Yale

New Challenges to International Cooperation: Automation and Climate Change

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MacMillan Center

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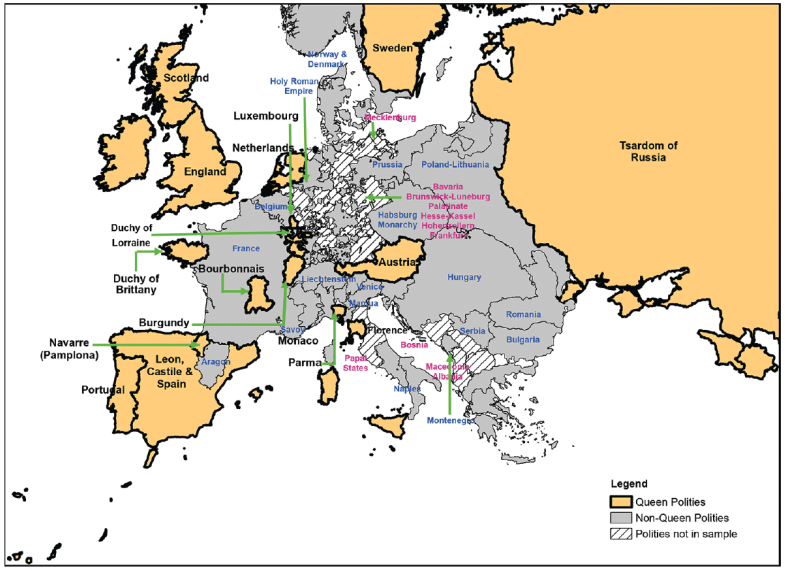
Leaders and bureaucrats



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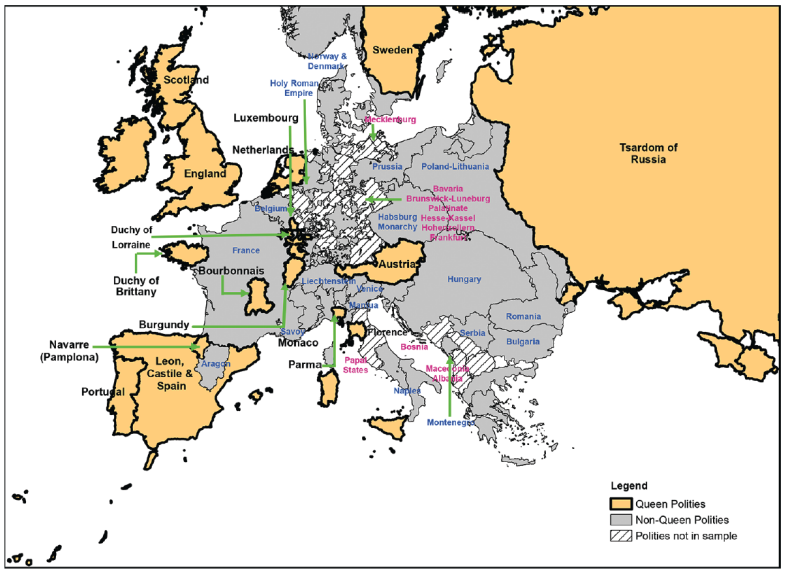
Leaders and bureaucrats



- Leaders, diplomats and other bureaucrats are key political actors.
- Define, guide and execute domestic and int' policy.
  - Quality matters; incentives matter; independence matters.
  - Leaders type: hawks/doves. Showing resolve.
  - Bureaucrat types: career and appointees.

Leaders and bureaucrats

	First Stage	
	Queen	Queen
FBM_{r-1}	−.239***	−.168**
	[.01]	[.033]
$Sister_{r-1}$	. . .	.288***
		[.009]
Observations	3,586	3,586
R^2	.302	.515
Mean of DV	.160	.160
Standard controls	Y	Y
Flexible sibling controls		Y

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Leaders and bureaucrats

Variables	In War (1)	In War (2)	In War (3)	In War (4)
Queen	.107**	.130**	.400**	.388**
	[.016]	[.011]	[.039]	[.022]
Observations	3,586	3,586	3,586	3,586
R^2	.439	.460	.399	.437
Mean of DV	.296	.296	.296	.296
Specification	OLS	OLS	IV	IV
Instruments			FBM_{r-1}	FBM_{r-1}, $Sister_{r-1}$
Standard controls	Y	Y	Y	Y
Flexible sibling controls		Y		Y
Kleibergen-Paap *F*-statistic			9.25	10.32
Montiel-Pflueger effective *F*-statistic			. . .	10.37
Montiel-Pflueger 5% critical value			. . .	5.35

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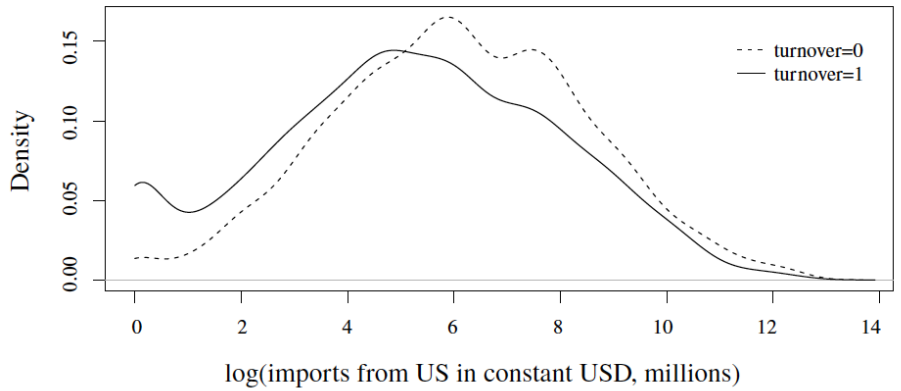
Leaders and bureaucrats

		MID ONSET$_{i,t}$	
		0	1
TURNOVER$_{i,t}$	0	4088 (99.03%)	40 (0.97%)
	1	3973 (96.69%)	136 (3.31%)



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	First stage	*Reduced form*	
	$\text{TURNOVER}_{i,t}$	$\text{MID ONSET}_{i,t}$	
Dependent variable	*(13)*	*(14)*	*(15)*
$\text{CAREER ENTER}_{i,t-3}$	0.309		0.007
	(0.020)		(0.003)
	$p = 0.000$		$p = 0.035$
$\text{POLITICAL ENTER}_{i,t-3}$	0.090		0.002
	(0.025)		(0.005)
	$p = 0.000$		$p = 0.622$

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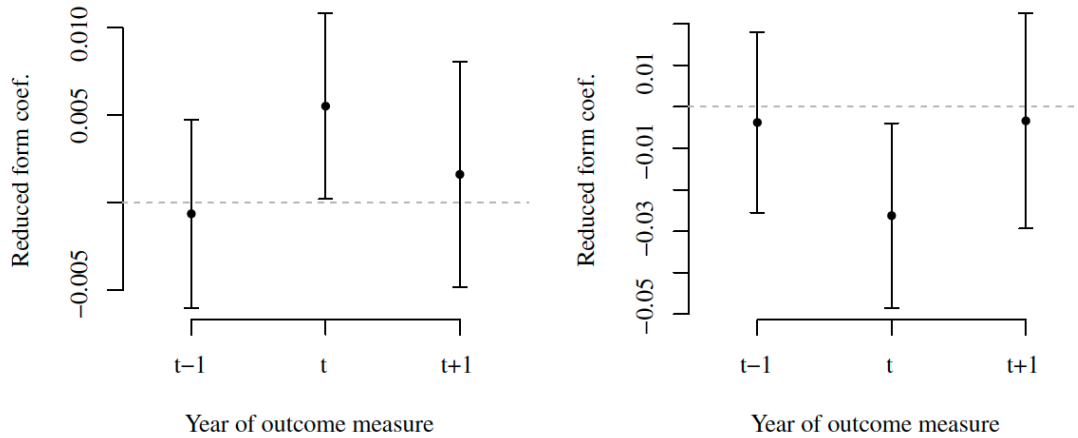

(a) MID onset (b) US exports

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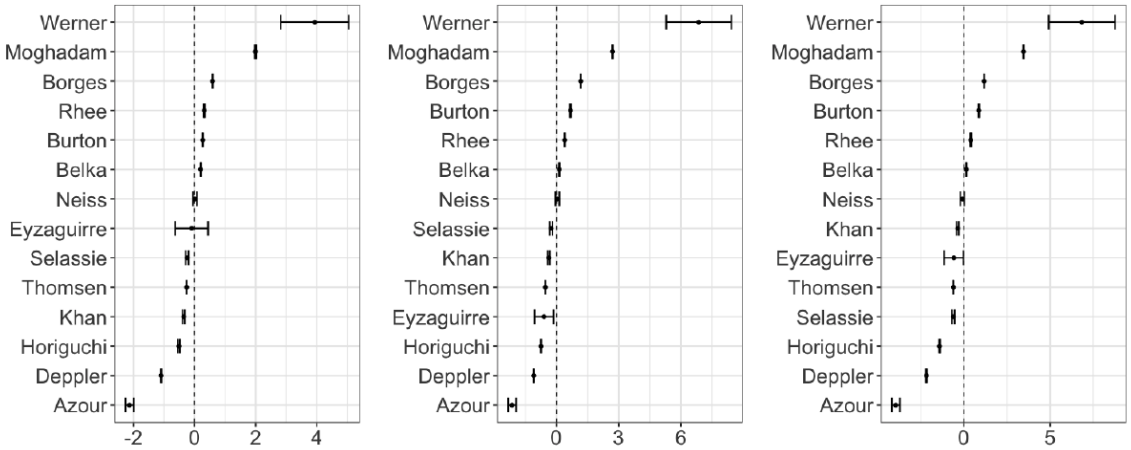

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- Influence outcomes. (Other examples?)

Theoretical limitations in IV designs

$$C = \alpha + \beta Y + u,$$

$$Y \equiv C + I.$$

- Cowles Foundation: the regression model is derived from theory.

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  - Different instruments $\Rightarrow$ different implications. (LATE theorem.)
  - Who are the compliers? Are they theoretically relevant?

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- Recall commensurability!

Sensitivity analysis

$$Y = X\beta + Z\gamma + \varepsilon,$$
$$X = Z\Pi + V,$$

- How big unobserved confounding needs to be to kill results.

Sensitivity analysis

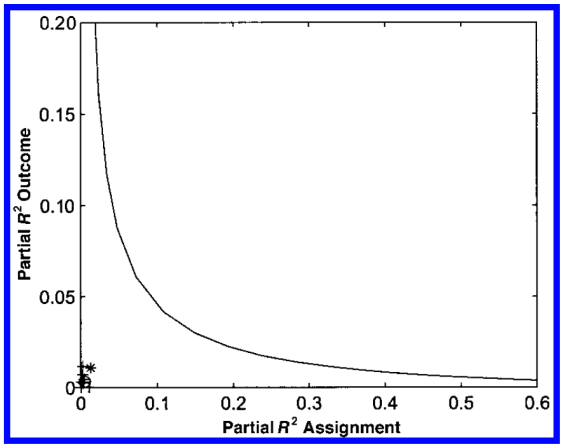

FIGURE 1. LALONDE EXPERIMENTAL SAMPLE

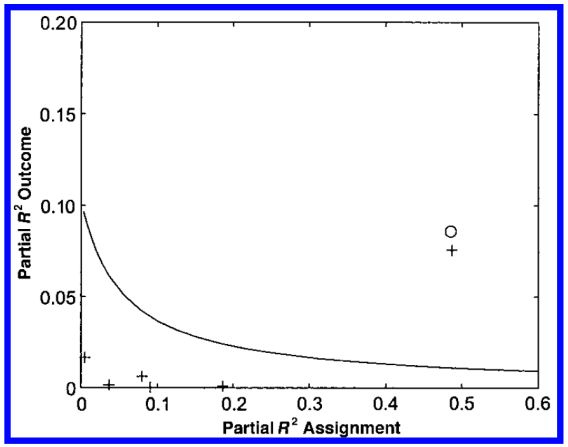

FIGURE 3. LALONDE NONEXPERIMENTAL GAIN SAMPLE

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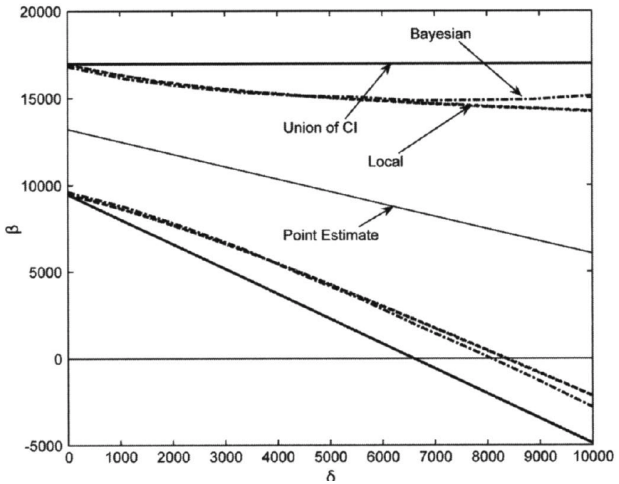

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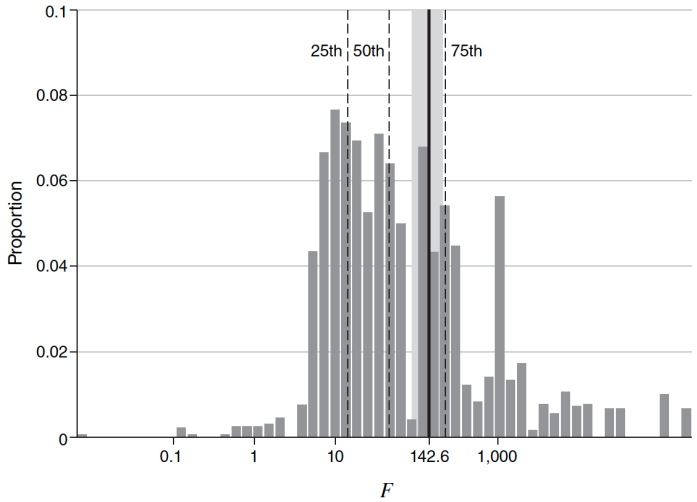

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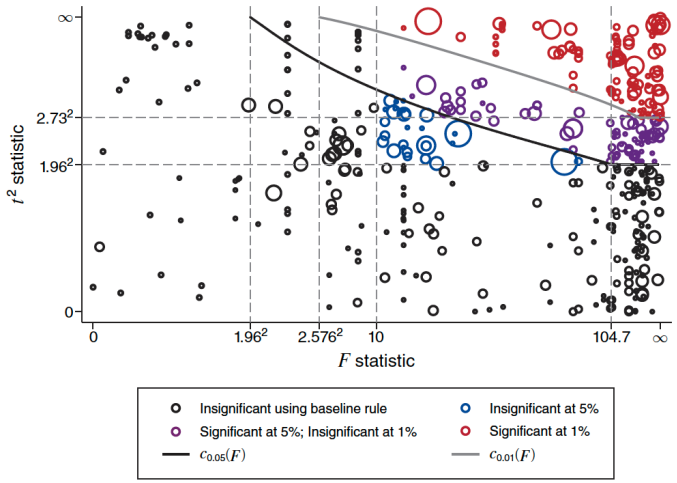

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Next class...

Presentations!