjustment to use the function
data$Treatment = factor(data$d)
data$Phat = data$P # P is unobserved, we only know it because simulation here

#common_supp can be determined by looking at the plot - it's not necessary, just a graphical option
supp_P0 = c(min(data$Phat[which(data$d == 0)]), max(data$Phat[which(data$d== 0)]))
supp_P1 = c(min(data$Phat[which(data$d == 1)]), max(data$Phat[which(data$d == 1)]))
common_supp = c(max(supp_P0[1], supp_P1[1]), min(supp_P0[2], supp_P1[2]))

supp_plot = supp_plot_fun(data, common_supp); supp_plot
```

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